Experience. Our greatest asset.

Annual Report 2018

Groupe Bruxelles Lambert

Groupe Bruxelles Lambert ("GBL") is an established investment holding company, with over sixty years of stock exchange listing, a net asset value of EUR 16 billion and a market capitalisation of EUR 12 billion at the end of 2018.

GBL is a leading investor in Europe, focused on long-term value creation and relying on a stable and supportive family shareholder base.

GBL strives to maintain a diversified high-quality portfolio composed of global companies, leaders in their sector, in which it can contribute to value creation by being an active professional investor.

GBL seeks to provide attractive returns to its shareholders through a combination of a sustainable dividend and growth in its net asset value.

Key shareholder information

Financial calendar

- April 23, 2019: Ordinary General Meeting 2019
- May 8, 2019: Results as of March 31, 2019
- July 31, 2019: Half-year 2019 results
- October 31, 2019: Results as of September 30, 2019
- March 2020: Annual Results 2019
- April 28, 2020: Ordinary General Meeting 2020

Note: some of the above-mentioned dates depend on the dates of the Board of Directors and are thus subject to change.

Ordinary General Meeting

Shareholders are invited to attend the Ordinary General Shareholders' Meeting to be held on Tuesday April 23, 2019 at 3 pm at the registered office, avenue Marnix 24, 1000 Brussels.

Proposed dividend

The proposed dividend distribution for the 2018 financial year of a gross amount of EUR 3.07 per GBL share, will be submitted for approval to the Ordinary General Meeting on April 23, 2019. This dividend is equal to EUR 2.149 net per share (after a 30% withholding tax).

Gross dividend per share: **EUR 3.07 (+ 2.3%)**
Total amount: **EUR 495.4 millions**
Coupon n° 21

April 30, 2019: Ex-dividend date of coupon n° 21

May 2, 2019: Record date of the positions eligible for coupon n° 21

May 3, 2019: Payment date of coupon n° 21

The dividend will be payable as from May 3, 2019, either by bank transfer to registered shareholders or by transfer to the bank account of the owner of the dematerialized shares. The financial service is provided by ING Belgium bank (System Paying Agent).

Investor relations

Additional information can be found on our website (**www.gbl.be**), among which:

- Historical information on GBL
- Annual and half-yearly reports as well as press releases in relation to quarterly results
- Net asset value on a weekly basis
- Our press releases
- Our investments

Online registration in order to receive investor information (notifications of publication, press releases, etc) is available on our website.

Investor relations: **Sophie Gallaire**
sgallaire@gbl.be
Tel.: +32 2 289 17 70

Our commitment to investors

GBL's strategic objective is to continue to deliver a total shareholder return outperforming the reference index over the long term through share price performance and continuous dividend growth throughout the cycle.

The group strives to develop a quality portfolio focused on a targeted number of companies that are leaders in their market and in which it can play an active role as a professional shareholder over the long term. GBL invests and divests depending on companies' development and market opportunities in order to achieve its objective of value creation, while maintaining a solid financial structure.

GBL's dividend policy seeks to maintain an appropriate balance between providing an attractive yield and achieving growth of its stock price over the long term.

Solid core values

Patrimonial

GBL is a long-term, through-the-cycle investor deploying permanent capital in its portfolio companies while keeping a conservative approach towards net financial leverage, in order to maintain a solid financial structure.

GBL has a solid and stable family shareholder base and is supported by the partnership between the Frère and Desmarais families.

Active & Engaged

GBL believes in the importance of its influence and role as a creative, challenging and supportive board member. GBL aims at unlocking long-term and sustainable value through its involvement in the key decision-making governance bodies of its portfolio companies notably regarding their overall strategy, the nomination and remuneration of their Executive Management and their capital allocation.

Focused

GBL's team sources a sizeable deal flow but selects and oversees a limited number of core investments that are primarily listed and within a well-defined geographical and sectoral scope.

A team of about 20 professionals specialised in investment, including in-house financial, legal and tax experts, support the portfolio's development based on strict asset rotation criteria.

Flexible mandate

GBL's mandate is broad and flexible, allowing investment decisions ranging from EUR 250 million up to EUR 2 billion. GBL's model is built on substantial ownership, in public or private companies, with majority stakes or minority positions with influence.

GBL has an increasing exposure to alternative investments through Sienna Capital as well as demonstrated co-investment capabilities.

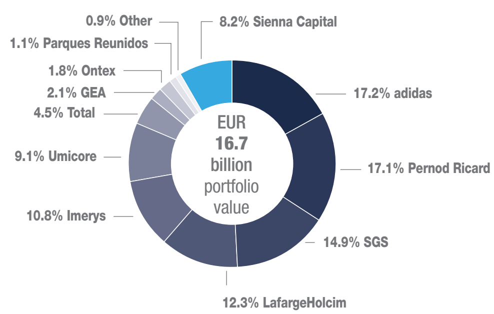
Our investment case

- Access to a diversified portfolio of high-quality assets and valuable alternative unlisted investments
- At a discount to net asset value
- Solid TSR performance over the long term
- Dividend yield exceeding the portfolio's weighted average

Supported by GBL's operational excellence in terms of:

- Financial structure
- Governance
- Cost efficiency
- Yield enhancement

As of December 31, 2018



Five-year annualized TSR	Dividend yield	Discount to net asset value
6.3%	4.0%	24.2%
vs. 2.7% for our reference index		

For more information please refer to the Strategy section

Key highlights for 2018

Net asset value of	Cash earnings of	Liquidity profile of
EUR 16.2 billion	**EUR 456 million**	**EUR 2.5 billion**

at year-end 2018

Listed investments

umicore

+ EUR 214 million to reach a **17.7%** stake

BURBERRY London, England

Disposal on May 9, 2018 of **6.6%** of the capital of Burberry

Disposal proceeds and capital gain of approximately **GBP 498 million** and **GBP 83 million** respectively

IMERYS

Completion by Imerys on October 11, 2018 of the sale of its roofing division for an enterprise value of **EUR 1 billion** to an affiliate of Lone Star Funds

GEA

+ EUR 228 million to reach a **8.5%** stake

Share buyback

GBL

Authorisation to purchase up to **EUR 250 million** of treasury shares

Sienna Capital

Upfield

First co-investment transaction
Investment through Sienna Capital, alongside funds affiliated with the investment firm KKR, of **EUR 250 million** in Upfield, Unilever's spreads business

SAGARD

- Disposal of **Alvest Group**, **Kiloutou** and **Délices des 7 Vallées**, generating a net capital gain of **EUR 99 million**, GBL's share
- **Acquisition** of a majority stake in **Climater**

ERGON CAPITAL

- **Acquisition** of **svt** (with consecutive build-up on **Rolf Kuhn**), **Beltaste-Vanreusel** and **Indo**

Financing

GBL

Institutional bond placement
- Placement in June 2018 of a **EUR 500 million** institutional bond, with a coupon of 1.875% and a 7-year maturity
- Issuance oversubscribed more than 2.5 times by a diversified institutional investor base
- Success of this placement illustrating the market's confidence in GBL's creditworthiness

Convertible bond
- Maturity on October 9, 2018 of the convertible bonds issued for an amount of **EUR 450 million** on September 27, 2013
- Ahead of maturity, early conversion requests received for 81% of the convertible bonds
- Gain on the disposals of treasury shares in relation to the conversion of bonds whose settlement was carried out through share deliveries amounting to **EUR 195 million**

For more information please refer to the sections Portfolio review and Economic presentation of the consolidated result and the financial position

Albert Frère left us on December 3, two months before he would have celebrated his 93rd birthday.

He passed away in Gerpinnes, in the countryside where he was born and to which he remained profoundly attached.

Like Molière, he remained active, well informed about all things up until his last breath.

Albert Frère
1926 - 2018

In 1982, at the head of a consortium of industrialists and financiers, he became the CEO of Groupe Bruxelles Lambert. The Board entrusted him with the Chairmanship several years later and he then propelled the group to reshape itself and ultimately play a leading role in European capitalism.

From the strength of his experiences as a merchant, industrialist and visionary strategist, he built GBL into the reference or controlling shareholder of many companies.

Supporting them with the group's equity and his wise judgment, he enabled their development into large global champions based in Europe.

The resulting value created for all shareholders of the group and the companies involved was not his only motivation. The motivation was just as much the journey to arrive, the achievement of "grand visions", and the active participation in the emergence of an industrialized Europe that equally motivated him. Value creation was a byproduct of success, the mean to initiate new projects.

To achieve these ends, he worked with competent, close-knit, dedicated and enthusiastic teams and established partnership as a model of management, strengthening and multiplying resources, while complying with the governance rules that accompanied it.

Alongside Paul Desmarais Sr, the partnership became family as friendship and respect that bound the two men united them in a common goal.

GBL continues to benefit from this alliance, which became structural.

His strategies appeared simple – and they were – which made their execution effective and efficient.

This simplicity, the fruit of tireless work, an impressive knowledge of people, the ability to understand and take into consideration all things, made him a charismatic entrepreneur that all decision-makers, owners of big companies and many others wanted to know, thus nourishing a constantly growing, denser and richer network to the benefit of all because he loved giving everyone access to others.

Baron Frère held honors from several countries distinguishing his merits and, beyond Belgium, it is Europe that recognized him as a great leader, making not only his family, but also the group and all his colleagues proud of him.

He did not seek recognition, but knew how to receive it without any pride or vanity.

He remained modest, discreet, sometimes soft-spoken, even though this may be at the risk of appearing frightened by the spotlight that he nevertheless appreciated, while always keeping a level head.

Albert Frère was a demanding boss, present at all times, tough when necessary, always human.

Delegation, trust, accountability, expectation of entrepreneurship from his team were accompanied by an unwavering support during tough times subject to a full involvement and the commitment to his favorite maxim: work, work, work.

His lieutenants revered him, saw him as an example; the one we dream of being able – to the extent possible – to look like; from the leader to the man, from the actor to the teacher, from the entrepreneur to the strategist, from the bon vivant to the sportsman.

That's the tribute to the man. It is sincere and shared by all those in whose name it is given. It is also the expression of admiration, respect and gratitude from the group, its shareholders, its partners as well as those who have had the privilege and joy to live and work with him.

Gilles

Gilles Samyn

Message from the Chairman of the Board of Directors

2018 was a difficult year on the financial markets. All equity indices were negatively impacted, notably by the escalation of trade tensions between the USA and China, the deceleration of worldwide growth and the process of monetary policies' normalization led by the US and European central banks.

The year has thus been marked by a return of volatility and by several episodes of correction on the stock markets. Despite this complex environment, GBL pursued its strategic objective aiming at delivering over the long term a performance exceeding its reference index.

Over the 2012-18 period consecutive to the launch of the portfolio rebalancing strategy, the total shareholder return was 9.9%, vs. 6.2% for its reference index.

Evolution of cash earnings is solid. Their increase by 6.9%, to EUR 456 million, results notably from the growth of the net dividend contribution from participations in portfolio.

Confident in GBL's strategy and performance, the Board of Directors will propose to the General Shareholders' Meeting an increase by 2.3% of the gross dividend, to EUR 3.07 per share, i.e. a 4.0% dividend yield.

An economic environment and financial markets in transition

2018 appears as a transition year (i) from a synchronized and robust economic growth in 2017 to an heterogeneous and decelerating expansion in 2018 and (ii) from persistently large injections of liquidity by central banks to a tightening of financial conditions through monetary policies' normalization strategies. This evolution occurs in a broader geopolitical environment that has become more uncertain, notably with regards to the US-China relationships.

In the Eurozone, the domestic factors having supported the 2017 cyclical upswing (notably the strong labour market performance and accommodative monetary policy) were not sufficient to support growth acceleration in 2018. In the UK, the political difficulties encountered throughout the negotiations with the European Union and the persistently high uncertainties related to the Brexit outcome have weighed on investment decisions and confidence.

Financial markets' performance in 2018 was characterized by a return to volatility and risk aversion, fueled by geopolitical tensions and end-of-cycle uncertainties on the growth-profile. Stock markets have experienced several episodes of significant fluctuations with a downward trend, notably in February and then in the fourth quarter of 2018. GBL's reference index, the Stoxx Europe 50, thus fell by 5% and 10% respectively over those two periods.

Performance impacted by the downward trend in the financial markets

GBL's stock price has reached its highest level at EUR 96.32 per share on January 24, 2018, before undergoing the various correction phases of the stock market before landing at EUR 76.08 at year-end 2018, down 15.5%. The evolution of the stock price stems from (i) the decrease in GBL's net asset value by 14.3%, from EUR 18.9 billion (EUR 117.06 per share) at year-end 2017 to EUR 16.2 billion (EUR 100.35 per share) at year-end 2018, and (ii) the discount's widening by 1.1%, from 23.1% at year-end 2017 to 24.2% at year-end 2018.

However, it is important to remind that GBL's business model is through the cycle. It combines, on the one hand, a long-term investment horizon and, on the other hand, an influence within the Boards of Directors of its portfolio companies with the aim to unlock sustainable value creation.

Evolution of GBL's governance

In December 2018, GBL announced changes to its governance which will enter into force immediately after the Shareholders' Meeting of April 23, 2019. Paul Desmarais, Jr. will become Chairman of the Board of Directors. He is a wise leader and knows well the group, being a Director of GBL since 1990. The family shareholders share common values and the strength of their partnership is a unique asset for GBL's further development.

I will personally become Vice-Chairman of the Board of Directors and Chairman of the Standing Committee.

Ian Gallienne will assume sole operational management of the company as CEO. Gérard Lamarche has decided not to request the renewal of his mandate as co-CEO. In his involvement as Senior Advisor, Director and member of the Standing Committee, he will continue to bring his experience to GBL.

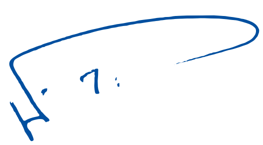
With Ian Gallienne supported by a high-quality team, GBL is well positioned to take a new step in its development.

Alongside Albert Frère who passed away in last December, Christine Morin-Postel also left us, some months earlier, in July. The Board of Directors did express its gratitude for her collaboration and her professionalism in the performance of her duties at GBL. Agnès Touraine was coopted in October 2018 as independent Director. We will benefit from her expertise, thus strengthening our governance.

A growing dividend

Confident in GBL's strategy and teams, the Board of Directors will propose to the General Shareholders' Meeting a gross dividend of EUR 3.07 per share, up 2.3% and representing an attractive dividend yield of 4.0% for our shareholders.

Finally, we would like to thank our shareholders for the trust they have placed into GBL for many years.



Gérald Frère
Chairman of the Board of Directors

Interview with Ian Gallienne and Gérard Lamarche, co-CEOs of GBL

The end of 2018 was marked by the passing of Albert Frère, Honorary Chairman of GBL and co-controlling shareholder of the company.

Ian Gallienne. It was with deep sadness that we announced on December 3, 2018 the passing of Albert Frère, our Honorary Chairman and the co-controlling shareholder of GBL since 1990 alongside the Desmarais family. We pay tribute to Baron Frère, a passionate businessman, a fine tactician, renowned for his professionalism, humanity and discretion. His invaluable contribution to GBL's development, jointly with the Desmarais family, has enabled our group to become one of the most important investment holding companies in Europe.

Gérard Lamarche. His professional and human qualities, as well as his extraordinary business sense have had a profound impact on the company and his colleagues.

What were GBL's key achievements during 2018?

Gérard Lamarche. 2018 was a difficult year in the financial markets, all equity indices having recorded negative performances.

Investors' renewed risk aversion has been fuelled notably by the monetary tightening policy carried out by the federal Reserve through four successive rate hikes, the escalation of US-China trade tensions weighting on global growth and the rising uncertainties within the European Union.

Our net asset value has thus decreased by 14.3% to reach EUR 100.35 per share at year-end 2018, after having reached its highest level in the last decade at EUR 122.37, on April 20, 2018.

This decline in the net asset value was exacerbated by the underperformance of our portfolio's cyclical values notably exposed to the construction and automotive sectors: Imerys' and LafargeHolcim's stock prices have decreased by 46.5% and 23.8% respectively throughout 2018. These two assets saw their share of GBL's portfolio value fall from 32.2% at year-end 2017 to 23.1% at year-end 2018.

In this bear and volatile market environment, we continued our asset rotation strategy and took advantage of the favourable stock market evolution in the second quarter of 2018 to divest in May our entire stake in Burberry. This transaction supporting our portfolio's sector rebalancing, for an amount of approximately GBP 498 million, allowed to generate a capital gain of approximately GBP 83 million.

Capitalizing on both our experience as long-term investor and the in-depth knowledge of our portfolio, we remained active in this turbulent environment, thus further laying base for our future growth. We have deployed EUR 1.2 billion of capital, through Sienna Capital (EUR 453 million) and in reinforcement into our portfolio (EUR 716 million).

In February 2018, GBL contributed EUR 144 million to Umicore's EUR 892 million capital increase carried out to support the group's organic growth, in particular in the strategic development of its rechargeable battery materials' activity. During the last quarter of 2018, the general correction trend in the stock markets allowed us to continue our reinforcement and increase to 17.7% our interest into Umicore, in which we remain the largest shareholder.

During 2018, we gradually increased our stake into GEA to 8.5% of the capital at year-end 2018 (4.3% at year-end 2017) and are the third largest shareholder with a participation valued at EUR 346 million (2% of GBL's portfolio value). Our representation on the company's Supervisory Board since November 2018 will enable us to contribute to activate all value creation levers for this world leader in processing technologies notably dedicated to the food and beverage sector.

Ian Gallienne. The turbulence observed in financial markets in 2018 and resulting from the increased investor nervousness did not cause us to be overly cautious in implementing our strategy. Throughout the year, we have maintained our focus:

- on developing our influence with our portfolio companies as an active and engaged director, and on contributing to improving their governance when we considered it to be necessary;
- on seizing appropriate market windows in order to implement our asset rotation and notably to strengthen our position in certain portfolio assets whose valuation, impacted by the general market trend, became undervalued compared to their fundamentals;
- on thereby continuing to pursue our strategic objective of value creation over the long term.

Our presence within the decision-making governance bodies enables to contribute to the strategic transformation of our portfolio companies throughout the cycle and in a sustainable manner.

In 2018, we have notably supported the governance changes and the new strategic plan of Imerys, Pernod Ricard and LafargeHolcim, groups that GBL accompanies for more than ten years as one of their largest shareholders.

Our strategic positioning as patrimonial investor preserves us from short-term pressures in terms of shareholder return policy. We have thus encouraged the capital allocation to:

- significant investment programs in support to organic growth or bolt-on acquisitions for groups such as Umicore, SGS and Parques Reunidos;
- deleveraging policies such as the ones led by the Imerys, LafargeHolcim and Pernod Ricard groups.

We have also accelerated the development of our alternative investments by deploying EUR 453 million of capital through our subsidiary Sienna Capital. In July 2018, Sienna Capital has notably closed its first co-investment transaction, for an amount of EUR 250 million, in Upfield, the carve-out of Unilever's spread division, alongside funds affiliated with the investment firm KKR. At year-end 2018, Sienna Capital made up a net asset value of EUR 1.4 billion, i.e. 8% of GBL's global net asset value. Sienna Capital's contribution of EUR 48 million was up 15% compared with 2017 and represented 11% of GBL's 2018 cash earnings. In order to support Sienna Capital's future development, we have strengthened the team during 2018 through quality recruitments.

Finally, being aware about our responsibilities, as employer and active patrimonial investor, from an environmental, social and governance standpoint, we have further structured in 2018 our approach by joining two United Nations initiatives: the Global Compact principles of corporate social responsibilities (UNGC) and the Principles for Responsible Investment (UNPRI).

In this complex and volatile environment, do you consider GBL and its portfolio as well positioned?

Ian Gallienne. Since the launch of the portfolio rebalancing strategy in 2012, we have completed EUR 16 billion of divestments and acquisitions. This led to a more diversified portfolio, from both a sector and geographic standpoint, and better exposed to resilient or counter-cyclical assets, which represented 52% of our portfolio at year-end 2018 (vs. 15% at year-end 2011).

Otherwise, 67% of our portfolio [1] is composed of assets with Investment Grade credit quality (adidas, Umicore and Parques Reunidos representing 30% of the portfolio [1] and being unrated). This gives us significant protection in the event of a cyclical downturn and/or a significant correction on the financial markets.

(1) Excluding Sienna Capital

Gérard Lamarche. With regards to our 2018 performance, the consolidated net result amounts to EUR 659 million and the cash earnings were up 6.9% to EUR 456 million. They benefited notably from the increase in the net dividend contribution from the listed participations.

We confirm our operational excellence through coverage ratios of operating expenses by, on the one hand, our net asset value at 20 bps and, on the other hand, by yield enhancement income at 34% at year-end 2018.

We maintain a sound and flexible financial structure with a Loan to Value ratio of 4.2% and a solid liquidity profile of EUR 2.5 billion.

You announced in December 2018 changes to your governance notably regarding the Executive Management. Does this evolution impact GBL's future strategy?

Ian Gallienne. GBL's transformation, successfully implemented jointly with Gérard since 2012, is in line with the objectives set initially and reflects seven years of mutual trust. I am proud and grateful to be entrusted with the Executive Management of the company as CEO and I consider this new milestone for GBL with enthusiasm.

The evolution of governance related to the Executive Management and the Board of Directors reaffirm the strong partnership between the Desmarais and Frère families and does not impact GBL's strategic orientation.

Gérard Lamarche. Indeed, after seven years within the group, I have actually decided to give a new orientation to my professional career and consequently not to request the renewal of my mandate as co-CEO at the Shareholders' Meeting of April 23, 2019. I will however remain linked to GBL's future by becoming Senior Advisor and remaining Director as well as a member of the Standing Committee.

How do you view 2019 and how do you approach it?

Ian Gallienne. The areas of uncertainty at the end of 2018 remain. This beginning of 2019 raises more questions than at the same time a year ago on both the geopolitical and macroeconomic levels: Brexit and the "no deal" risk, the US-China trade tensions and the deceleration of these two drivers of the global economy, the European elections and the potential populist pressures, the geopolitical risks notably in the Middle-East…

In this uncertain environment, we are nevertheless approaching 2019 with serenity, notably given the quality of our portfolio, the conservative valuation level of a significant part of our assets, the robustness of our balance sheet and the ones of our portfolio companies, and the expertise of the teams in place. Our capacity to deploy permanent capital throughout the economic cycle with a long term investment horizon enables us to absorb potential shocks in the financial markets.

We remain focused on continuously analyzing the fundamentals of our investments and maintaining a balanced portfolio in terms of sector and geographic diversification as well as asset profiles. Otherwise, we remain attentive to market instability which could create opportunities, in terms of new investments and strengthening into our portfolio as well as execution of our share buyback program.

In November 2018, the Board of Directors has authorized GBL to implement, if deemed appropriate and depending on the market conditions, buyback of treasury shares in the limit of EUR 250 million.

Our financial flexibility provides us with capacity to execute this program, seize new quality investment opportunities and, if necessary, support the development of our participations.

Finally, our fundamental objective remains unchanged, to outperform over the long term our reference index. Over the 2012-18 period, corresponding to the deployment of our new strategy, our annualized total shareholder return was 9.9%, vs. 6.2% for our reference index, the Stoxx Europe 50.

The quality of our teams and their professionalism are crucial in our ability to pursue our objectives. We thank all GBL employees for their hard work and commitment.

Ian Gallienne
Co-CEO

Gérard Lamarche
Co-CEO

Strategy

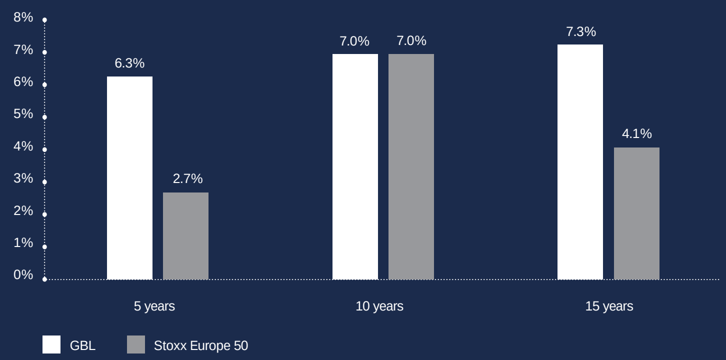
Our strategic objective

Value creation through continuous and sustainable growth of our intrinsic value and dividend distribution

GBL's objective is to continue to deliver a Total Shareholder Return outperforming its reference index over the long term through share price performance and continuous dividend growth throughout the cycle.

This objective encompasses the need for GBL to maintain an appropriate balance between an attractive dividend yield and a long-term growth of its intrinsic value.

Annualized Total Shareholder Return as of December 31, 2018
(with reinvested dividends)

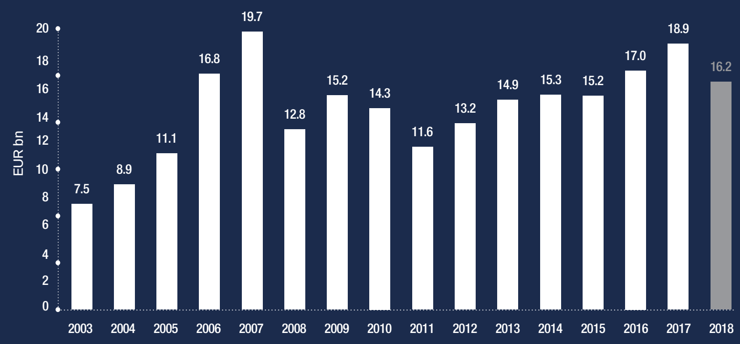


Delivering continuous and sustainable growth of our intrinsic value over the long term

The growth of the intrinsic value is pursued by GBL through an efficient portfolio rotation and a long-term involvement in the Boards of its portfolio companies as an active and responsible investor.

Over the last 15 years, GBL's net asset value has increased by 5.2% per year which strongly supported the 7.3% total shareholder return over this period.

Net asset value



Deploying capital in high-quality assets, leaders in their sector

	Sector ranking	EPS 2-years growth (1)	Dividend yield (2)
adidas	# 2	+ 13.2%	1.8%
Pernod Ricard	# 2	+ 10.4%	1.8%
SGS	# 1	+ 7.0%	3.5%
LafargeHolcim	# 1	+ 8.9%	4.9%
IMERYS	# 1	+ 8.2%	5.1%
umicore	Top 3	+ 18.0%	2.2%
TOTAL	Top 5	+ 11.4%	5.6%
GEA	# 1	+ 57.0%	3.8%
Ontex	Top 3	+ 8.7%	2.3%
Parques Reunidos	Top 3	n.a.	2.3%
Weighted average			**3.2 %**

GBL has initiated the rebalancing of its portfolio in 2012 with a view to strengthen its portfolio's growth profile and consequently optimise its potential for long-term value creation.

This transformation has been pursued through a significant portfolio rotation, with disposals and acquisitions totaling EUR 16 billion. It has led to a substantial shift from high-yielding cyclical assets in the energy and utilities sectors into growth assets in the industry, business services and consumer good sectors which:

- are more exposed to long-term growth trends; and
- have rebalanced GBL's asset profile towards increased resilience to an economic backdrop (with half of the portfolio being resilient or counter-cyclical).

GBL seeks to invest into companies with a leading positioning in their sector and robust business models:

- focused on both organic and external growth as an important lever to long-term value creation;
- developed in a sustainable manner by high-quality management teams driven by a strategic vision; and
- supported by a sound financial structure.

(1) Earnings per share CAGR computed from FY18 results (actuals or forecast) to forecasted FY20 results (Source: "EPS Adj.+" of Bloomberg consensus as of March 15, 2019)
(2) Gross dividend yield as of December 31, 2018 (Source: Bloomberg consensus as of March 15, 2019), calculated on a weighted average basis based on the assets' value as of December 31, 2018

Being an active and responsible professional investor

	Board of Directors	Audit Committee	Nomination and / or Remuneration Committee	Strategic Committee
adidas	1/16	1/4	0/3	n.a.
Pernod Ricard	2/15	1/3	0/3 1/5	1/6
SGS	3/9	1/3	1/3	n.a.
LafargeHolcim	2/10	1/4	1/5	n.a.
IMERYS	3/14	1/4	2/5 2/6	3/8
umicore	2/10	1/3	0/3	n.a.
TOTAL	1/12	1/4	1/5	0/6
GEA	1/12	0/4	0/3	1/6
Ontex	1/7	1/3	1/4	n.a.
Parques Reunidos	2/9	0/3	1/4	n.a.

Note: information as of December 31, 2018

GBL is an investment holding company with a long-term investment horizon. It aims at holding significant stakes in order to play an active role within its portfolio companies.

GBL's objective is to contribute to unlocking value through its involvement in the key decision-making governance bodies of its portfolio companies. Acting like owner in its capacity as an active board member, GBL focuses on:

- the strategic roadmap with a particular focus on organic growth and M&A;
- the selection, nomination and remuneration of the key Executive Management; and
- the shareholder remuneration (dividend policy and share buyback programs) and the capital structure adequacy.

In this context, GBL seeks to bringing added value by sharing its experience, expertise and network across portfolio companies, in order to fully leverage on value creation. GBL thus positions as an active professional shareholder, without ever being involved in the daily management of its participations.

In accordance with its long-term approach and as a responsible investor, GBL requires ESG practices to be ensured at portfolio companies' level, consistently with best international standards (see the ESG section in pages 54 to 67 for more details).

Maintaining continued dividend growth over the long term

Over the last 15 years, GBL has:

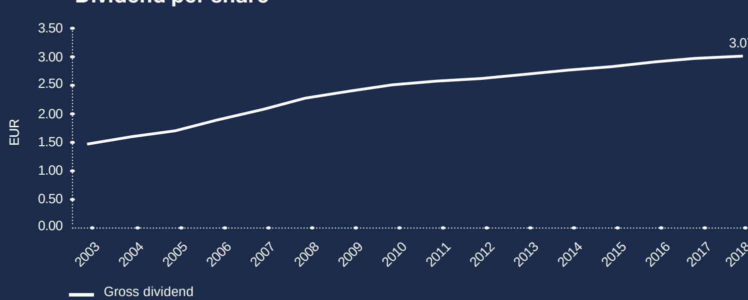
- more than doubled its gross dividend per share, which corresponds to a 4.9% CAGR over this period; and
- returned EUR 5.6 billion to its shareholders.

Based on the proposed dividend for 2018, GBL delivers a dividend yield of 4.0%. Distributable reserves amount to EUR 8.9 billion [1] at year-end 2018.

(1) Before FY2018 dividend distribution subject to the approval of the General Shareholders' Meeting of April 23, 2019

GBL's dividend policy is to deliver stable or gradually increasing dividends over time, as well as an attractive dividend yield to its shareholders.

Dividend per share



Asset rotation strategy and orientations

Further rotating our portfolio, with a flexible mandate

GBL's asset rotation is based on a continuous assessment of the long-term return potential of the existing investments in portfolio, in comparison with new investment alternatives.

Clear investment criteria

GBL conducts significant work and extensive analysis on the way in, focusing as much on the potential upside as on the downside protection.

GBL's investment assessment aims at performing a strict selection of opportunities based on the following grid of qualitative and quantitative investment criteria:

Sector
- Exposure to long-term growth drivers
- Resilience to economic downturn
- Favorable competitive industry dynamics
- Barriers to entry
- Build-up opportunities

Company
- Market leader with clear business model
- Foreseeable organic growth
- Strong cash flow generation capabilities
- Return on capital employed higher than WACC
- Low financial gearing
- Appropriate positioning vis-à-vis digital disruption

Valuation
- Attractive valuation
- Potential for shareholder return

Governance
- Potential to become first shareholder, with influence
- Potential for Board representation
- Seasoned management

ESG
- ESG strategy, reporting and relevant governance bodies being in place for listed investment opportunities

Divestment guidelines

As an investment vehicle deploying permanent capital, GBL is not constrained by an investment horizon. Investments are therefore held for as long as needed to optimise their value.

Continuous assessment of the portfolio assets is conducted in order to monitor risks in a rigourous and constant manner and potentially define a disposal strategy. This assessment focuses on capital preservation and limiting the downside risk by analyzing the following areas:

Potential for further value creation

Valuation risk
- Multiples above historical average
- Prospective TSR below internal targets

Specific company risk
- Business model's disruption risk related to digital or technological evolutions
- Other company risks including competition, geopolitics and ESG

Portfolio concentration risk
Objective not to exceed around 15-20% in terms of:
- portfolio's exposure to a single asset
- cash earnings' contribution from a single asset

Investment universe

GBL carries out investments within the following universe:
- Target companies are headquartered in Europe and may be listed or private;
- Equity investments range primarily between EUR 250 million and EUR 2 billion, potentially in co-investment alongside other leading investment institutions;
- GBL aspires to hold a position of core shareholder in the capital of its portfolio companies and play an active role in the governance, through majority stakes or minority positions with influence;
- GBL intends to reinforce the diversification of its portfolio by pursuing the development of its alternative investments through its subsidiary Sienna Capital.

Seeking exposure to major long-term growth trends

GBL's investment mandate is broad and flexible, making it possible to build a focused portfolio of companies that are able to take advantage of long-term megatrends and be less vulnerable to upcoming disruptions.

- Health & lifestyle
- Technology & digital
- Demographic shifts (e.g. ageing population)
- Sustainability & resource scarcity
- Shift in global economic power towards developing markets
- Accelerating urbanization

Operational excellence

We deliver operational efficiency in support to GBL's value creation

Solid and flexible financial structure

GBL's objective is to maintain a sound financial structure, with:

- a solid liquidity profile; and
- a limited net indebtedness in comparison to its portfolio value.

The financial strength derived from the liquidity profile ensures readily available resources enabling to quickly seize investment opportunities throughout the economic cycle and allowing to pay a stable or growing dividend over the long term.

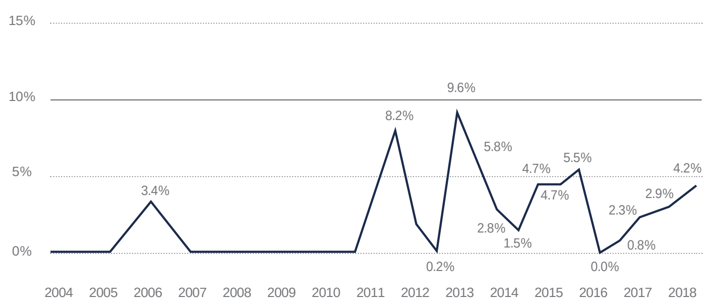
The evolution of the Loan To Value ratio results from the crystallisation of investment opportunities for significant stakes in the capital of companies meeting GBL's investment criteria, in the framework of the portfolio rotation strategy.

This ratio is continuously monitored and has been permanently maintained below 10% over the last 15 years. This conservative vision is consistent with GBL's patrimonial approach and allows to weather potential market downsides through the cycle.

At year-end 2018, GBL had:

- a Loan To Value ratio of 4.2%; and
- a liquidity profile of EUR 2.5 billion, consisting of both cash and cash equivalents for EUR 0.4 billion and undrawn committed credit lines for EUR 2.1 billion maturing in 2022 and 2023.

Loan To Value



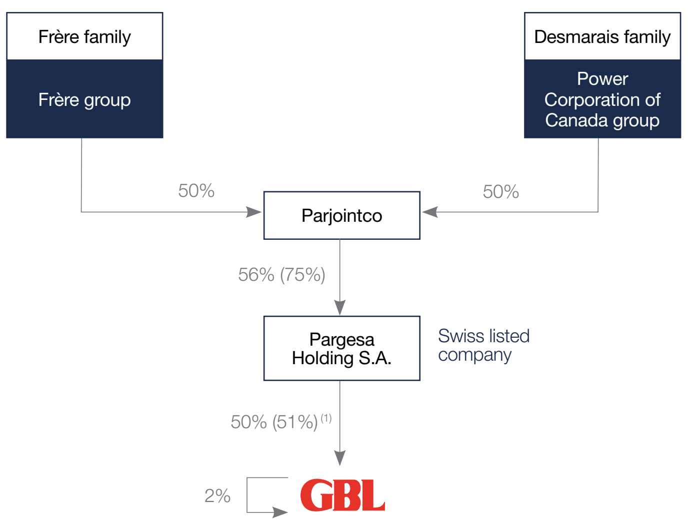
Sound governance

GBL has a stable and solid family shareholder base and is supported by the partnership between the Frère and Desmarais families, which has been in place for several decades. The current shareholders' agreement between the two families is effective until 2029, with the possibility of extension, and establishes parity control in Pargesa Holding S.A. and GBL.

GBL has a solid governance in place, as detailed in the Governance section in pages 160 to 194, and its strong relations with its controlling shareholders enable it to move quickly to seize investment opportunities.

The remuneration policy defined for GBL's co-CEOs and detailed in page 175 aligns their salary package with the shareholders' interests through the absence of variable cash component and a long-term incentive plan being subject to Total Shareholder Return performance.

Simplified shareholding structure as of December 31, 2018



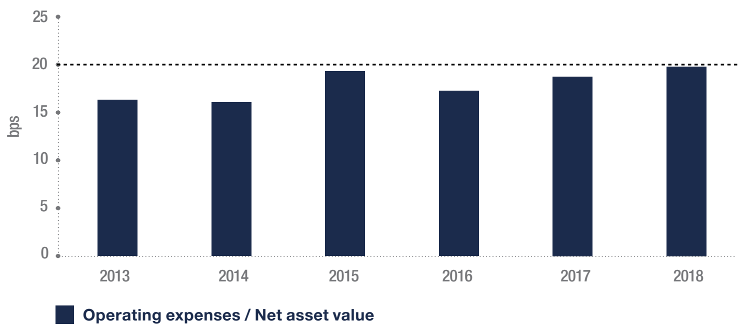
% ownership
(% voting right)
(1) Taking into account the suspended voting rights relating to treasury shares

Cost efficiency

GBL pursues operational excellence, maintaining a strong focus on cost discipline.

This allows it to record low operating expenses [1] in comparison to its net asset value, which have historically remained below 20 bps.

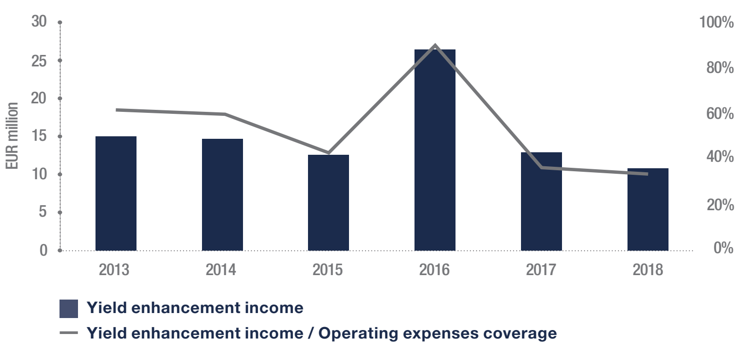
Operating expenses [1] / Net asset value



Yield enhancement

As an additional lever of value creation, GBL has historically developed yield enhancement activities. They consist primarily in the trading of derivatives conducted in a highly conservative manner as they are executed by a dedicated team exclusively in vanilla products, with very short maturities and low delta levels, and based on the in-depth knowledge of the underlying assets in portfolio. Since 2012, the income generated by this activity has fluctuated depending on market conditions and covered 53% of GBL's operating expenses [1] on average.

Yield enhancement income [1] / Operating expenses [1] coverage



(1) As presented in the cash earnings

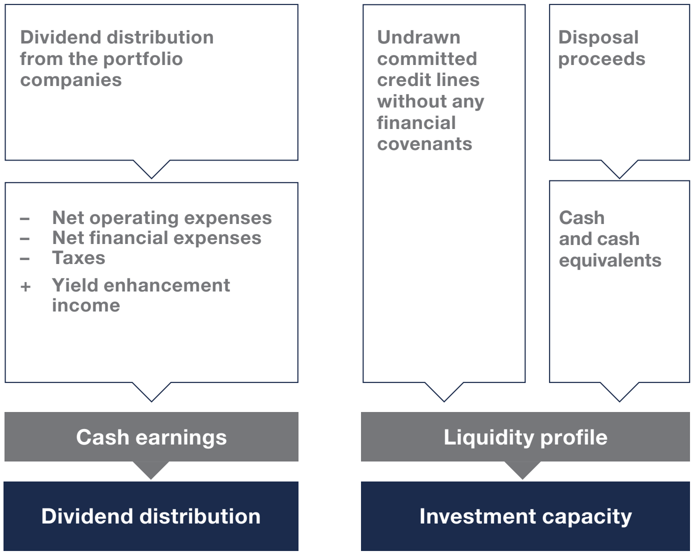
Balanced business model

GBL's dividend distribution is primarily derived from the net dividend contribution of its portfolio companies, after deduction of its cost structure.

GBL's payout ratio is computed based on the cash earnings. The payout computation consequently does not take into account the cash inflows from asset disposals.

As a result of the partial disposal of the high-yielding assets of the energy and utilities sectors, in 2018, GBL's dividend distribution has exceeded its cash earnings. This negative dividend gap remains however limited and is considered temporary as the reinvestment of the proceeds from those asset disposals is in progress. On that basis and taking into account GBL's material liquidity profile and distributable reserves, this does not jeopardize GBL's objective of sustainable dividend growth over the long term.

GBL has a solid liquidity profile ensuring the availability of resources to implement its investment strategy throughout the economic cycle.



Net asset value

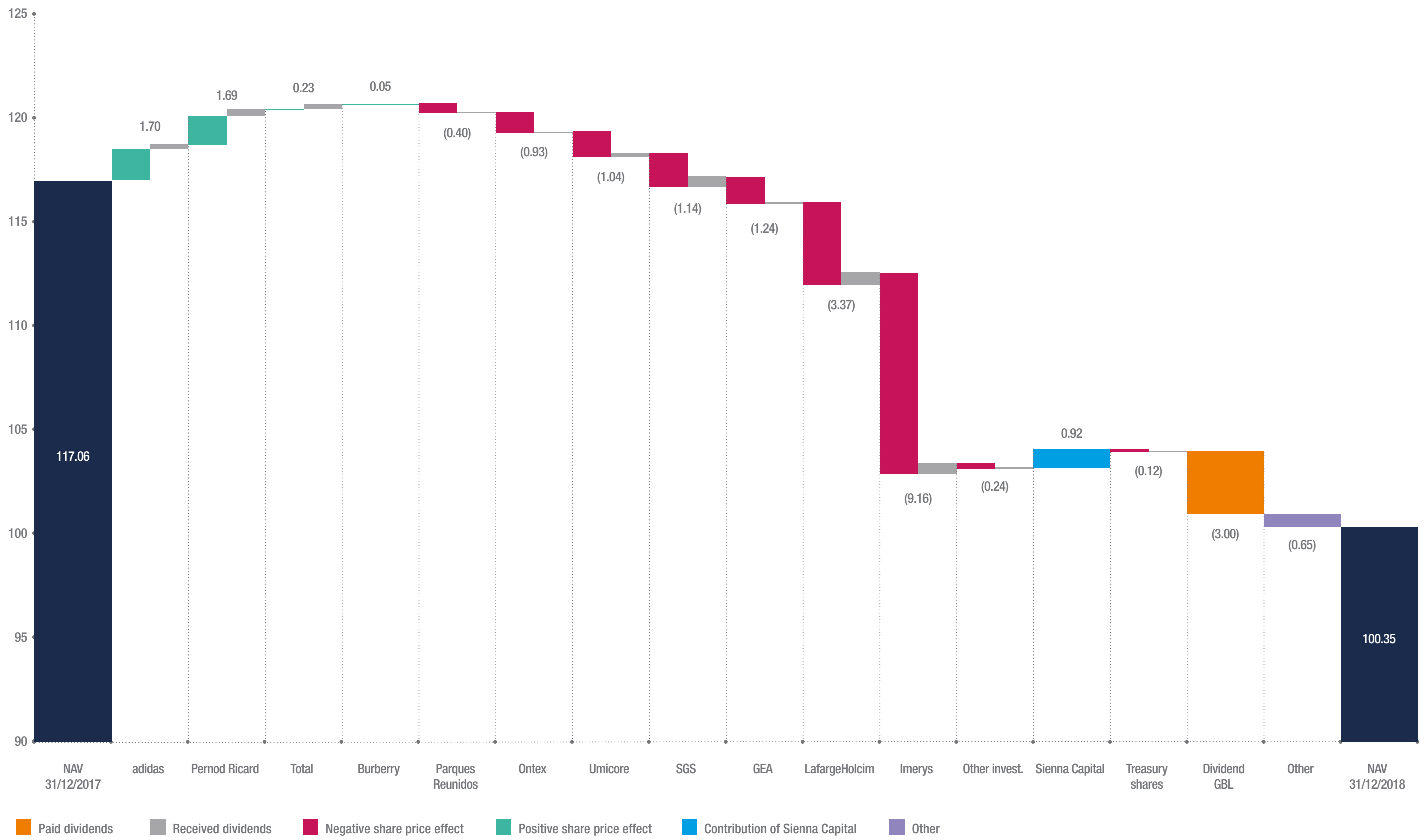
As of December 31, 2018, GBL's net asset value totalled EUR 16.2 billion (EUR 100.35 per share) compared with EUR 18.9 billion (EUR 117.06 per share) at the end of 2017, down by 14.3% (EUR 16.71 per share). Relative to the share price of EUR 76.08, the discount as of end of December 2018 was 24.2%, up by 1.1% compared with the end of 2017 (23.1%).

This evolution is to be compared with the performance of the reference sector indices with which the group's main assets are compared (- 21% to - 5%) over the same period.

The table alongside sets out and compares the components of the net asset value at year-end 2018 and year-end 2017.

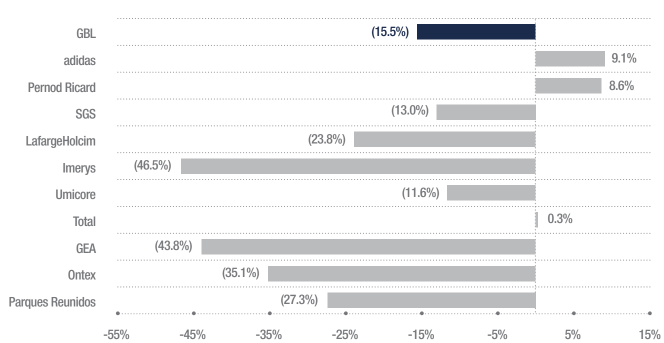
Change in net asset value in 2018

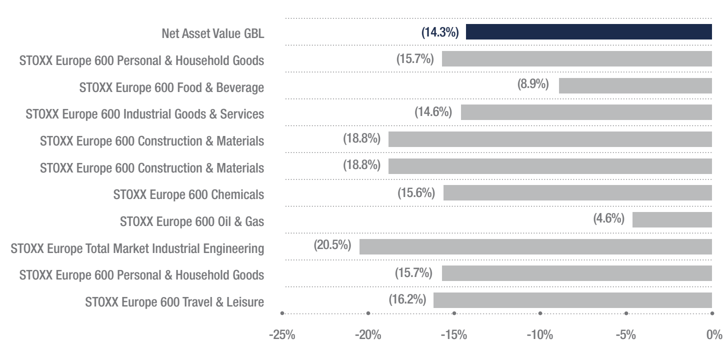
In EUR per share



Changes in market variables in 2018

(% change at December 31, 2018 vs. December 31, 2017)





Breakdown of net asset value as of December 31, 2018

	December 31, 2018			December 31, 2017		
	Portfolio % in capital	Share price In EUR	In EUR million	Portfolio % in capital	Share price In EUR	In EUR million
Listed investments			**15,311.7**			**17,899.3**
adidas	**7.83**	**182.40**	**2,862.7**	7.50	167.15	2,623.3
Pernod Ricard	**7.49**	**143.30**	**2,850.6**	7.49	131.95	2,624.9
SGS	**16.60**	**1,961.13**	**2,484.7**	16.60	2,171.42	2,751.1
LafargeHolcim	**9.43**	**35.83**	**2,050.9**	9.43	47.04	2,692.5
Imerys	**53.91**	**41.98**	**1,798.9**	53.83	78.54	3,365.6
Umicore	**17.69**	**34.86**	**1,519.9**	17.01	39.46	1,503.3
Total	**0.61**	**46.18**	**748.5**	0.64	46.05	746.0
GEA	**8.51**	**22.50**	**345.5**	4.25	40.01	327.6
Ontex	**19.98**	**17.90**	**294.5**	19.98	27.58	453.7
Parques Reunidos	**21.19**	**10.80**	**184.8**	21.19	14.85	254.1
Burberry			**-**	6.46	20.20	557.1
Other			**170.6**			-
Sienna Capital			**1,374.4**			**926.4**
Portfolio			**16,686.1**			**18,825.7**
Treasury shares			**199.6**			505.0
Convertible bonds			**-**			(450.4)
Bank debt and institutional bond			**(1,069.4)**			(556.6)
Cash/quasi-cash/trading			**376.5**			564.3
Net asset value (total)			**16,192.7**			**18,888.0**
Net asset value (in EUR per share) (1)			**100.35**			**117.06**
Share price (in EUR per share)			**76.08**			**89.99**
Discount (in %)			**24.2**			**23.1**

(1) Based on 161,358,287 shares

Portfolio's reconciliation with the IFRS consolidated financial statements

As of December 31, 2018, GBL's portfolio included in the net asset value amounted to EUR 16,686 million (EUR 18,826 million as of December 31, 2017). The reconciliation of this item with the IFRS consolidated financial statements is set out below:

In EUR million	December 31, 2018	December 31, 2017
Portfolio value as presented in:		
Net asset value	**16,686.1**	18,825.7
Segment information (Holding) - pages 108 and 109	**13,561.6**	14,518.9
Participations in associates	***232.5***	*238.0*
Other equity investments (1)	***13,329.1***	*14,280.9*
Reconciliation items	**3,124.5**	4,306.8
Fair value of Imerys, consolidated using the full consolidation method in IFRS	**1,798.9**	3,365.6
Value of Sienna Capital, consolidated in the Sienna Capital segment	**1,374.4**	926.4
Reclassification of ENGIE shares, included in gross cash in 2016 and shown under other equity investments in IFRS (1)	**(1.1)**	(1.3)
Valuation difference of Parques Reunidos between net asset value (fair value) and IFRS (equity method)	**(47.7)**	16.1

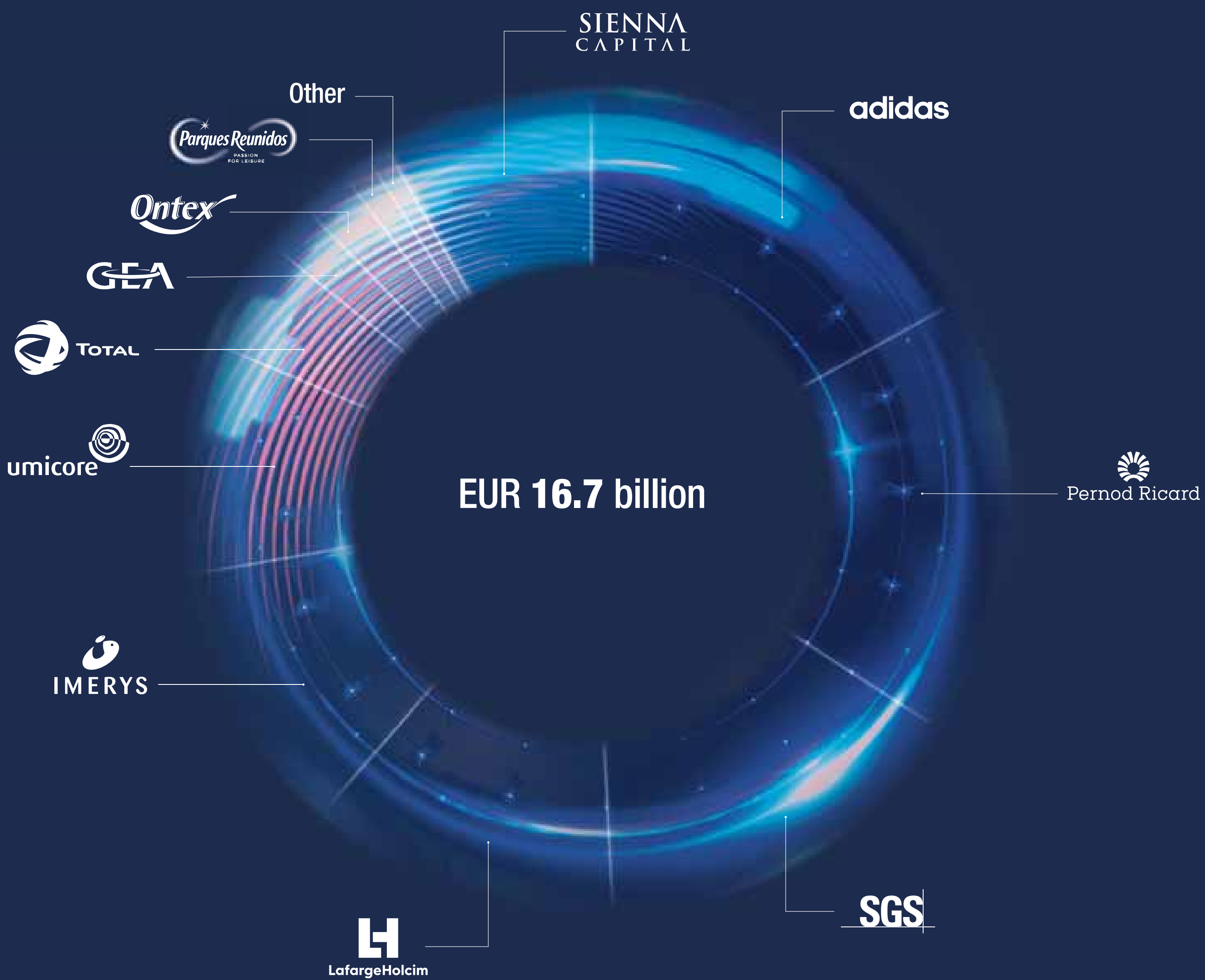
Historical data over 10 years

In EUR million	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net asset value at the end of the year	**16,192.7**	18,888.0	16,992.2	15,188.1	15,261.0	14,917.4	13,247.3	11,560.6	14,323.5	15,232.2
Portfolio	**16,686.1**	18,825.7	16,300.4	15,457.2	15,064.7	15,413.6	12,908.0	12,254.9	13,814.5	14,663.8
Net cash/(net debt)	**(693.0)**	(442.8)	224.7	(740.0)	(233.1)	(911.7)	(26.6)	(1,007.9)	128.8	176.5
Treasury shares	**199.6**	505.0	467.1	470.9	429.4	415.5	365.9	313.7	380.2	391.9
Year-on-year change (in %)	**- 14.3**	+ 11.2	+ 11.9	- 0.5	+ 2.3	+ 12.6	+ 14.6	- 19.3	- 6.0	+ 18.9
In EUR										
Net asset value per share	**100.35**	117.06	105.31	94.13	94.58	92.45	82.10	71.65	88.77	94.40
Share price	**76.08**	89.99	79.72	78.83	70.75	66.73	60.14	51.51	62.93	66.05
Discount (in %)	**24.2**	23.1	24.3	16.3	25.2	27.8	26.7	28.1	29.1	30.0

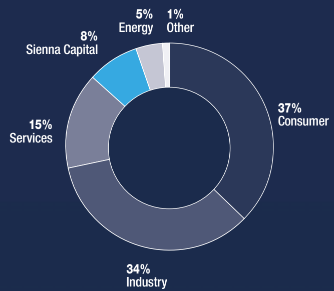
(1) Available-for-sale under IAS 39 in 2017

Portfolio review

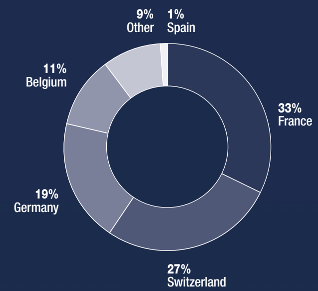
Portfolio as of December 31, 2018



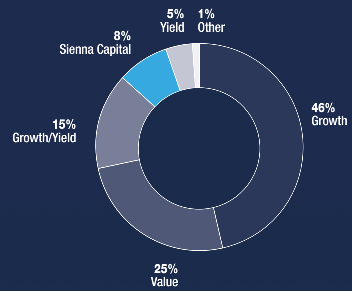
Sectorial exposure



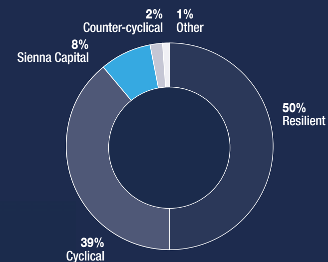
Geographic exposure



Investment type



Asset cyclicality



Review of the portfolio of listed investments

Support to the participations' strategy in 2018

adidas

- Continuous support to the strategic roadmap, notably in terms of expansion in the USA and China, innovation pipeline, supply chain and digital transformation
- Commitment to sustainably creating long-term value for shareholders, as reflected in the launch of a EUR 3 billion multi-year share buyback program and increasing the payout ratio within the target range of between 30% to 50% of net income from continuing operations (39% in FY18)

Pernod Ricard

- New dividend policy of gradually increasing the payout ratio towards 50% of the net profit from recurring operations by FY20 (41% for FY18)
- Alignment on the new strategic plan “Transform & Accelerate” aiming at solidifying growth acceleration while pursuing the group's transformation
- Support to the Executive Management and its strategic vision reaffirmed in December 2018

SGS

- Further external growth through 8 bolt-on acquisitions in 2018
- Procurement efficiency program exceeding expectations and supporting higher adjusted operating income margin
- Further improvement of working capital
- Completion of the CHF 250 million share buyback program started in 2017 and authorization of a new program of CHF 250 million by the Board of Directors

LafargeHolcim

- Support to the group's new Strategy 2022 – “Building for Growth” announced by Jan Jenisch in March 2018 and aiming at driving profitable growth and simplifying the business to deliver resilient returns and attractive value to shareholders
- Divestment of the Indonesian operations for USD 1.75 billion (100% enterprise value) contributing to the group's accelerated deleveraging

IMERYS

- Governance changes announced in May 2018 with notably Conrad Keijzer joining Imerys' Board of Directors and becoming CEO
- Completion in October 2018 of the divestment of the Roofing division to an affiliate of Lone Star Funds for an enterprise value of EUR 1.0 billion
- In-depth strategic review having led to the announcement in November 2018 of a simplified management organization being more market-focused and ultimately having a greater customer focus
- Withdrawal from the ceramic proppants business (Imerys Oilfield Solutions) and implementation of a care and maintenance regime in the Namibian plant of the Graphite & Carbon activity
- Imerys North American talc subsidiaries, representing approximately 3% of Imerys group revenue, current EBITDA and current operating income, filing for US chapter 11 protection to seek permanent resolution of their historic talc-related liabilities in the United States

umicore

- Participation in February 2018 for EUR 144 million in the EUR 892 million capital increase providing the group with increased financial flexibility in support of external growth operations and potential partnerships to strengthen its offering in clean mobility materials an recycling
- Acceleration of growth investments with the launch in the second half of 2018 of a EUR 660 million programme to add capacity for cathode materials in China and Europe to meet strong demand

TOTAL

- Acceleration of M&A, as illustrated by the completion of the acquisition of Engie's LNG upstream activities (Total thus becoming the n°2 worldwide player in LNG) and the acquisition of 73% of Direct Energie allowing Total to accelerate its integration downstream along the full gas and power value chain
- Continued cost and investment discipline
- Increased shareholder returns through dividends (10% increase over 3 years) and a USD 5 billion 2018-2020 share buyback program

GEA

- GBL joining the Supervisory Board in November 2018
- Support to the new CEO, Stefan Klebert

Ontex

- Support to the group's comprehensive transformation program "Transform to Grow" announced in March 2019, aiming at enhancing Ontex's competitiveness and return to sustainable growth
- GBL reinforcing its presence within the governance bodies by joining the Audit Committee and the Nomination and Remuneration Committee

Parques Reunidos
PASSION FOR LEISURE

- Appointment of Richard Golding in July 2018 as non-executive Chairman of the Board of Directors, which will benefit from his extensive knowledge of both the sector and the company, having served as CEO and member of the Board of Directors of the group over the 2003-14 period
- Appointment of José Díaz as CEO in January 2019, with (i) clear mission consisting of operational optimisation, focus on the company's core business, fostering corporate acquisitions, and reshaping the business model of indoor entertainment centres, and (ii) strong track record, having served as Managing Director as well as CEO of Parques Reunidos between 2004 and 2013
- GBL receiving a second seat at the Board of Directors
- Strategic acquisition of Tropical Islands in Germany, the world's largest indoor water park, which will contribute to reduce the group's seasonality

Portfolio review

adidas is the European leader in sports equipment

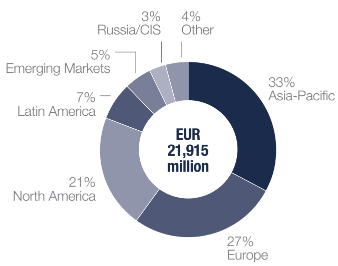
adidas

Profile

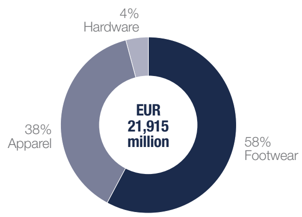
adidas is a global leader specialised in the design, development, production and distribution of sporting goods (footwear, clothing and equipment). The group's business is built around two main brands: adidas and Reebok. Distribution is done through its own stores retail network, eCommerce and independent distributors.

adidas in figures

Geographic breakdown of 2018 net sales



Breakdown of 2018 net sales per category



Key financial data

Simplified income statement (in EUR million)	**2018**	**2017** (1)	**2016** (1)
Net sales	**21,915**	21,218	18,483
Operating profit	**2,368**	2,070	1,582
Net income from continuing operations	**1,709**	1,430(2)	1,082
Net income (group's share)	**1,702**	1,097	1,017
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**6,377**	6,450	6,472
Non-controlling interests	**(13)**	(15)	(17)
Net cash/(net borrowings)	**959**	484	(103)
Debt-equity ratio (in %)	**n.a.**	n.a.	2
Market data (in EUR/share)			
Basic earnings from continuing operations	**8.46**	7.05(2)	5.39
Dividend	**3.35**(3)	2.6	2.0

(1) Restated to reflect continuing operations as a result of the divesture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey business
(2) Excluding a FY17 negative one-time tax impact
(3) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

In 2018, adidas delivered another year of significant top-line growth with currency-neutral revenues increasing by 8%. This development was driven by a 9% improvement at brand adidas.

Currency-neutral Reebok brand sales were down 3% versus the prior year, as double-digit sales growth in Classics was offset by a decline in Sport.

From a market segment perspective, the top-line expansion in 2018 was driven by ongoing strength in the company's strategic growth regions: the combined sales of the adidas and Reebok brands continued to expand at strong double-digit rates in both North America (+ 15%) and Asia-Pacific (+ 15%), the latter driven by a 23% increase in Greater China.

The company's gross margin increased 1.4 percentage point to 51.8% (2017: 50.4%). This development was due to the positive effects from a better pricing, channel and product mix as well as lower input costs, which more than offset significant negative currency effects.

The company's operating profit grew 14% in 2018 to EUR 2,368 million (2017: EUR 2,070 million), representing an operating margin increase of 1.1 percentage point to 10.8% (2017: 9.8%). This development was mainly due to the gross margin increase, which more than offset the investment-led increase in other operating expenses. The operating margin increase was also supported by strong profitability improvements at the Reebok brand, which returned to profitability in 2018.

Net income from continuing operations increased 20% to EUR 1,709 million (2017: EUR 1,430 million). Basic EPS from continuing operations grew 20% to EUR 8.46 from EUR 7.05 in 2017.

Net cash as of December 31, 2018 amounted to EUR 959 million, compared to net cash of EUR 484 million in 2017, representing an improvement of EUR 475 million compared to the prior year.

The Executive and Supervisory Boards will recommend paying a dividend of EUR 3.35 per dividend-entitled share. This represents an increase of 29% compared to the prior year dividend (2017: EUR 2.60) and a payout ratio of 39.0% (2017: 37.0%) of net income from continuing operations.

In addition, adidas continues its multi-year share buyback program launched in March 2018. In total, under the current program, adidas plans to buy back own shares for up to EUR 3.0 billion between March 2018 and May 2021.

22	#1	Over 57,000	Over 900
EUR billion in net sales	in Europe in sporting goods	employees	million sports & sports lifestyle products

Investment case

The sporting goods industry is expected to grow at 4-6% p.a. over the next few years, driven by secular trends:

- Athleisure: a global fashion trend towards more casual dress
- Health & Wellness: increasing focus on improving health and quality of life
- Boom in sport and sportswear adoption in China

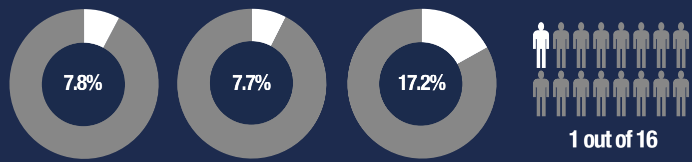
adidas is a strong brand in the design and distribution of sporting goods, (i) #1 in Europe and #2 worldwide and (ii) supported by strong innovation capability throughout multiple sponsorship agreements.

There is potential for growth in sales, mainly supported by (i) the US market, where further market share gains are possible, (ii) the Chinese market, which has experienced strong momentum over the last few years, (iii) digital / omni-channel approach: accelerated digital roadmap, to remain well positioned vis-à-vis the ongoing retail transformation and (iv) speed initiatives: clear objectives to reduce the time-to-market of products.

Potential for EBIT margin improvement is driven by (i) the ongoing restructuring of the Reebok brand, (ii) cost efficiency / overhead optimization mainly through economies of scale and (iii) increased profitability in the USA.

Solid balance sheet with strong cash conversion allows for attractive shareholders' remuneration.

Capital held by GBL	adidas's contribution to the net dividends collected on GBL's investments	adidas's contribution to GBL's portfolio	Representatives in statutory bodies



Portfolio

Financial Communication: Sebastian Steffen, Senior Vice President Investor Relations
Tel.: +49 9132 84 2920 investor.relations@adidas-group.com
www.adidas-group.com

Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**200,416**	209,216	209,216
Market capitalisation (in EUR million)	**36,556**	34,970	31,414
Closing share price (in EUR/share)	**182.40**	167.15	150.15

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**7.8**	7.5	7.5
Percentage of voting rights (in %)	**7.8**	7.5	7.5
Market value of the investment (in EUR million)	**2,863**	2,623	2,356
Dividends collected by GBL (in EUR million)	**35**	27	19
Representatives in statutory bodies	**1**	1	1

TSR annualised (%)

	1 year	3 years	5 years
adidas	**10.6**	28.3	16.3
STOXX Europe 600 Consumer Goods	**(12.9)**	0.9	7.1

Portfolio review

Pernod Ricard, the world's number two player in Wines & Spirits, holds a leading position globally

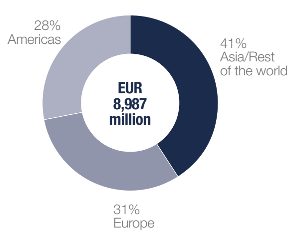
Pernod Ricard

Profile

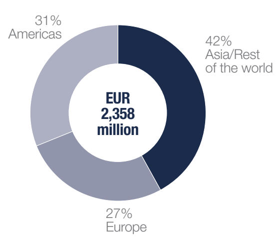
Since its inception in 1975, Pernod Ricard has built up the most premium portfolio in the industry and has become the world's number two player in the Wine & Spirits market through organic growth and acquisitions, including Seagram in 2001, Allied Domecq in 2005 and Vin&Spirit in 2008. This portfolio includes notably 13 strategic international brands, 16 strategic local brands, 'specialty' brands and 4 premium wine brands, produced and distributed by the group through its own worldwide distribution network.

Pernod Ricard in figures

Geographic breakdown of FY18 net sales



Breakdown of FY18 profit from recurring operations



Key financial data

Simplified income statement (in EUR million)	**06/30/ 2018**	**06/30/ 2017**	**06/30/ 2016**
Net sales	**8,987**	9,010	8,682
Profit from recurring operations	**2,358**	2,394	2,277
Net profit (group's share)	**1,577**	1,393	1,235
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**14,797**	13,706	13,337
Non-controlling interests	**181**	180	169
Net financial debt	**6,962**	7,851	8,716
Debt-equity ratio (in %)	**46**	57	65
Net financial debt/EBITDA (x) (1)	**2.6**	3.0	3.4
Market data (in EUR/share)			
Diluted net earnings from recurring operations	**5.69**	5.58	5.20
Dividend	**2.36**	2.02	1.88

(1) At average rates

Performance in 2018

Sales for 2017/18 ("FY18") totalled EUR 8,987 million. Organic sales growth accelerated to + 6.0% vs. + 3.6% in 2016/17 ("FY17"), thanks to consistent strategy implementation. Reported sales were down by 0.3%. Sales were very strong, with broad-based growth coming from a wide spectrum of markets and brands.

FY18 profit from recurring operations was EUR 2,358 million, with organic growth of + 6.3% and - 1.5% reported. The margin was up by 14bps organically but down by 34bps on a reported basis due to adverse FX (EUR - 180 million.)

Organic profit from recurring operations growth was in line with the revised annual guidance of c. + 6%. It was driven by (i) a + 15bps gross margin improvement vs. FY17 on an organic basis, (ii) a + 7% increase in A&P to prepare for future growth and (iii) tight management of structure costs at + 5% (+ 4% excluding other income and expense), with targeted investment in emerging markets and growth relays.

The FY18 corporate income tax rate on recurring items was c. 25%, in line with FY17.

Group share of net profit from recurring operations was EUR 1,511 million, + 2% reported vs. FY17.

Group share of net profit was EUR 1,577 million, + 13% reported vs. FY17, thanks in particular to a reduction in financial expenses.

Free cash flow was very strong, increasing to EUR 1,433 million, + 10% vs. FY17, resulting in a net debt decrease by EUR 889 million to EUR 6,962 million.

The average cost of debt reduced to 3.5% vs. 3.8% in FY17. The net debt/EBITDA ratio at average rates was 2.6x as of June 30, 2018, significantly down from 3.0x as of June 30, 2017.

The dividend of EUR 2.36 is up + 17% from FY17, corresponding to an increase in pay-out ratio to 41%, reflecting the group's policy of gradually increasing cash distribution from approximately one-third of group net profit from recurring operations to c. 50% by 2019/20.

In the first half of 2018/19 ("H1 FY19"), growth continued to be dynamic, thanks to the consistent implementation of the medium-term growth and operational excellence roadmap. Sales for H1 FY19 totalled EUR 5,185 million, with organic growth of + 7.8% and reported growth of + 5.0%, due to negative FX. H1 FY19 profit from recurring operations was EUR 1,654 million, with organic growth of + 12.8% and + 10.6% reported.

#2
in Wine & Spirits in the world

86
direct affiliates worldwide

Approximately
18,900
employees

96
production sites

Investment case

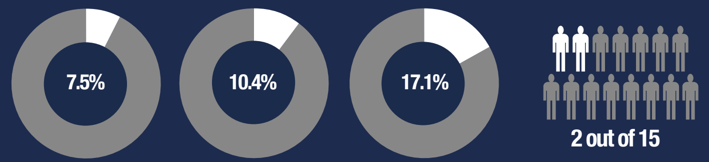
The spirits market is supported by favourable long term trends, in particular:

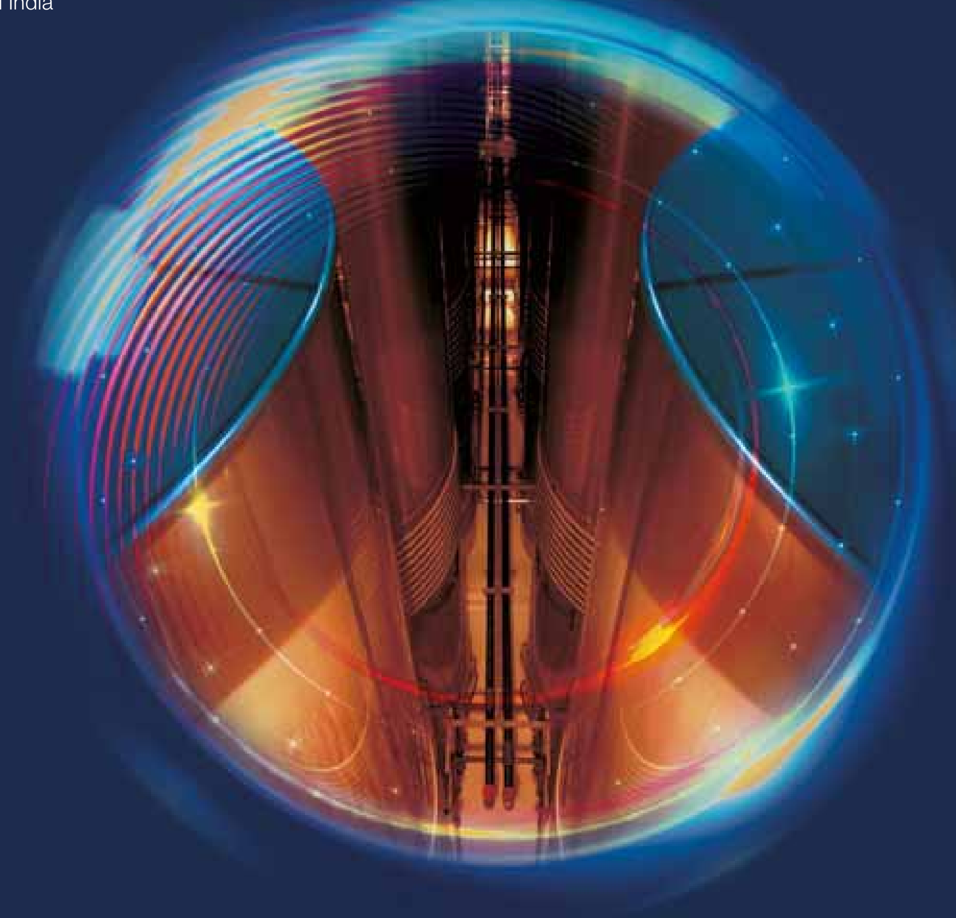
- Expanding urban population, especially in emerging markets
- Growing market share compared to beer and wine
- Premiumization by consumers

Pernod Ricard has a steady growth and profitability profile:

- Number two player worldwide with one of the industry's most complete brand portfolios
- Systematic upmarket move thanks to its superior-quality and innovative products
- Numerous high potential brands
- Leading positions in categories such as cognac, whisky and rum
- Unique geographical exposure with twin-engines of growth in China and India

Capital held by GBL	Pernod Ricard's contribution to the net dividends collected on GBL's investments	Pernod Ricard's contribution to GBL's portfolio	Representatives in statutory bodies





Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**265,422**	265,422	265,422
Market capitalisation (in EUR million)	**38,035**	35,022	27,325
Closing share price (in EUR/share)	**143.30**	131.95	102.95

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**7.5**	7.5	7.5
Percentage of voting rights (in %)	**11.8**	10.9	6.8
Market value of the investment (in EUR million)	**2,851**	2,625	2,048
Dividends collected by GBL (in EUR million)	**47**	40	37
Representatives in statutory bodies	**2**	2	2

TSR annualised (%)

	1 year	3 years	5 years
Pernod Ricard	**10.4**	12.8	13.6
STOXX Europe 600 Food & Beverage	**(6.4)**	1.0	7.1

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Portfolio review

SGS is the world leader in inspection, verification, testing and certification

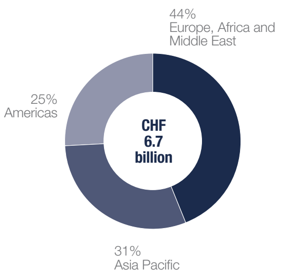
SGS

Profile

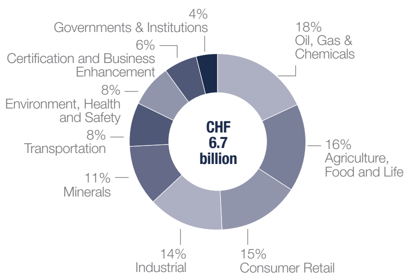
SGS provides tailored inspection, verification, testing and certification solutions to its customers to make their commercial activities faster, simpler and more efficient. Its worldwide network consists of more than 97,000 employees at more than 2,600 offices and laboratories.

SGS in figures

Geographical breakdown of 2018 revenue



2018 revenue by activity



Key financial data

Simplified income statement (in CHF million)	**2018**	**2017**	**2016**
Revenue	**6,706**	6,349	5,985
Adjusted EBITDA	**1,337**	1,247	1,198
Adjusted operating income	**1,050**	969	919
Operating income (EBIT)	**946**	894	816
Net profit (group's share)	**643**	621	543

Simplified balance sheet (in CHF million)			
Shareholders' equity (group's share)	**1.668**	1,919	1,773
Non-controlling interests	**75**	86	80
Net debt	**738**	698	736
Debt-equity ratio (%)	**42**	35	40
Net debt/EBITDA (x)	**0.6**	0.6	0.6

Market data (in CHF/share)			
Diluted earnings	**84.32**	82.27	71.47
Dividend	**78**	75	70

Performance in 2018

The group reported revenue of CHF 6.7 billion with total revenue growth of 6.0% (constant currency basis) for the year. Of this total, a solid organic growth of 5.3% (constant currency basis) was achieved, the highest since 2012. On a historical reported basis, revenue increased by 5.6%. The majority of SGS businesses performed in line with expectations, while certain were impacted by changing business mix and market conditions.

For the first time in group history, the adjusted operating income passed the 1 billion mark to CHF 1,050 million, versus CHF 969 million in prior year (constant currency basis), an increase by 8.4%. The adjusted operating income margin increased from 15.3% (constant currency basis) in prior year to 15.7%. This reflects an underlying margin improvement observed in most businesses, led by the market recovery in Minerals, decisive portfolio management in Industrial and efficiency gains in Government and Institutions and Environment, Health and Safety.

An internal investigation was launched in Brazil in early July 2018 and an amount of CHF 47 million was provided at June 2018 relating to prior periods. The investigation into this matter is now complete which confirmed the overstatement of revenues with no change to the original estimate. The financial impact has been recorded as a non-recurring item.

Profit attributable to equity holders reached CHF 643 million for the period, an increase of 3.5% compared with CHF 621 million disclosed in December 2017 (3.4% on a constant currency basis).

Cash flow from operating activities reached CHF 1,074 million, an increase by CHF 87 million mainly driven by higher net profit and an improvement in net working capital. Net investments in fixed assets were CHF 278 million and the group completed 8 acquisitions for a total cash consideration of CHF 43 million.

As of December 31, 2018, the group's net debt position amounted to CHF 738 million compared with a net debt position of CHF 698 million as of December 31, 2017.

More than
2,600
offices and laboratories

#1
worldwide

Over
97,000
employees

Over
1.0
CHF billion in adjusted operating income

Investment case

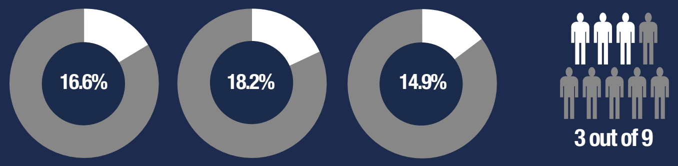
The industry is characterised by high barriers to entry and attractive fundamentals:

- Global need across industries for safety and traceability
- Expansion and ageing of infrastructure
- Outsourcing of activities
- Development of regulations and compliance demands
- Growing complexity of products
- New digital growth areas
- Consolidation in multiple sectors

In this sector, SGS offers a particularly attractive profile:

- World leader
- Diversified portfolio
- Ideally positioned to take advantage of growth opportunities
- Resilient across economic cycles

Capital held by GBL | **SGS' contribution to the net dividends collected on GBL's investments** | **SGS' contribution to GBL's portfolio** | **Representatives in statutory bodies**



Financial communication: Toby Reeks, Investor Relations
Tel.: +41 22 739 99 87 sgs.investor.relations@sgs.com
www.sgs.com

Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**7,634**	7,634	7,822
Market capitalisation (in CHF million)	**16,871**	19,397	16,208
Closing share price (in CHF/share)	**2,210**	2,541	2,072

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**16.6**	16.6	16.2
Percentage of voting rights (in %)	**16.6**	16.6	16.2
Market value of the investment (in EUR million)	**2,485**	2,751	2,445
Dividends collected by GBL (in EUR million)	**82**	83	73
Representatives in statutory bodies	**3**	3	3

TSR annualised (%) (1)

	1 year	3 years	5 years
SGS	**(6.8)**	6.9	6.6
STOXX Europe 600 Industrial Goods & Services	**(12.5)**	4.5	4.4

(1) TSR computed in euros

Portfolio review

LafargeHolcim is the leading global construction materials and solutions company

LafargeHolcim

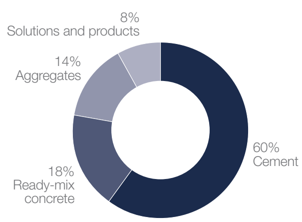
Profile

LafargeHolcim, the product of the merger between Lafarge and Holcim, made official in July 2015, is the world leader in construction materials. The company offers the most innovative cement, concrete, and aggregates solutions to meet its customers' needs.

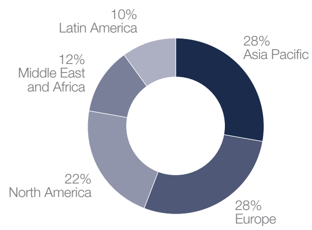
The group employs around 75,000 persons in around 80 countries and has a balanced presence in developing and mature markets.

LafargeHolcim in figures

Breakdown of 2018 net sales by branch (1)



Geographical breakdown of 2018 net sales (1)



(1) Breakdown based on net sales excluding corporate/eliminations

Key financial data

Simplified income statement (in CHF million)	**2018**	**2017**	**2016**
Net sales	**27,466**	27,021 (2)	26,904
Recurring EBITDA	**6,016**	5,990	5,950
Operating profit (loss)	**3,312**	(478)	2,963
Cash flow from operating activities	**2,988**	3,040	3,295

Simplified balance sheet (in CHF million)			
Shareholders' equity (group's share)	**26,925**	27,787	30,822
Non-controlling interests	**3,128**	3,188	3,925
Net financial debt	**13,518**	14,346	14,724
Debt-equity ratio (in %)	**45**	46	42
Net financial debt/Recurring EBITDA (x)	**2.2**	2.4	2.5

Market data (in CHF/share)			
Earnings before impairment and divestments	**2.63**	2.35	2.10
Dividend	**2.00** (3)	2.00	2.00

(2) Restated due to change in presentation following the entry into force of IFRS 15
(3) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

Net Sales grew 5.1 % on a like-for-like basis for the full year, largely driven by higher cement volumes. Net sales reached CHF 27,466 million.

Recurring EBITDA reached CHF 6,016 million, up 3.6% like-for-like for the full year, with Cement, Aggregates and Ready-Mix Concrete segments all contributing to the solid outcome.

Net income attributable to shareholders of LafargeHolcim before impairment and divestments was 10.8% higher than in 2017.

Earnings per share before impairment and divestments amounted to CHF 2.63 for the full year compared to CHF 2.35 for 2017.

Free cash flow stood at CHF 1,703 million versus CHF 1,685 million in the previous year.

Net debt amounted to CHF 13,518 million at year-end, an improvement of CHF 828 million over the prior year, reflecting the cash conversion of 28.3% and a positive impact following the classification of Indonesia's local external net debt as held-for-sale. The Indonesia divestment closed successfully at the end of January 2019, full effect will be reflected in 2019.

Return on invested capital was 6.5%, compared to 5.8% in 2017, due to continuous improvement in capital allocation.

For the 2018 financial year, the Board is proposing a dividend from the capital contribution reserves in the amount of CHF 2.00 per registered share. Subject to approval by the Annual General Meeting, shareholders will be given the choice of having the dividend paid out in cash, in new shares in LafargeHolcim Ltd at a discount to the market price, or as a combination of cash and shares.

#1
in the construction materials sector

CHF million
400
SG&A savings program

75,000
employees

around
80
countries where LafargeHolcim is active

Investment case

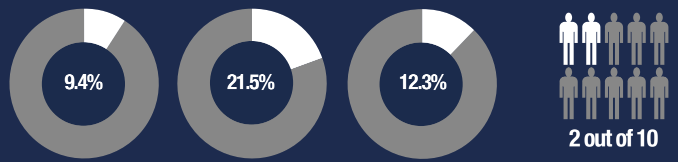
The building materials industry is supported by:

- Increasing urbanization
- Demand for sustainable construction
- Rising living standards, driving quality housing and infrastructure needs

LafargeHolcim is well positioned to address those megatrends:

- Leader in the building material sector
- Portfolio exposed towards the most promising regions in terms of growth
- Improving operating performance and strength of the balance sheet

Capital held by GBL	LafargeHolcim's contribution to the net dividends collected on GBL's investments	LafargeHolcim's contribution to GBL's portfolio	Representatives in statutory bodies



Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**606,909**	606,909	606,909
Market capitalisation (in CHF million)	**24,580**	33,350	32,561
Closing share price (in CHF/share)	**40.50**	54.95	53.65

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**9.4**	9.4	9.4
Percentage of voting rights (in %)	**9.4**	9.4	9.4
Market value of the investment (in EUR million)	**2,051**	2,693	2,857
Dividends collected by GBL (in EUR million)	**97**	107	78
Representatives in statutory bodies	**2**	2	2

TSR annualised (%) (1)

	1 year	3 years	5 years
LafargeHolcim	**(20.6)**	(4.9)	(4.4)
STOXX Europe 600 Construction & Materials	**(16.7)**	1.0	5.7

(1) TSR computed in euros

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www.lafargeholcim.com

Portfolio review

Imerys is the world leader in mineral-based specialty solutions for industry

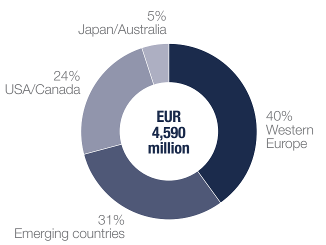
IMERYS

Profile

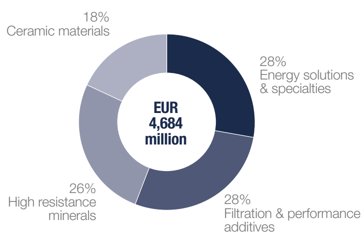
Imerys extracts, transforms, develops and combines a unique range of minerals to provide functionalities that are key to its customers' products and production processes. These specialities have a very wide range of uses and are becoming increasingly common on growing markets.

Imerys in figures

Geographic breakdown of FY18 revenues



Segment breakdown of FY18 revenues(1)



Key financial data

Simplified income statement (in EUR million)	2018	2017	2016
Revenue (2)	**4,590**	4,299	4,165
Current EBITDA (2)	**793**	777	819
Current operating income (2)	**562**	551	582
Net income from current operations (group's share) (2)	**357**	335	362
Net income (group's share)	**560**	368	293
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**3,217**	2,828	2,862
Non-controlling interests	**36**	51	53
Net financial debt	**1,297**	2,246	1,367
Debt-equity ratio (in %)	**40**	78	47
Net financial debt/current EBITDA (x)	**1.6**	2.5	1.7
Market data (in EUR/share)			
Net income from current operations (group's share) (2)(3)	**4.50**	4.24	4.60
Dividend	**2.150** (4)	2.075	1.870

(1) Excludes holding & eliminations
(2) Financial data exclude the Roofing division in 2017 and 2018
(3) Net income from current operations in EUR per share is computed based on the weighted average number of outstanding shares (79,238,417 in 2018, 79,015,367 in 2017 and 78,714,966 in 2016)
(4) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

In 2018, Imerys has delivered solid performance with a + 6.8% revenue growth and a + 2.0% current operating income increase, with a current operating margin of 12.2%. The net current free operating cash flow was solid, at EUR 286 million for the fiscal year. The net income from current operations increased by 6.5%, in line with the guidance.

In 2018, Imerys has continued to reshape its business portfolio to reposition itself as a specialty minerals company and to improve its growth profile:

- Imerys has successfully integrated Kerneos, the world's leading provider of high-performance calcium aluminate binders for the growing building chemicals market, consolidated since July 2017. In 2018, the group generated synergies in line with its plan.
- The group has divested the Roofing activity, the last remaining building materials business in the portfolio, and implemented decisive actions to address adverse market changes in some of its operations.

On December 1, 2018, the group put in place a new structure, with less layers of management, that is simpler and more customer focused, organized around two segments and grouping five newly created business areas, to focus on Imerys' core markets.

Imerys is entering 2019 with a stronger balance sheet, an improved growth profile as a world leader in specialty minerals and a new, more customer focused organization. Considering a still volatile and uncertain market environment, the group will continue to sustain its performance by giving priority to cost and cash management in 2019.

After evaluating a range of possible options, Imerys North American talc subsidiaries – Imerys Talc America, Imerys Talc Vermont, and Imerys Talc Canada – have voluntarily sought the protection of Chapter 11, a special legal process under US law. Although significant, the impact of the decision of the North American talc subsidiaries announced on February 13, 2019 and the anticipated terms of their plan of reorganization is not expected to materially affect Imerys' overall financial situation, profitability, and cash generative business profile. For the year ended December 31, 2018, these subsidiaries, which will no longer be included within Imerys' scope of consolidation, recorded EUR 143 million in revenue, EUR 25 million in EBITDA and EUR 16 million in current operating income, which represented approximately 3% of the consolidated figures of Imerys. The estimated net financial impact of the overall process initiated on February 13, 2019 amounts to EUR 250 million has been provisioned in Imerys' full-year 2018 consolidated financial statements, in addition to EUR 17 million of costs incurred during the year by Imerys.

#1
global leader in mineral based solutions for industry

Over **18,000**
employees

Over **50**
countries where Imerys is based

250
industrial sites

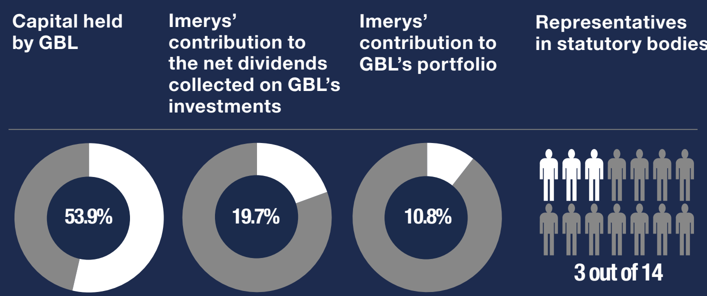
Investment case

Growing market benefiting from structural advantages:

- High added value functional providing key properties to customers' products
- Low dependency on fluctuations in commodities prices
- Low substitution risk notably due to the limited proportion in the customers' total costs

Imerys is a worldwide leader and presents an attractive financial profile:

- Leader in its sector: #1 or #2 in almost all its markets
- Resilience of the business model, notably stemming from GBL's support as a stable reference shareholder having a long-term investment horizon
- Diversity in terms of geographies and customers' end-markets
- Strong cash-flow generation in support of external growth



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www.imerys.com

Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**79,486**	79,604	79,568
Market capitalisation (in EUR million)	**3,337**	6,252	5,734
Closing share price (in EUR/share)	**41.98**	78.54	72.07

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**53.9**	53.8	53.9
Percentage of voting rights (in %)	**67.7**	67.5	69.7
Market value of the investment (in EUR million)	**1,799**	3,366	3,088
Dividends collected by GBL (in EUR million)	**89**	80	75
Representatives in statutory bodies	**3**	6	6

TSR annualised (%)

	1 year	3 years	5 years
Imerys	**(44.9)**	(11.0)	(5.4)
STOXX Europe 600 Construction & Materials	**(16.7)**	1.0	5.7

Portfolio review

Umicore is a leader in materials technology and recycling of precious metals

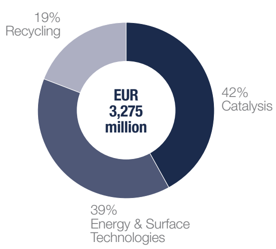
umicore

Profile

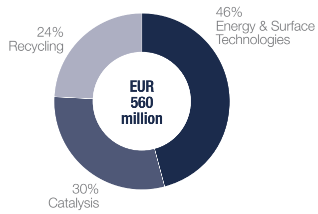
Umicore is a global group specialised in materials technology and the recycling of precious metals. Its activity is focused on application fields where its expertise in materials science, chemistry and metallurgy is widely recognized. It is centered on three business groups: Catalysis, Energy & Surface Technologies and Recycling.

Umicore in figures

Segment split of 2018 revenues excluding metals (corporate not included)



Segment split of 2018 recurring EBIT (corporate not included)



Key financial data

Simplified income statement (in EUR million)	**2018**	**2017**	**2016**
Turnover [1]	**14,786**	12,277	11,086
Revenues (excluding metal)	**3,271**	2,916	2,668
Recurring EBITDA	**720**	599	527
Recurring EBIT	**514**	410	351
Recurring net profit (group's share)	**326**	267	233

(1) Including the elimination of the transactions between continued and discontinued operations

Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**2,610**	1,803	1,829
Non-controlling interests	**50**	60	58
Net financial debt	**861**	840	296
Debt-equity ratio (in %)	**32**	45	16
Net debt/recurring EBITDA (x)	**1.2**	1.4	0.6

Market data (in EUR/share)			
Diluted earnings	**1.31**	0.96	0.60
Dividend	**0.75** [2]	0.70	0.65

(2) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

The group has announced record results for 2018:

- Revenues of EUR 3.3 billion (+ 17%) [3];
- Recurring EBITDA of EUR 720 million (+ 23%) [3];
- Recurring EBIT of EUR 514 million (+ 29%) [3];
- ROCE of 15.4% (versus 15.1% in 2017) in a period of intense investments;
- Recurring net profit (group share) of EUR 326 million (+ 22%) and recurring EPS of EUR 1.36 (+ 12%);
- Net debt at EUR 861 million (up from EUR 840 million) partly driven by temporary factors;
- Capital expenditures of EUR 478 million (versus EUR 365 million in 2017);
- Proposed gross annual dividend of EUR 0.75 per share up from EUR 0.70 in 2017.

Umicore is delivering on its strategy to be the undisputed leader in clean mobility materials and recycling, with its offering of product and process technologies, combined with its closed loop approach and sustainable supply. As part of this strategy, Umicore has won significant new business in the latter half of 2018, which will accelerate its growth in the coming years. For instance, in Automotive Catalysts, Umicore won the largest share of the gasoline platforms requiring particulate filters in Europe and China. In Rechargeable Battery Materials, Umicore continued to secure major xEV platforms with OEMs globally. In addition, Umicore continued to step up its R&D efforts.

Progress on growth investments

In order to meet continued fast-growing customer demand for its cathode materials used in rechargeable batteries for automotive applications, Umicore is rapidly expanding its production capacity. The investment program of EUR 460 million in China and Korea was completed in 2018, on an accelerated schedule. In February 2018 Umicore announced an additional investment programme of EUR 660 million in greenfield production sites in China and Europe. The new production lines in China will start to come on stream in the second half of 2019, while construction of the European plant is expected to start in spring 2019. The investments in the new Process Competence Center in Olen, Belgium, are expected to be commissioned in late 2019. On the back of its high rate of business wins, in particular in gasoline particulate filters, Umicore is expanding its automotive catalyst production capacity in Poland and China with new production lines due to come on stream in the second part of 2019. Major environmental investments in the Hoboken plant aimed at revamping the lead refinery were completed with an immediate and significant reduction in emissions.

(3) Excluding discontinued operations

196
EUR million of R&D expenditure

Over
20
countries where Umicore is present

Over
10,400
employees

Over
50
industrial sites

Investment case

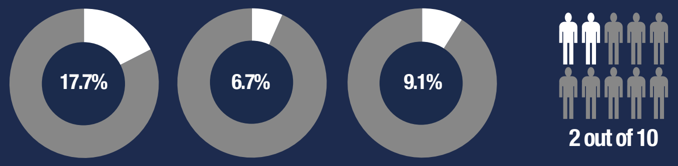
Umicore operates in industries such as automotive and precious metals' recycling, characterised by high barriers to entry and exposed to strong long-term trends:

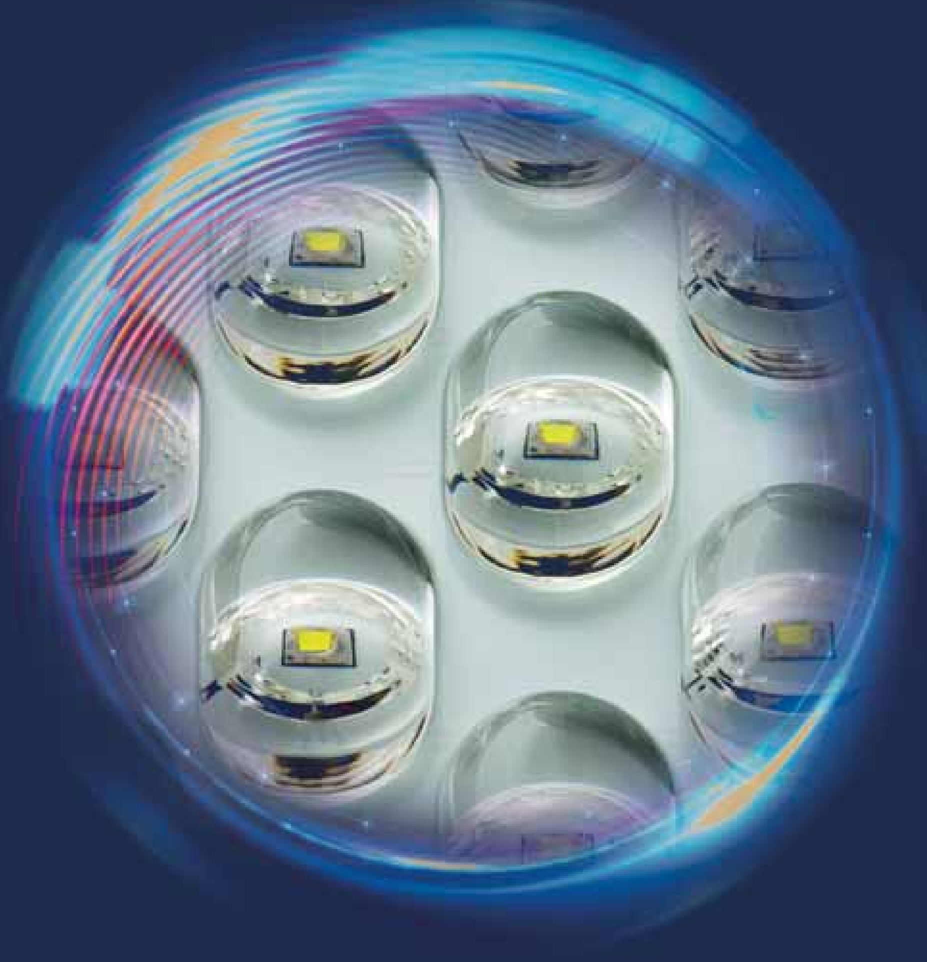
- Megatrend of vehicle electrification
- Global focus on improving air quality
- Resource scarcity

Umicore is a world leader in these fields, notably with the following advantages:

- Solid know-how with pioneering technologies
- High-quality and growing production footprint globally
- A strategy geared towards sustainability and respect of the environment
- A solid balance sheet to finance ambitious development projects

Capital held by GBL	Umicore's contribution to the net dividends collected on GBL's investments	Umicore's contribution to GBL's portfolio	Representatives in statutory bodies





Financial communication: Evelien Goovaerts, Head of Investor Relations
Tél. : +32 2 227 78 38 ir@umicore.com
www.umicore.com

Market data and information on GBL's investment

Stock market data	2018	2017	2016 (1)
Number of shares issued (in thousands)	**246,400**	224,000	224,000
Market capitalisation (in EUR million)	**8,590**	8,838	6,065
Closing share price (in EUR/share)	**34.86**	39.46	27.08

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**17.7**	17.0	17.0
Percentage of voting rights (in %)	**17.7**	17.0	17.0
Market value of the investment (in EUR million)	**1,520**	1,503	1,032
Dividends collected by GBL (in EUR million)	**30**	26	25
Representatives in statutory bodies	**2**	2	2

(1) Pro-forma figures, adjusted for Umicore's share split in October 2017

TSR annualised (%)

	1 year	3 years	5 years
Umicore	**(10.2)**	24.4	18.2
STOXX Europe 600 Chemicals	**(13.0)**	1.9	3.8

Portfolio review

Total is an integrated global oil and gas group with a presence in chemicals

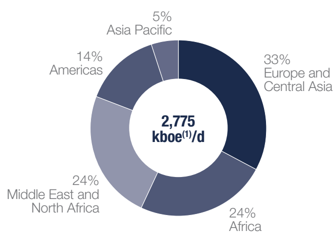
TOTAL

Profile

Total is one of the leading global oil and gas groups. The company operates in more than 130 countries and covers every oil industry segment, from Upstream to Downstream. Total is also a major player in chemicals and is committed to the development of renewable energy.

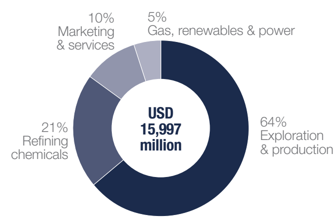
Total in figures

Hydrocarbon production by geographic area



(1) boe = barrel of oil equivalent

Adjusted net operating income from business segments



Key financial data

Simplified income statement (in USD million)	2018	2017	2016
Sales	**209,363**	171,493	149,743
Adjusted net operating income from business segments	**15,997**	11,936	9,410
Adjusted net income (group's share)	**13,559**	10,578	8,287
Net income (group's share)	**11,446**	8,631	6,196

Simplified balance sheet (in USD million)			
Shareholders' equity (group's share)	**115,640**	111,556	98,680
Non-controlling interests	**2,474**	2,481	2,894
Net financial debt	**21,657**	15,424	27,121
Debt-equity ratio (in %) (1)	**15**	12	27

Market data (in EUR/share)			
Adjusted fully-diluted net income	**4.27**	3.65	3.06
Dividend	**2.56** (2)	2.48	2.45

(1) Computed as the ratio between the net financial debt and the sum of the net financial debt and total equity
(2) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

Benefiting from the rise of oil prices to USD 71/b on average in 2018 compared to USD 54/b in 2017, while remaining volatile, the group reported adjusted net income of USD 13.6 billion in 2018, an increase of 28%, a return on average capital employed close to 12%, the highest among the majors, and a pre-dividend breakeven below USD 30/b.

In addition, the group maintained its financial discipline. Net investments were USD 15.6 billion in 2018, in line with its objective, and USD 4.2 billion in cost reduction was achieved. Debt-adjusted cash flow (DACF) was USD 26.1 billion in 2018, driven largely by the 31% increase in cash flow from Exploration & Production. The group's balance sheet was solid with a gearing ratio of 15.5%, below the target limit of 20%.

These results reflect the strong growth of more than 8% for the group's hydrocarbon production, which reached a record level of 2.8 Mboe/d in 2018 and led to a 71% increase in Exploration & Production's adjusted net operating income. The year was highlighted by the start-up of Ichthys in Australia, Yamal LNG in Russia, deep-water projects Kaombo North in Angola and Egina in Nigeria, as well as the counter-cyclical acquisitions of Maersk Oil and new offshore licenses in the UAE.

In an environment of lower European refining margins, the Downstream relied on the availability of its units and the diversity of its portfolio to generate USD 6.5 billion of cash flow and profitability of more than 25%.

The group is continuing to expand along the value chain of integrated gas and low-carbon electricity. With its acquisition of Engie's LNG assets Total is the second largest publicly-traded player in the LNG business, and its position will be strenghtened with the 2019 start-up of the Cameron LNG project. In addition, the group accelerated its growth in low-carbon electricity, notably with the acquisition of Direct Energie.

Conforming to the shareholder return policy announced in February 2018, the group increased the 2018 dividend by 3.2% and bought back USD 1.5 billion of its shares in 2018. Given the solid financial position, which is benefiting from growing cash flow, the Board of Directors confirmed the shareholder return policy for 2019. It plans to increase the interim dividend by 3.1% to 0.66 euros per share, end the scrip dividend option following the General Assembly Meeting, and continue the share buyback policy in the amount of USD 1.5 billion in a 60 USD/b environment.

#4
international major

130
countries where Total is active

100,000
employees

2,775
kboe (1)/d of hydrocarbon production

(1) boe = barrel of oil equivalent

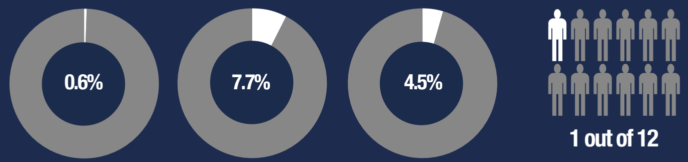
Investment case

Growing and cash generative industry, gradually evolving towards cleaner sources of energy.

Total has demonstrated its resilience and excellent execution:

- Integrated model, from exploration to the final customer
- Operational excellence for all its activities
- Solid oil production growth
- Disciplined approach to costs and investments
- Oil activity with low breakeven point
- Development of gas activities
- Objective of becoming the major player in responsible energy to meet energy challenges

Capital held by GBL	Total's contribution to the net dividends collected on GBL's investments	Total's contribution to GBL's portfolio	Representatives in statutory bodies



Financial communication: Brendan Warn, Senior Vice-President, Investor Relations
Tél. : +44 207 719 79 62 Brendan.warn@total.com
www.total.com

Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**2,640,602**	2,528,990	2,430,366
Market capitalisation (in EUR million)	**121,943**	116,447	118,407
Closing share price (in EUR/share)	**46.18**	46.05	48.72

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**0.6**	0.6	0.7
Percentage of voting rights (in %)	**1.2**	1.2	1.3
Market value of the investment (in EUR million)	**748**	746	789
Dividends collected by GBL (in EUR million)	**35**	36	75
Representatives in statutory bodies	**1**	1	2

TSR annualised (%)

	1 year	3 years	5 years
Total	**5.4**	9.5	6.3
STOXX Europe 600 Oil & Gas	**0.2**	10.3	3.0

Portfolio review

GEA is one of the largest suppliers of process technology to the food industry

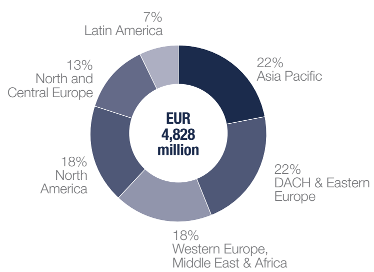
GEA engineering for a better world

Profile

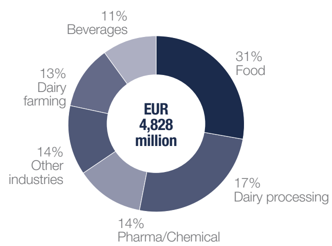
GEA is a world leader in the supply of equipment and project management for a wide range of processing industries. Its technology focuses on components and production processes for various markets, particularly in the Food & Beverage sectors. The company employs about 18,500 people worldwide.

GEA in figures

Revenue split by geography



Revenue split by end markets



Key financial data

Simplified income statement (in EUR million)	**2018**	**2017**	**2016**
Order intake	**4,918**	4,751	4,674
Revenue	**4,828**	4,605	4,492
Operating EBITDA (1)	**518**	564	566
Operating EBIT (1)	**418**	478	485
Consolidated profit	**113**	243	285

(1) Before effects of purchase price allocations and adjustments

Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**2,449**	2,502	2,995
Non-controlling interests	**1**	1	1
Net liquidity/(net debt)	**(72)**	6	783
Debt-equity ratio (in %)	**3**	n.a.	n.a.

Market data (in EUR/share)			
Net result	**0.63** (2)	1.30 (3)	1.48
Dividend	**0.85** (4)	0.85	0.80

(2) Based EPS computed based on the weighted average number of shares outstanding (180.5 million shares at year-end 2018)
(3) The purchase price allocation for the Pavan Group acquired in the previous year was finalized in the fourth quarter of 2018 resulting in changes to the comparative figures as of December 31, 2017
(4) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

The group's order intake for the whole of 2018 amounted to EUR 4,918 million, or 3.5% above the previous year's level – a new record for GEA. This increase was mainly due to acquisitions. Adjusted for exchange rate fluctuations (- 2.9%) and acquisition effects (4.2%), adjusted growth amounted to 2.2%.

The 2018 revenue also sets a new record for GEA. It rose by 4.9% to EUR 4,828 million. Adjusted for exchange rate fluctuations (- 3.1%) and acquisition effects (4.1%), revenue in the 2018 fiscal year was 3.8% higher year on year. Revenue rose in nearly all product groups and application centres except the application centre Dairy.

At EUR 518 million, operating EBITDA in the 2018 fiscal year was down around 8% on the previous year. This corresponds to an operating EBITDA margin of 10.7%.

Thanks to the acquisition of the Pavan Group, the Business Area Equipment once again improved upon its prior-year figure for operating EBITDA, establishing a new record in fiscal year 2018 of EUR 393 million. Considerable price squeeze however hampered the Separation and Flow Components product groups in particular. In addition, the lower share of high-margin service revenue also dragged down earnings. As a consequence, the operating EBITDA margin of the Business Area Equipment fell by around 145bps to 15.0%.

The operating EBITDA of the Business Area Solutions declined by EUR 39 million year on year to EUR 123 million. This was due in particular to a greater margin squeeze of dairy processing projects. As a consequence, the operating EBITDA margin fell by around 160bps to 5.0%.

Consolidated profit for the year amounted to EUR 113 million (previous year: EUR 243 million).

Cash flow from operating activities attributable to continued operations amounted to EUR 268 million in the year under review, on par with the previous year. Here, the effects of lower EBITDA and the increase in working capital were almost completely offset by the development of other operating assets and liabilities.

As of December 31, 2018, net debt including discontinued operations amounted to EUR 72 million – after net liquidity of EUR 6 million at the end of the previous year.

The Executive Board and Supervisory Board are proposing to pay the same dividend as in the previous year, i.e. EUR 0.85 per share.

#1 or #2
for 2/3 of their business

Around
70%
of sales in the food & beverage sector

31%
of sales from service business

About
18,500
employees worldwide

Investment case

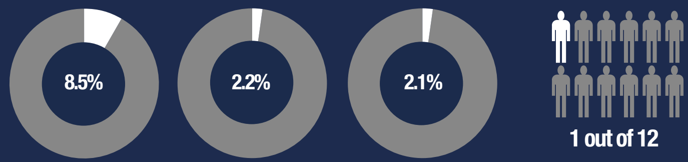
The industry combines favorable long-term trends, consolidation opportunities and high barriers to entry:

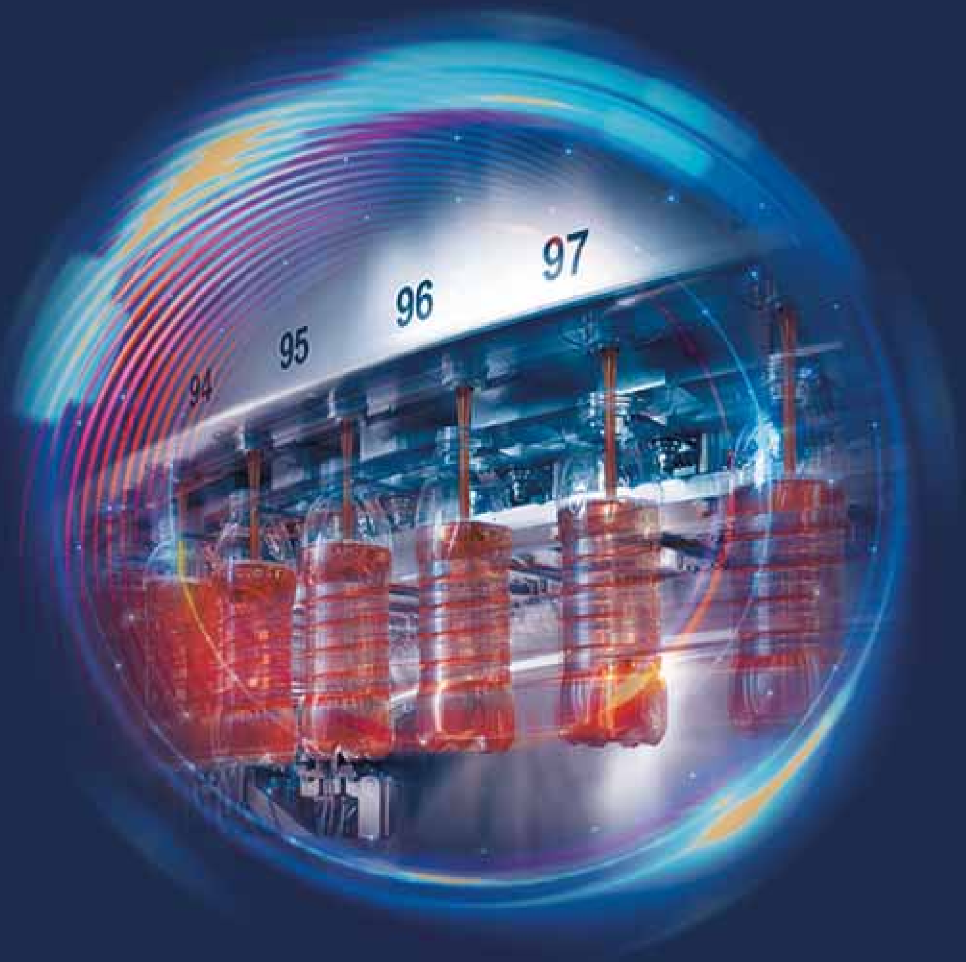
- Food & Beverage end-markets driven by urbanization with growing middle class
- Increasing focus on food safety and quality
- Greater interest in energy efficient automation

In this sector, GEA is a global leader that offers upside potential:

- Global leader with #1 or #2 positions in most of its markets
- Unique technology, know-how and innovation power
- Solid cash generation and balance sheet profile
- Good positioning to seize consolidation opportunities

Capital held by GBL	GEA's contribution to the net dividends collected on GBL's investments	GEA's contribution to GBL's portfolio	Representatives in statutory bodies





Portfolio

Financial communication: Thomas Rosenke and Stephanie Witting, Investor Relations
Tel.: +49 211 9136 1081 ir@gea.com
www.gea.com

Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**180,492**	192,495	192,495
Market capitalisation (in EUR million)	**4,061**	7,702	7,359
Closing share price (in EUR/share)	**22.50**	40.01	38.23

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**8.5**	4.3	-
Percentage of voting rights (in %)	**8.5**	4.3	-
Market value of the investment (in EUR million)	**346**	328	-
Dividends collected by GBL (in EUR million)	**10**	2	-
Representatives in statutory bodies	**1**	0	-

TSR annualised (%)

	1 year	3 years	5 years
GEA	**(42.4)**	(13.8)	(6.4)
STOXX Europe Industrial Engineering	**(18.5)**	6.3	4.0

Portfolio review

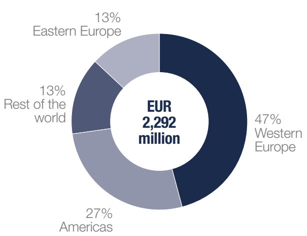
Ontex is a leading international personal hygiene solutions provider

Profile

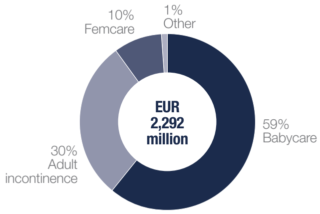
Ontex is a growing international group specialised in hygienic products for baby, adult and feminine care. Ontex products are distributed in more than 110 countries under the company's own brands and retailer brands. The main sales channels are retail trade, medical institutions and pharmacies.

Ontex in figures

Geographic breakdown of 2018 revenue



Breakdown of 2018 revenue per category



Key financial data

Simplified income statement (in EUR million)	**2018**	**2017**	**2016**
Reported revenue	**2,292**	2,335[1]	1,993
Adjusted EBITDA	**234**	266	249
Adjusted profit/(loss)	**110**	131	132
Profit/(loss) (group's share)	**97**	128	120

Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**1,184**	1,178	999
Non-controlling interests	**0**	0	0
Net financial debt	**760**	744	665
Debt-equity ratio (in %)	**64**	63	67
Net financial debt/Adjusted EBITDA (x)	**3.2**	2.8	2.7

Market data (in EUR/share)			
Adjusted earnings	**1.35**	1.65	1.77
Dividend	**0.41**[2]	0.60	0.55

(1) Restated due to change in presentation following the entry into force of IFRS 15
(2) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

Ontex reported total revenues of EUR 2.29 billion, up 1.7% on a like-for-like basis. The growth was driven by improved pricing and mix, with increased pricing more than offseting volume decrease.

In terms of categories:

- Babycare revenue was slightly lower at - 0.6% for 2018. Revenue of Baby pants continued to grow strongly, benefiting from additional production capacity which came on stream during 2018;
- 2018 Adult Incontinence revenue grew 3.8%. Sales in retail channels rose 9% due to the leadership positions of Ontex's brands in several developing markets;
- Revenue in Femcare was up 1.6% in 2018, mainly driven by growing organic cotton tampon sales. This category was supported by consumer trends towards more natural materials in both products and packaging.

2018 adjusted EBITDA was EUR 234 million, 12% lower than a year ago. The adjusted EBITDA margin decreased from 11.4% to 10.2%, mainly due to higher raw material costs, strong negative FX impacts and Brazil.

When excluding Brazil, Adjusted EBITDA margin stood at 11.0%. The execution of turnaround plan is well on track, with a sequential improvement of the Brazil adjusted EBITDA each quarter of 2018.

Adjusted EPS landed at EUR 1.35 and included structurally lower finance costs and lower tax expenses.

The Board of Directors proposes to pay a gross dividend of EUR 0.41 per share, in line with Ontex's policy to pay out 35% of net profit.

In Q4 2018, Ontex initiated Transform to Grow ("T2G"), a comprehensive transformation program to enhance Ontex's competitiveness and return to sustainable growth.

Ontex implemented a new organization and reporting structure. The company's commercial activities are now organized in three divisions:

- Europe, which is predominantly focused on retail brands;
- Americas, Middle East, Africa and Asia (AMEAA), which is predominantly focused on local brands;
- Healthcare, which continues to focus on the institutional markets and dedicated incontinence brands.

More than **30** brands

9 R&D centers

Over **11,000** employees

18 production sites

Investment case

The growth of the industry in recent years has been supported by:

- Resilience of the business (hygiene basics)
- Ageing population in mature countries
- Growth in population and product adoption rates for hygiene products in emerging countries
- Market share gains of retailer brands in developed markets

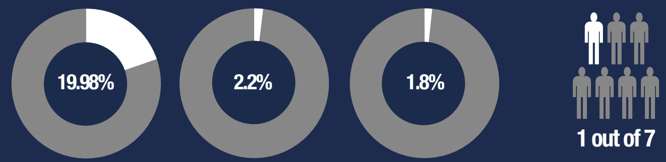
Ontex should be able to continue to outperform the market thanks to:

- Increases in share of its own brands
- Premiumization of its products through innovation
- Greater exposure to emerging countries and adult incontinence products

Ontex is well positioned to consolidate a fragmented industry. The group has a rich pipeline of M&A targets, with a focus on (i) adult incontinence, (ii) branded products and (iii) outside Europe.

The group has potential to increase its margin, through efficiencies and savings programs from the enlarged platform.

Capital held by GBL | **Ontex's contribution to the net dividends collected on GBL's investments** | **Ontex's contribution to GBL's portfolio** | **Representatives in statutory bodies**



Market data and information on GBL's investment

Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**82,347**	82,347	74,861
Market capitalisation (in EUR million)	**1,474**	2,271	2,115
Closing share price (in EUR/share)	**17.90**	27.58	28.25

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**19.98**	19.98	19.98
Percentage of voting rights (in %)	**19.98**	19.98	19.98
Market value of the investment (in EUR million)	**295**	454	423
Dividends collected by GBL (in EUR million)	**10**	9	5
Representatives in statutory bodies	**1**	1	0

TSR annualised (%)

	1 year	3 years	5 years
Ontex	**(33.2)**	(16.6)	n.a.
STOXX Europe 600 Personal & Household Goods	**(12.9)**	0.9	7.1

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Tel.: +32 53 333 730 philip.ludwig@ontexglobal.com
www.ontexglobal.com

Portfolio review

Parques Reunidos is a leading operator of leisure parks with a global presence

Parques Reunidos PASSION FOR LEISURE

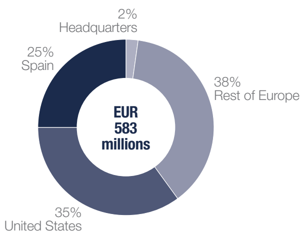
Profile

Since its inception in 1967 as a small-sized Spanish operator, Parques Reunidos has become one of the leading operators of leisure parks in Europe and the US, through organic growth and multiple acquisitions, including Bobbejaanland (Belgium, 2004), Mirabilandia (Italy, 2006), Warner (Spain, 2007), Palace Entertainment (US, 2007) and Tropical Islands (Germany, 2018).

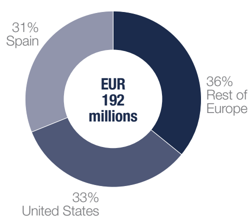
The company operates amusement, animal and water parks with a portfolio of regional and local parks, which have strong local brands.

Parques Reunidos in figures

Geographic breakdown of FY18 revenues



Geographic breakdown of FY18 recurrent EBITDA[1]



Key financial data

Simplified income statement (in EUR million)	**09/30/ 2018**	**09/30/ 2017**	**09/30/ 2016**
Revenue	**583**	579	584
Recurrent EBITDA	**174**	174	188
EBIT	**93**	102	120
Proforma net income (group's share)	**50**	51	61
Net income (group's share)	**13**	11	4

Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**1,106**	1,108	1,132
Non-controlling interests	**1**	1	0
Net financial debt	**567**	516	540
Debt-equity ratio (%)	**51**	47	48
Net financial debt/EBITDA (x)	**3.3**	3.0	2.9

Market data (in EUR/share)			
Proforma earnings	**0.61**	0.64	0.76
Dividend	**0.2477**[2]	0.2477	0.2477

(1) Excluding headquarters
(2) Subject to the approval of the General Shareholders' Meeting

Performance in 2018

The group has reached a recurrent reported EBITDA of EUR 174 million in 2018 (including a 1.4% like-for-like growth).

Key highlights for 2018 include:
- Growth delivered across all regions;
- Positive results achieved in key capex projects, including Warner Beach and Mirabeach expansions;
- Record sales of season passes (16% growth).

Overall, performance has been affected by poor weather conditions impacting US and to a lesser extent Europe:
- US: unfavorable conditions during the summer affecting particularly parks located in the North East and California;
- Rest of Europe: summer season negatively affected by an extended heatwave that affected Central Europe;
- Spain: rainiest spring experienced in the past 50 years.

In addition, the company has identified areas to deliver a better execution in terms of commercial impact, cost management and capex planning.

Proforma net income for 2018 reached EUR 50 million and net debt increased up to EUR 567 million, mainly driven by the Belantis acquisition.

Dividend is proposed at EUR 20 million (EUR 0.2477 per share), corresponding to a payout ratio of 40% over the 2018 proforma net income.

The group also announced in December 2018 that it signed an agreement with Tanjong plc. for the acquisition of German indoor water park Tropical Islands for a total amount of EUR 226 million. This is the largest single-park acquisition in Parques Reunidos's history. Tropical Islands is the world's largest indoor water park and rainforest. As the first indoor water park in the group, Tropical Islands represents a highly strategic acquisition.

Key actions for 2019 include:
- A focus on delivering growth and creating value for shareholders;
  - o Organic growth potential of existing park portfolio;
  - o ~ EUR 70 million expansion capex plan already under development targeting pre-tax ROICs in the ~ 15-20% area;
  - o Actively working on M&A opportunities;
  - o Monitoring of the first indoor openings in Madrid carried out in fall 2018.
- The ongoing strategic plan review and reinforcement of the management team;
- The change of fiscal year from September 30 to December 31 starting in January 2019 (approved in the last AGM).

#2
European operator of leisure parks

14
countries where Parques Reunidos is active

Over
8,000
employees

Over
60
parks

Investment case

The local and regional leisure park market benefits from structural factors, including:

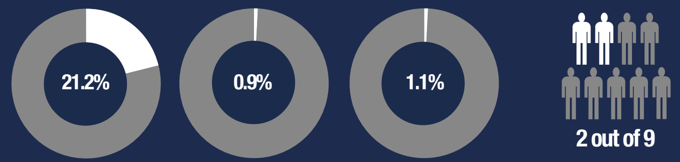
- Appeal of experience
- "Staycation"[(1)] effect providing resilience during downturn
- High industry fragmentation with build-up potential

Parques Reunidos is uniquely positioned:

- Portfolio of over 60 parks in multiple countries with well-known brands
- Multiple avenues of organic and external growth
- Ability to transfer best practices to newly-acquired parks

(1) Vacation where one returns home each night

Capital held by GBL | **Parques Reunidos' contribution to the net dividends collected on GBL's investments** | **Parques Reunidos' contribution to GBL's portfolio** | **Representatives in statutory bodies**



Financial communication: Juan Barbolla, Chief Strategy and IR Officer
Tel.: +34 91 526 97 00 investor@grpr.com
www.parquesreunidos.com

Market data and information on GBL's investment

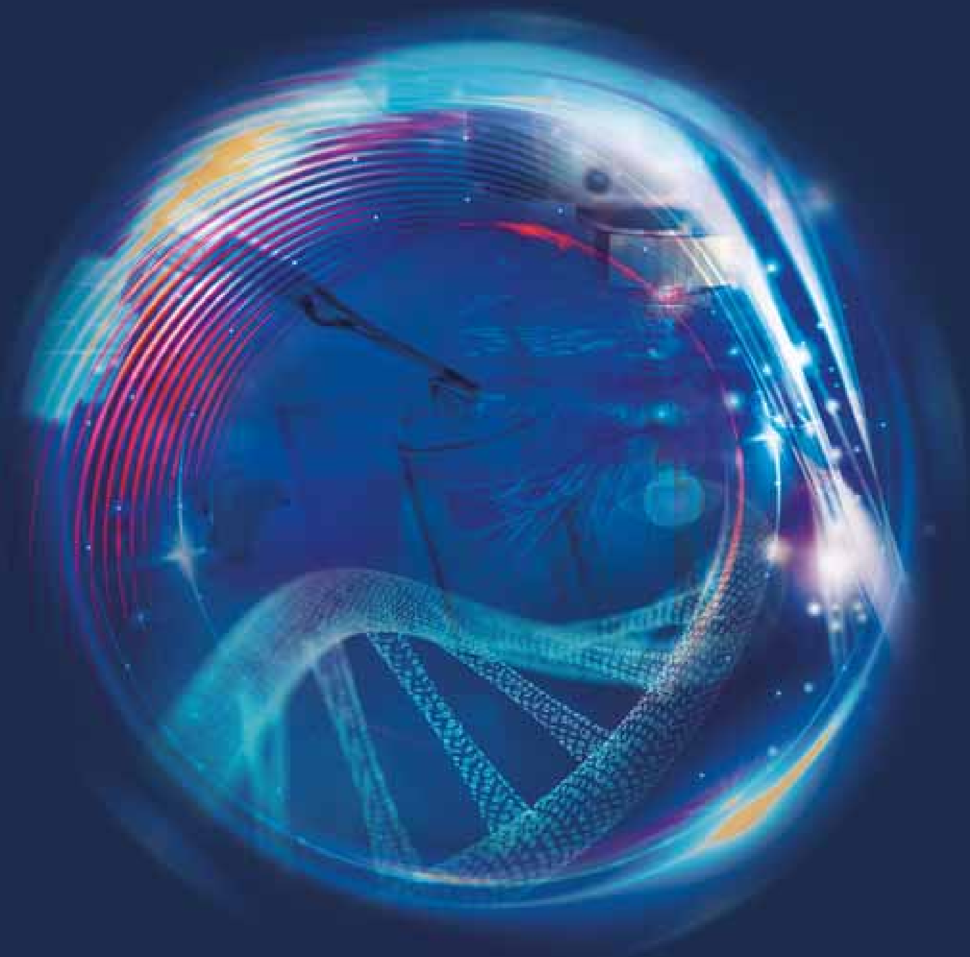
Stock market data	2018	2017	2016
Number of shares issued (in thousands)	**80,742**	80,742	80,742
Market capitalisation (in EUR million)	**872**	1,199	1,232
Closing share price (in EUR/share)	**10.80**	14.85	15.26

GBL's investment	2018	2017	2016
Percentage of share capital (in %)	**21.2**	21.2	-
Percentage of voting rights (in %)	**21.2**	21.2	-
Market value of the investment (in EUR million)	**185**	254	-
Dividends collected by GBL (in EUR million)	**4**	3	-
Representatives in statutory bodies	**2**	1	-

TSR annualised (%)

	1 year	3 years	5 years
Parques Reunidos	**(25.8)**	n.a.	n.a.
STOXX Europe 600 Travel & Leisure	**(13.9)**	(2.4)	7.0

SIENNA CAPITAL



SIENNA CAPITAL

GBL intends to reinforce the diversification of its portfolio and achieve its value creation objectives by pursuing the development of its alternative investments within its platform Sienna Capital.

Sienna Capital aims at generating superior risk-adjusted returns by building a select portfolio of investment managers delivering a strong performance in their area of expertise (e.g. private equity, debt and specific thematic funds) as well as opportunistic direct investments and co-investments.

Sienna Capital is an active and involved partner with the managers it selects. It supports them by helping to fundraise, attract talents and source investment opportunities as well as by providing advice on sound governance and best practices.

Sienna Capital offers a differentiated proposition to investment managers deploying long-term capital enabling us to secure both attractive financial terms and play a role as an active, value-added partner.

Its development and diversification strategy consists of anchoring the launch of successive funds, as well as examining opportunities for direct commitments into additional investment managers providing exposure to new strategies and geographies. Sienna Capital is also actively seeking additional opportunities for direct investments and co-investments.

Sienna Capital generates revenue via capital gains, interest income, dividends and fees earned through revenue-sharing agreements.

SIENNA CAPITAL

	7 investment managers							Direct investment/ Co-investment	
	ERGON CAPITAL	SAGARD	KARTESIA ADVISOR	MERIEUX EQUITY PARTNERS	PrimeStone	BDT CAPITAL PARTNERS	BACKED	Upfield	**Total**
Year of initial investment	2005	2002	2013	2014	2015	2015	2017	2018	
Share in Sienna Capital's portfolio	25%	14%	16%	5%	12%	5%	2%	21%	**100%**
In EUR million **In 2018**									
New commitments	-	-	-	-	-	-	-	250	**250**
Capital invested	104	10	60	13	-	4	12	250	**453**
Distribution	4	98	22	0	-	2	-	-	**127**
In EUR million **As of December 31, 2018**									
Commitment	863	385	300	75	150	107	25	250	**2,155**
Capital invested	621	263	211	55	150	59	20	250	**1,629**
Remaining commitment	242	121	90	20	-	50	5	-	**528**
Distribution received to date	593	286	75	0	-	2	-	-	**956**
Stake value (Sienna Capital's portfolio)	337	180	209	62	153	72	27	275	**1,315**(1)

(1) Difference between Sienna Capital's stake value of EUR 1,315 million and its net asset value of EUR 1,374 million primarily corresponding to Sienna Capital's cash position

Key highlights

Upfield

First direct investment

- Commitment in March 2018 to invest EUR 250 million alongside funds affiliated with the investment firm KKR in Upfield (formerly named Flora Food Group), Unilever's Spreads Business.
- Global market leader in plant-based margarine spreads and cooking products, operating in 69 markets around the world.
- Transaction closed in July 2018.

ERGON CAPITAL

Acquisitions by Ergon Capital Partners III ("ECP III")

- Beginning of 2018, ECP III finalised the acquisition of svt with a consecutive external growth transaction of Rolf Kuhn, making it one of the European leaders in the passive fire protection sector.
- During the third quarter of 2018, ECP III acquired Beltaste-Vanreusel, a Belgian frozen food manufacturer and preferred supplier to the fast food sector and Indo, the Spanish leader in the manufacture and distribution of ophthalmic lenses and ophthalmologic diagnostic equipment.

SAGARD

Sale of and reinvestment in Alvest Group

- Majority owned investment in Alvest Group, global leader in ground support equipment and services for the aviation industry and airports, sold to CDPQ, Management and Ardian in a new LBO in which Sagard 3 reinvested EUR 69 million as minority shareholder.
- Net capital gain of EUR 57 million (GBL's share), not impacting GBL's consolidated result following the entry into force of IFRS 9.

Acquisition of Climater

- Acquisition by Sagard 3 of a majority stake in Climater, a leading French specialist in climate engineering for a total amount of EUR 68 million.

Sale of Kiloutou

- Disposal of Kiloutou, a leader in the industrial and construction equipment rental market, by Sagard II and PAI Partners in February 2018.
- Net capital gain of EUR 23 million (GBL's share), not impacting GBL's consolidated result following the entry into force of IFRS 9.

Sale of Délices des 7 Vallées

- Sale of Délices des 7 Vallées, a leading manufacturer of small-sized premium frozen pastries, by Sagard 3 to Mademoiselle Desserts. Under Sagard's tenure, revenue and EBITDA annual growth exceeded 10% and 15% respectively.
- Net capital gain of EUR 19 million (GBL's share), not impacting GBL's consolidated result following the entry into force of IFRS 9.

MERIEUX EQUITY PARTNERS

Successful IPO's and launch of Mérieux Equity Partners

- Mérieux has supported IPO's of two portfolio companies on NASDAQ: Twist Bioscience, a synthetic DNA manufacturing company in October 2018 whilst Xeris Pharmaceuticals, a leading glucagon auto-injector producer for hypoglycaemia treatment became public in June 2018.
- Mérieux announced in September 2018 the official launch of Mérieux Equity Partners, AIFM management company registered in France under AMF regulatory agency. Mérieux Equity Partners is now responsible for managing the two investment vehicles Mérieux Participations and Mérieux Participations 2.

2018 Performance

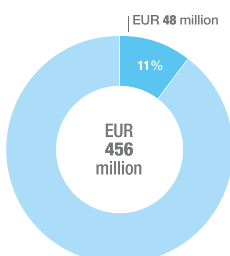
In 2018, through its underlying managers, Sienna Capital has indirectly invested EUR 453 million. This amount mainly includes (i) the investment of EUR 250 million in Upfield, (ii) the investment in svt, Indo and Beltaste-Vanreusel by ECP III, (iii) new transactions completed by Sagard, Kartesia, BDT Capital Partners and Backed.

Sienna Capital received EUR 127 million, primarily from the sale of Kiloutou by Sagard II, the sale of Alvest and Délices des 7 Vallées by Sagard 3 and from the distributions of EUR 22 million from Kartesia Credit Opportunities III and IV.

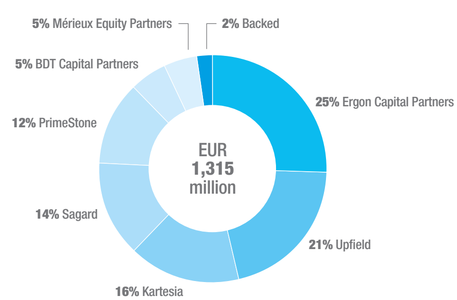
In 2018, Sienna Capital's contribution to GBL's cash earnings amounted to EUR 48 million, of which EUR 9 million of dividend and EUR 40 million of interests.

Sienna Capital significantly strengthened its team in 2018 with the hiring of a new Chief Investment Officer (Denis Blank), Chief Financial Officer (Johann Dumas) and Financial Analyst (Ruairi Keeley). There is now a strong team in place to lead the continued development and expansion of the business.

Sienna Capital's contribution to GBL's cash earnings



Breakdown of Sienna Capital's portfolio



ERGON CAPITAL

John Mansvelt
Chief Financial Officer
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www.ergoncapital.com

Profile
Created in 2005, Ergon Capital Partners ("ECP") is a private equity fund operating in the mid-market segment. It makes equity investments from EUR 25 million up to EUR 75 million in leading companies with a sustainable competitive position in attractive niche markets located in the Benelux, Italy, Iberia, France, Germany and Switzerland.

Sienna Capital & Ergon
ECP I was founded in 2005 with shareholders consisting of GBL and Parcom Capital, a former subsidiary of ING. The first fund had EUR 150 million in assets under management. In 2007, these same shareholders backed a second fund, ECP II, in the amount of EUR 275 million. In 2010, GBL supported a third fund of initially EUR 350 million, ECP III. In July 2016, the size of ECP III was successfully increased by EUR 150 million bringing the total commitments to EUR 500 million.

In 2017, Ergon launched ECP IV in which Sienna Capital committed EUR 200 million.

Financial year 2018
During the year, ECP III successfully completed the acquisitions of svt, Beltaste-Vanreusel and Indo representing a total equity value invested of EUR 99 million for ECP III.

SAGARD

Mariane Le Bourdiec
General Secretary
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www.sagard.com

Profile
Created in 2002 on the initiative of Power Corporation of Canada, Sagard invests in companies valued at more than EUR 100 million that are leaders in their markets, primarily in French-speaking European countries. Sagard enables entrepreneurs to sustainably expand into new geographies or new markets.

Sienna Capital & Sagard
GBL agreed to invest in the first Sagard fund (Sagard I) for an amount of EUR 50 million. During the financial year 2006, GBL committed an amount of EUR 150 million in the fund's successor, Sagard II, reduced in 2014 to EUR 113 million.

In 2013, Sienna Capital participated in the launch of Sagard 3 by committing EUR 218 million.

Sienna Capital receives certain preferential financial terms in relation to its support of Sagard 3.

Financial year 2018
In 2018, Sagard 3 invested a total amount of EUR 151 million.

Sagard II and Sagard 3 exited from 3 portfolio companies and distributed to Sienna Capital a total amount, net of reinvestment, of EUR 98 million.

KARTESIA ADVISOR

Frantz Paulus
Head of Investor Relations
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www.kartesia.com

Profile
Kartesia offers liquidity and credit solutions to mid-sized European companies, while providing a higher stable return to its investors. More generally, Kartesia wishes to facilitate the participation of institutional investors and major individual investors in the European LBO debt market, by offering them exposure to highly rated, resilient and diversified credit through primary, secondary or rescue financing operations carried out with duly selected mid-sized companies.

Sienna Capital & Kartesia
KCO III (previously named KCO I) successfully closed at EUR 507.5 million, of which EUR 150 million from Sienna Capital.

KCO IV successfully closed at EUR 870 million of which EUR 150 million from Sienna Capital.

In exchange for providing Day 1 capital to support the launch of Kartesia, Sienna Capital receives certain preferred economics.

Financial year 2018
Kartesia distributed EUR 22 million to Sienna Capital, mostly from KCO III while KCO IV continued to actively deploy capital.

MERIEUX EQUITY PARTNERS

Christine Demode
Chief Financial Officer
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Profile
Established in 2009, Mérieux Développement invests in growth equity and venture capital within the healthcare and nutrition sectors, working alongside entrepreneurs whose products and services can bring genuine advances to patients and consumers worldwide.

Merieux Développement is the investment arm of Institut Mérieux, which employs 15,000 people worldwide and generated revenues in excess of USD 3 billion in 2017. Since 2018, it operates through Mérieux Equity Partners, its AIFM management company.

Sienna Capital & Mérieux Equity Partners
In 2014, Sienna Capital committed an amount of EUR 75 million dedicated to the two funds managed by Mérieux Equity Partners, Mérieux Participations I and Mérieux Participations 2.

Sienna Capital benefits from certain favourable financial terms for its support of Mérieux Participations I and Mérieux Participations 2.

Financial year 2018
In 2018, Mérieux Participations 2 has invested EUR 28 million, of which EUR 23 million in two new companies.

PrimeStone

Martin Donnelly
Chief Operating Officer
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www.primestonecapital.com

Profile

PrimeStone was established in 2014 by three former partners from The Carlyle Group, specialising in buy-outs, and who have worked and invested together across Europe for more than 15 years. PrimeStone has a strategy of constructive and active management in mid-sized listed European companies that have significant value creation potential through strategic, operational or financial improvement. PrimeStone creates value by taking a long-term perspective, adopting an active approach and having a significant influence over its underlying investments through a constructive dialogue with boards and management teams.

Sienna Capital & PrimeStone

As part of a long-term agreement, Sienna Capital invested EUR 150 million in February 2015. In exchange for its support of PrimeStone, Sienna Capital benefits from certain favourable financial terms.

Financial year 2018

In 2018, PrimeStone completed two new investments.

BDT CAPITAL PARTNERS

Jennifer Dunne
Director of Communication
Tel.: +1 312 660 7314

Profile

Founded in 2009 by Byron Trott, BDT Capital Partners and its affiliates have offices in Chicago, New York, Los Angeles, London, and Frankfurt and provide solutions-based advice and capital to leading family and founder-led businesses around the world. BDT Capital Partners successfully raised USD 3 billion over 2 fundraisings in 2010 and 2012, and then a second fund in 2014, BDT Capital Partners Fund II ("BDTCP II"), amounting to USD 5.2 billion. In 2015, BDTCP II was reopened to new investors, in order to raise USD 1 billion of new capital.

Sienna Capital & BDT Capital Partners

In 2015, in the context of the reopening of BDTCP II, Sienna Capital committed to invest EUR 113 million (EUR 107 million at year-end 2018 EUR/USD exchange rate).

Financial year 2018

In 2018, BDTCP II completed 4 major transactions totalling USD 901 million. BDT distributed EUR 2.4 million (net of reinvestment) in 2018 to Sienna Capital.

BACKED

Andre De Haes
Founding Partner
info@backed.vc
www.backed.vc

Profile

Backed is a venture capital fund and has a unique investment proposition. The investment team of millennials is targeting millennial entrepreneurs who create products and offer services for millennials. Backed was launched in 2015 by a 29 years old talented investment professional. The fund invests in seed/series A deals.

Sienna Capital & Backed

As part of a long-term agreement, Sienna Capital has committed EUR 25 million in September 2017. In exchange for its support of Backed, Sienna Capital benefits from certain favourable financial terms.

Financial year 2018

Whilst Backed did not return any proceeds in 2018, it continued to deploy capital in new investments and build-ups, consistent with expectations and with promising early signs.

Upfield™

Profile

Upfield (f.k.a. Flora Food Group), the carve-out of Unilever's Spreads Business, is a global leader in plant-based nutrition with more than 100 brands, including Becel, Flora, Country Crock, Blue Band, I Can't Believe It's Not Butter, Rama and ProActiv. The company operates in 69 markets around the world, with number 1 brand positions in 49 countries. Upfield's six business units cover Northwest Europe, Southwest Europe, Central/Eastern Europe, North America, Middle/Latin America and Asia/Africa. The company employs more than 3,500 Associates.

Sienna Capital & Upfield

In July 2018, Sienna Capital has invested EUR 250 million alongside KKR and other co-investors into Upfield, its first co-investment transaction. Sienna Capital is represented on the Board of Upfield by a senior member of GBL's investment team.

Financial year 2018

While the focus is on the execution of the carve-out process, revenue and EBITDA are in-line with the investment thesis.

Environmental, social and governance responsibility

Environmental, social and governance responsibility

1. Our management approach

1.1 Our commitment

As a patrimonial and active investor, GBL believes that responsible management is key to fulfil its role as a professional investor in order to ensure the best interests for its shareholders, translating into long-term value creation and consequently into long-term sustainable growth in earnings and shareholder remuneration from its portfolio assets.

While GBL's main concern is to carry out profitable and sustainable activities, it also seeks to play a role within the broader society in which it operates. Given the essential link between successful business and strong communities, GBL's responsible management approach must benefit all stakeholders.

1.2 Our responsible management approach

Environmental, social and governance ("ESG") considerations are fundamental to the way GBL conducts business, not only in its investment activities, but also as a company, and notably an employer and a contributor to the communities in which it operates.

As a responsible company

The group has a long history of being a responsible employer and consistently demonstrates integrity and high ethical standards. As an investment holding company, without any production or distribution operations and with a limited headcount below 50 people, GBL's own impact in terms of social and environmental factors is limited. However, responsible management is an intrinsic corporate value at GBL. Section 2 hereafter describes GBL's responsible management philosophy and commitments at its own level.

As a responsible investor

GBL recognizes its ESG responsibilities, through its investment decisions and its portfolio monitoring, i.e. at the portfolio level. ESG is part of the group's long-term value creation process as GBL believes that a company will be resilient throughout economic cycles if it equipped to face disruptions (including climate change) as well as able to grasp ESG opportunities. GBL therefore (i) invests in companies that share its principles and commitment with regards to the imperative need to behave responsibly and ethically and serve the whole of the community and (ii) takes an active ownership approach in the companies in which it invests, ensuring through their governance bodies that its investments continue to be managed in a manner consistent with its responsible management philosophy. This is further described in section 3 hereafter, which details GBL's ESG positioning as a responsible investor and reviews the key commitments of its portfolio companies.

1.3 Policies and reporting framework

As a long-term listed investor, GBL has developed (i) an ESG Statement, (ii) a Diversity & Inclusion Policy, (iii) a Code of Ethics and (iv) a Corporate Governance Charter (the "Charter").

- The ESG Statement reflects the core values that guide GBL and its Executive Management [1] as a company and as an investor on environmental, social and governance issues. It presents the company's commitments and implementation guidelines regarding all three ESG pillars and constitutes the base of our reporting in section 2.
- The Diversity & Inclusion policy supports and facilitates at GBL a diverse and inclusive environment that embraces differences and recognizes their benefits. These differences can be age, gender (identity), sexual orientation, disability, ethnicity, cultural and religious backgrounds and other areas of potential difference.
- The Code of Ethics provides guidance in conducting business activities in accordance with the highest legal, ethical and professional standards. It is made available to all employees and members of the Board of Directors (the "Directors"), and covers compliance, responsible management, conflicts of interest, anti-corruption and anti-bribery, relations with third parties, respect at work and non-discrimination.
- GBL has adopted the Charter that brings together all of the company's corporate governance rules and particularly the principles governing the conduct of GBL's Directors and its specialised committees, as well as these bodies' operating rules. This document also includes the dealing code, which defines the rules applicable to transactions in GBL shares (the "Dealing Code").

GBL is committed to responsible communication and transparency towards its stakeholders. The ESG Statement and the Charter are available on its website and form the reference framework applicable to GBL and its holdings.

GBL's non-financial reporting is inspired by the United Nations Global Compact framework, which GBL formally committed to in 2018, and which sets out the principles on Human Rights, Labour, Environment and Anti-Corruption. All principles are addressed further in section 2. The group's commitment to continue developing its responsible investment approach led GBL to adhere to the United Nations Principles for Responsible Investment in 2018.

(1) The Executive Management will be made out of a single CEO as of the Ordinary General Meeting of April 23, 2019

1.4 Responsibilities

Executive Management and the Board of Directors

The Board of Directors reviews and approves the ESG strategic orientations, performance and reporting, whilst:

- the Executive Management is responsible for the monitoring of the compliance with the ESG Statement through a yearly assessment of the performance and efficiency of the actions undertaken to pursue GBL's long-term commitments and objectives; and
- the Audit Committee reviews and assesses on a yearly basis the risks inherent to GBL, including the ESG-specific assessment performed as part of the monitoring process (see section 3 for further details).

ESG Lead

The formal responsibility for ESG matters has been delegated to the General Secretary who is the assigned "ESG Lead". GBL believes however that, in addition to giving the tone at the top, proper ESG integration requires widespread workforce engagement, as corporate culture is key in order to ensure alignment with the group's strategy. The Board and ESG Lead are therefore supported by all corporate functions, primarily:

- the legal and human resources departments in charge of social and governance matters at GBL holding level (see section 2);
- the investment team in charge of deploying GBL's ESG approach as a responsible investor at each stage of the investment cycle (see section 3); and
- the communication team.

1.5 Scope

GBL's ESG approach described in this section applies to Groupe Bruxelles Lambert and its subsidiaries:

- whose principal activities are investing, reinvesting, owning, holding, managing or trading in shareholdings in other companies, or proposing to do so, and/or engaging in treasury management activities;
- other than Sienna Capital's direct or indirect subsidiaries;

together being the "GBL group" or "GBL".

This consequently excludes from the considered scope (the "ESG Scope"):

- the participations of GBL's portfolio (whether controlled or not) into which GBL is an active shareholder through their governance bodies; and
- all the investment fund managers into which Sienna Capital invests.

Those companies identify and address their ESG impacts and associated risks within the framework of their own internal control.

Section 3 hereafter provides an overview of the key sustainability commitments of GBL's portfolio companies, and notably their long-term vision and strategy.

We highlight the fact that the European Directive on non-financial reporting (transposed into Belgian law on September 3, 2017) covers the GBL group and its consolidated operating activities (detailed in page 102). As the consolidated operating activities are excluded from the ESG Scope (see above), please refer to their own ESG analysis and reporting on their website:

Imerys	**"Sustainable Development" on www.imerys.com**
ECP III	**www.ergoncapital.com/strategy.php**

2. A responsible company

As an investment holding company, with a limited headcount below 50 people and without any production or distribution operations:

- GBL's stakeholders are primarily (i) its employees, (ii) its shareholders, (iii) the portfolio companies, (iv) institutional investors and (v) the communities in which the company is established; and
- GBL's own impact in terms of social and especially environmental factors is limited.

However, responsible management has always been an intrinsic corporate value at GBL.

GBL strives to continuously increase awareness of sustainability challenges within the group. Specific commitments have been structured around the three ESG pillars:

1 Social	2 Governance	3 Environment
• Employee related matters • Community involvement • Human rights	• Board diversity • Robust corporate governance • Ethics & Integrity	

GBL's commitment to the UN Global Compact in 2018 contributed to further structure and strengthen the group's ESG journey.

2.1. Social

a) Employee-related matters

Commitment

As an employer, GBL believes that value creation derives, among other things, from its ability to attract and retain talented people with diverse backgrounds, skills and ethical values. These talented people are a key asset for GBL as an investment holding company.

GBL complies with the relevant labour laws and is committed to the UNGC labour principles:

Principle 3 (1)
Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4
The elimination of all forms of forced and compulsory labour;

Principle 5
The effective abolition of child labour; and

Principle 6
The elimination of discrimination in respect of employment and occupation.

(1) The UNGC principles 1 and 2 are presented in page 59

As outlined in its Code of Ethics, GBL commits to the following principles:

- creating a positive working relationship with its employees;
- providing a diverse and inclusive workplace in which people are treated with mutual respect and dignity as well as fairly;
- providing equal opportunities in employment, appointment and advancement based on appropriate qualifications, requirements and performance;
- ensuring a safe and healthy workplace environment, free from all forms of discrimination.

Implementation

GBL's commitment is overseen by the Executive Management and the Human Resources department. The group strives to create an environment where people are valued, supported and empowered to be successful both personally and professionally. GBL gives individuals the resources to develop their expertise and leadership skills, by supporting and providing trainings opportunities for its employees' development.

The group actively supports a culture of development and performance and recognizes the value of diversity and personal well-being. GBL's philosophy on ensuring a diverse workforce free of discrimination is furthermore outlined in its Diversity & Inclusion Policy. The diversity criteria included in GBL's policy are taken into consideration in terms of recruitment.

GBL provides health insurance to its employees and their families. All employees are given access to the Code of Ethics in order to ensure awareness and adherence to shared corporate values.

GBL monitors the following key performance indicators in this regard:

Average workforce in 2018 (full time equivalent)	**37.7** (1)
% of women in 2018 (full time equivalent)	**42.2** (1)
% of permanent contracts at year-end 2018	**97.1** (1)
Average number of training hours per employee in 2018	**13.1** (1)
% employees with private health insurance	**100**
% employees with higher (university/graduate level) education background at year-end 2018	**85.7** (1)

(1) Source: GBL S.A.'s statutory financial statements as of December 31, 2018

GBL's assessment of the risk related to human resources is described in the Risk management section (see page 68 to 75).

b) Community involvement

Commitment

GBL is convinced that it can be successful as a business and create shareholder value only if it seeks to serve all of its stakeholders and create value for them as well. This involves conducting the business in a way that benefits the communities where GBL is established.

Implementation

GBL is committed to making a positive contribution to the communities in which it operates, by way of its sponsorship policy which focuses on the following areas: scientific research, charitable contributions, and culture and education.

In 2018, GBL has allocated the following sponsorships:

Total contributions	**EUR 1.4 million**
Number of supported projects	**80**

in the following areas:

- the medical world: GBL is financially supporting several hospitals and laboratories with the objective of promoting medical research and financing the acquisition of equipment;
- charitable contributions: GBL supports the organisations and persons which are active within the community, notably by helping people suffering from physical, mental or social disabilities;
- culture and education: various private and public organisations have benefited from GBL's support to set up both cultural (artistic and educational) and academic programs.

Illustrations of GBL's community involvement

In the medical world, RUN TO KICK

RUN TO KICK is a festive non-competitive event, the purpose of which consists in mobilising a wide audience in favour of the foundation KickCancer, which is a public interest foundation working closely with the KiCa Fund, a Fund dedicated to research in paediatric oncology managed by the King Baudouin Foundation.

In 2018, GBL's Sponsor Committee decided to support the KickCancer foundation by taking part in the RUN TO KICK. A 23-people GBL-team participated in raising funds and awareness for research against children cancer, and ran the tracks in the Forest of Soignes in September 2018.

In the culture field, Musica Mundi

Recognized internationally for the high quality of its internship and its chamber music festival for young talents, the association Musica Mundi has, during this year 2018, inaugurated its school in Waterloo. It allows young musicians aged 10 to 18 to simultaneously pursue their professional music training and general studies; a unique educational formula in Western Europe.

GBL has been supporting Musica Mundi since 2008. GBL's Sponsor Committee decided to continue supporting the association in 2018, when the latter celebrated its 20th anniversary.

In the education field, 19 Coding School

19 is the first Belgian Coding School entirely free, open to all and accessible to 18-30 year olds. Its pedagogy is peer-to-peer learning: a participative process that allows students to unleash their creativity through project-based learning.

In 2017, GBL's Sponsor Committee had decided to support the launch of this project, and since October 1, 2018, over 150 students have integrated the school with the support of 42 Coding School (created by French entrepreneur Xavier Niel). The aim of 19 is to provide coding education to 450 students in the coming 3 years.

c) Human rights

Commitment

As a matter of principle, respect for human rights has always been embedded into GBL's responsible management philosophy. The whole of the company must defend this commitment. Direct and indirect human rights impacts are considered during dealings with business partners, where material and relevant.

GBL's commitment to respect human rights is defined in its ESG Statement, its Diversity & Inclusion Policy and its Code of Ethics, includes compliance with all applicable laws, and the group endeavours to support and respect internationally proclaimed human rights.

The group's commitment includes the following UNGC principles:

Principle 1

Business should support and respect the protection of internationally proclaimed human rights; and

Principle 2

Make sure they are not complicit in human rights abuses.

Implementation

As a diversified investment holding company, GBL recognizes the role it can play in supporting and respecting the universal protection of human rights. It believes that respecting and protecting human rights is fundamental to creating long-term sustainable value.

Implementation efforts at group level include raising awareness of all employees with regards to corporate values and related human rights aspects.

As a key performance indicator, GBL ensures that all employees and Directors have access to and acknowledge the ESG Statement, the Diversity & Inclusion Policy, the Code of Ethics and the Charter as they take office.

GBL's assessment of risks related to human rights is further considered in the Risk management section (see pages 69 to 75) as part of the risk of non-compliance with professional practices and ethics standards as well as the risk related to human resources.

2.2. Governance

a) Board and Executive Management diversity

Commitment

GBL is committed to the proper application of the corporate governance provisions. This includes a diverse composition of the Board of Directors and the Executive Management contributing to good governance. GBL strives to apply the principle of diversity to the composition of its governance bodies and this notwithstanding the presence of a controlling shareholder.

Therefore, with regards to the selection of new Directors and Executive Management, GBL applies diversity criteria and does not tolerate discrimination of any kind.

Implementation

For some years now, GBL has gradually strengthened the presence of women in its Board of Directors which counts six women out of a total of eighteen members following the co-option of Agnès Touraine as Director by the Board of Directors of October 31, 2018. GBL thus respects the quota of a third of its Directors of a different gender that of the rest of the Board. GBL thus also complies with the requirements of the law of July 28, 2011, which aims at ensuring diversity within the Boards of Directors of listed companies.

The Company also strives to ensure that members of the Board of Directors and the Executive Management have various complementary backgrounds in the financial, industry and services sectors and from the national and international academic world.

In addition, the Board of Directors ensures the presence and contribution of independent Directors in sufficient number and quality, thus ensuring the respect of all shareholders' interests

GBL has otherwise also rejuvenated its Board of Directors in recent years, with the average age of Directors falling from 64 years (end of 2013) to 59 years (end of 2018).

b) Corporate governance

GBL believes that sound corporate governance is essential to the ability to generate long-term sustainable returns and is committed to the highest standards of governance. Responsibility for ESG has been assigned to the Board of Directors, which supervises the implementation of the ESG Declaration on the basis of the annual report prepared by the ESG Lead.

The rules of conduct for the members of GBL's Board of Directors and of its specialised Committees, as well as the rules governing the functioning of these bodies, are laid out in the Charter (see page 160).

The composition of GBL's Board of Directors reflects the Company's controlling shareholder structure, that is controlled by Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., incorporated under Swiss law, is itself controlled by Parjointco N.V., incorporated under the laws of the Netherlands and equally controlled by the Frère and Power Corporation of Canada groups.

As of December 31, 2018, out of a total of eighteen members, GBL's Board includes ten representatives proposed by the controlling shareholder, Pargesa Holding S.A. This control situation also justifies the presence of representatives proposed by the controlling shareholder, Pargesa Holding S.A., on the Audit Committee (two members out of five) and the Standing Committee (ten members out of thirteen).

Finally, GBL's corporate governance footprint is strengthened by the assessment of both its Board of Directors and its Executive Management:

- in accordance with its internal rules and regulations, the Board of Directors assesses its own performance every three years based on an individual questionnaire. This questionnaire concerns the size, composition and collective performance of the Board of Directors, as well as the actual contribution of each Director and the Board of Directors' interaction with the Executive Management;
- the internal rules and regulations do not stipulate any specific procedures for assessing the performance of the Executive Management. This assessment occurs on an ongoing and informal basis within the framework of meetings of the Board and its Committees and more formally through the triennial assessment of the Board of Directors' performance. Furthermore, the non-executive Directors meet annually, in the absence of the Executive Management, to review the interaction between the non-executive Directors and the Executive Management.

c) Ethics & Integrity

Commitment

GBL is committed to carrying out its business worldwide ethically and in accordance with all applicable laws. This includes a prohibition on the use of corrupt and illegal practices, including bribery, to obtain or retain a commercial advantage.

Accordingly, GBL does not tolerate any corruption and bribery within GBL's business activities. GBL's core values and business principles are specified in the Code of Ethics which further indicates who all employee can refer to should any question or insecurity arise. The Code of Ethics indicates limits and elements to be considered for the full compliance to local regulations as well as anti-corruption practices supported by the group.

GBL's commitment is guided by international frameworks including the UNGC and its following principle:

Principle 10

Business should work against corruption in all its forms, including extortion and bribery.

Implementation

Implementation efforts at group level include raising employee awareness to GBL's corporate values and related anti-corruption practices.

As a key performance indicator, GBL monitors that access is given to all employees and Directors to the ESG Statement, the Diversity & Inclusion Policy, the Code of Ethics and the Charter.

In practice, GBL organizes yearly training courses for all of its employees to raise their awareness and encourage them to comply with this policy.

GBL's assessment of risks related to ethics and integrity is further considered in the Risk management section (see pages 68 to 75) as part of the risk of non-compliance with professional practices and ethics standards.

2.3. Environment

Commitment

As a holding company without any production or distribution activities, GBL has a limited direct environmental impact. In spite of this limited environmental footprint, GBL recognizes its role in:

- promoting environmental values in its operations and in limiting any negative impact within its own scope; and
- acting as a professional investor by embedding in its investment cycle all ESG aspects and notably the environmental one at the level of the portfolio, as described in section 3.

GBL is committed to complying with applicable environmental laws and regulations, and to assess and address, where relevant and applicable, the foreseeable environmental impacts associated with its activities. The group's commitment considers the corresponding UNGC principles, namely:

Principle 7

Business should support a precautionary approach to environmental challenges;

Principle 8

Undertake initiatives to promote greater environmental responsibility; and

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

Implementation

Over the years, GBL has focused its efforts on resource conservation, energy efficiency and waste management. It remains committed to continually reducing its low direct impact on the environment by looking for available improvements and supports the environmental management initiatives of the companies in the portfolio (as described in section 3).

All employees of GBL are expected to be mindful of the environmental impact of the company and to respect the commitments made in this area. They are expected to act in respect of the company's environmental commitment and corporate values.

In addition, GBL promotes leading energy efficiency and waste management practices at its head office. As an illustration, its premises in Brussels and Luxembourg have been fully renovated in 2013 to reduce their energy consumption.

3. A responsible investor

Commitment

As a patrimonial and active investor, GBL believes that the effective management of ESG aspects can have a positive impact on the company's long-term performance and ability to create value in a sustainable manner. It consequently embeds ESG at all stages of its investment process and portfolio monitoring.

Investment process

In practice, this translates into in-depth analysis of new investments notably under the ESG angle as part of GBL's strategic investment criteria, as both a source of risks and opportunities (refer to pages 14 to 19 of the Strategy section).

GBL takes a prudent approach to risk and incorporates the analysis of ESG aspects into its investment process which leads to invest in companies with sustainable business models. Responsible investing is a mean to mitigate potential risks and identify valuable investment opportunities. ESG aspects indeed strengthen and enrich the analysis performed by GBL's investment team of trends and sectors, by contributing to the identification of opportunities in different areas such as energy, recycling, etc. ESG aspects also allow for a more comprehensive understanding of the risks and value creation opportunities of a potential investee company, as GBL believes that ESG compliance and commitments are drivers of long-term value creation and sustainable growth for the portfolio companies.

Implementation

In practice, during the first phases of the investment process, GBL will apply both exclusionary and positive screening when assessing an investment opportunity. Ensuring that the investment team looks beyond negative screening allows the group to consider the full scope of ESG impacts and opportunities.

Negative screening will result in excluding companies that are not aligned with GBL's responsible management philosophy, including its Code of Ethics and its ESG Statement. In this context, GBL will ascertain whether practices in relation to environmental, social and governance responsibility are consistent with the best international standards at the level of any potential investee.

Positive screening, in practice, is reflected in the inclusion of ESG-related trends in GBL's investment universe (including sustainability and resource scarcity, as described in page 17 of the Strategy section).

Both screenings are based on due diligence work carried out by third parties specialized in ESG, as well as on research reports provided by independent specialists.

GBL thus invests in companies that share its principles and commitment with regards to the imperative need to behave responsibly and ethically as well as serve the whole of the community.

Portfolio monitoring

GBL has an active ownership approach in the companies in which it invests and ensures through their governance bodies that they are managed in a manner consistent with its responsible management philosophy, including its Code of Ethics and its ESG Statement.

The portfolio companies and the difficulties and opportunities they present are diverse. Each company remains responsible for developing its own policies and programs. GBL believes, however, that it is necessary to promote common guidelines on sustainable development and responsible management within its various shareholdings. The group also believes that ESG should be an integral part of key performance measures tracked by its investment team, alongside other traditional financial indicators, when assessing its portfolio companies, as reflected in its divestment guidelines (refer to page 16 of the Strategy section).

Implementation

ESG risk and opportunity assessments are performed as part of the portfolio monitoring process. These are based on:

(i) the analysis by tier 1 independent ESG-rating providers;
(ii) the knowledge and expertise of external ESG specialists mandated by GBL;
(iii) the proprietary knowledge derived from a questionnaire sent by GBL's representatives to the Board of Directors of the portfolio companies on a yearly basis and covering a broad range of ESG topics; and
(iv) the expertise of GBL's investment team on the portfolio companies and their sectors.

The assessment exercise is performed by the investment team based on this methodology, and allows GBL to have an in-depth understanding of the factual risks and mitigants presented in independent reports and ratings whilst ensuring that its final conclusions, which are presented for each individual portfolio company in the form of a risk matrix to the Audit Committee on an annual basis, are translated into informed decisions.

Underlying rationale	Key performance indicators
GBL believes in widespread workforce engagement to ensure proper integration of its ESG strategy, implementing its portfolio monitoring activities also translates in trainings given to all professionals and/or specifically to its investment team.	GBL employees involved in the investment process and portfolio monitoring participate to annual ESG awareness training over the 2017-2018 period.
GBL requires that practices in relation to environmental, social and governance responsibility are ensured at potential investee and portfolio companies' level, consistently with the best international standards.	For all listed portfolio companies: • a ESG strategy has been defined; • regular ESG standardised reporting is in place; • ESG aspects are integrated within annual financial reports; • efficient governance bodies are and remain in place, including the Audit Committee, through which GBL seeks appropriate disclosure on ESG issues by the investee companies. • when represented, direct engagement is ensured with the portfolio companies within the governance bodies.
Being positioned as an active and reponsible investor, GBL aims at exercising its influence within the governance bodies and the General Shareholders' Meetings of its portfolio companies.	GBL's representatives attend and actively participate in governance bodies' and General Shareholder's Meetings.

Key ESG commitments of portfolio companies

As highlighted before, the portfolio companies identify and address their ESG impact and associated risks within the framework of their own internal control. Summarised below are their strategic commitments and objectives in the ESG field.

adidas

YEAR OF FIRST INVESTMENT
2015

adidas' commitment to sustainable practices rests on the company's mission: To be the best sports company in the world. Best means that adidas designs, builds and sells the best sports products in the world, with the best service and experience in a sustainable way. adidas has a clear roadmap for 2020 and beyond, which is a direct outcome of its business strategy "Creating the New". The company believes that, through sport, it has the power to change lives. But sports needs a space to exist. These spaces are increasingly endangered due to man-made issues, including human rights violations, pollution, growing energy consumption and waste. Its holistic approach to sustainability responds to the challenges that endanger the spaces of sport and simultaneously the planet and people. Building on existing programs, it tackles these subjects that are most material to its business and its stakeholders, and translates its overall sustainability efforts into tangible goals for 2020 that have a direct impact on the world of sport adidas operates in.

External recognition
For the 19th consecutive time, adidas was selected to join the Dow Jones Sustainability Indices, the world's first global sustainability index family tracking the performance of the leading sustainability-driven companies worldwide. Adidas was assessed for its corporate economic, environmental and social performance and rated as overall leader in the Textiles, Apparel and Luxury Goods Industry.

As a result of its response to the Carbon Disclosure Project in 2018, adidas was awarded with a B score in the Climate Change submission and with a B- score in the Water submission.

The company continued to be positioned among the top ten in the leather and textiles industry in the annual Green Supply Chain Corporate Information Transparency Index. adidas also improved its score to top the Corporate Human Rights Benchmark (CHRB) evaluation in 2018, coming in first overall, with more than 100 companies across various industries assessed against the CHRB's criteria of human rights performance.

Additional information
www.adidas-group.com/en/sustainability/managing-sustainability/ general-approach/

Pernod Ricard

YEAR OF FIRST INVESTMENT
2006

Sustainability & Responsibility is an integral part of what Pernod Ricard does every day, it is at the heart of its "*créateur de convivialité*" tagline, its consumer-centric focus and oitsur decentralised organization. It is one of its business priorities and its 18,900 employees bring it to life. Pernod Ricard supports the Sustainable Development Goals (SDGs) adopted by the United Nations for 2030. The group is committed and takes actions to contribute to these goals and everyone in the groups plays an active role.

The group is a signatory of the United Nations Global Compact since 2003 and respects the ten Global Compact Principles. Pernod Ricard also firmly supports the UN SDGs defined in 2015, with a commitment to reach 12 of the 17 objectives by 2030.

Its Sustainability & Responsibility model is based on 4 pillars: Empower our employees, Promote responsible drinking, Protect our planet and Develop our communities and engage our partners.

Its Sustainability & Responsibility model is based first and foremost on one principle: the commitment of its 18,900 employees, all of them citizens acting in their own communities. Their sincere personal commitment is the principal mark of our credibility. This strategy is implemented in accordance with the decentralisation model: initiatives that are primarily local but still connected with the group's global priorities.

External recognition
In 2018, Pernod Ricard's Sustainability & Responsibility strategy was again recognised at the highest level by non-financial rating agencies in the beverage sector in terms of Corporate Social Responsibility (CSR) by Vigeo Eiris in May. According to EcoVadis, Pernod Ricard ranks among the top 3% of global companies with the most advanced CSR commitments.

Additional information
www.pernod-ricard.com/en/our-commitments/

SGS

YEAR OF FIRST INVESTMENT
2013

SGS is committed to creating value to society. The SGS business principles demonstrate that sustainability is an integral part of its culture, embedded in all facets of the organization. Sustainability at SGS centers around four pillars: People, Operational Excellence, Environment, and Community. From these pillars, the organization has identified several sustainability goals to achieve by 2020 and runs more than 300 sustainability projects.

SGS continues to demonstrate its capability of quantifying value to society in economic terms. Its pioneering model combines the impact valuation methodology with the integrated reporting framework and measures value to society across its operations and supply chains. In collaboration with the mapping of its activities against the 17 Sustainable Development Goals, this tool enables the company to set future business and sustainability priorities as well as improve its strategic decision-making. A strategy that will allow the organization to be better aligned with the expectations of new generations of customers, employees and investors.

Achievements

SGS continues to receive recognition thanks to its progress. For the fifth consecutive year, SGS was named the leading company in the industry by the Dow Jones Sustainability Indices. For the second time, SGS has been included in the FTSE4Good Index. SGS also received a gold rating from EcoVadis for the fourth consecutive year and was placed in the top 1% of the evaluated companies in its industry.

Additional information

www.sgs.com/en/our-company/corporate-sustainability/sustainability-at-sgs

LafargeHolcim

YEAR OF FIRST INVESTMENT
2005

Climate change, population growth, business ethics, sustainable urban development and resource scarcity: today's and tomorrow's challenges require pan-international actions. LafargeHolcim's sustainability approach capitalizes on its worldwide presence to provide solutions towards meeting these social, environmental and stakeholder challenges, with one clear goal: to create shared value with society.

LafargeHolcim's sustainable development framework goes beyond simply mitigating the company's impacts – it also addresses the positive impacts its operations can have beyond the boundaries of its plants.

The company's sustainability framework sets a vision for the built environment and defines the next steps in that direction. It sets targets and operating principles related to its direct and indirect impacts over the whole life-cycle of its products and services.

As the building materials industry leader, LafargeHolcim has a responsibility, the scale and the geographic footprint to enable widespread, positive, global and local change in the construction sector.

Building on a rich history, sustainability is part of who LafargeHolcim is and how the group wants to do business. With its sustainability framwork, the group turns this value into commitments to its partners and communities and, eventually, into business objectives.

External commitments & recognition

With its integrated approach to sustainable development, LafargeHolcim aims to embrace the UNGC principles

LafargeHolcim was again included in the FTSE4Good index in 2018.

LafargeHolcim was included in the 2018 DJSI European Index, one of only two Europe-based companies in the construction materials sector to be included in the European index.

In the results of the 2018 CDP assessment LafargeHolcim received a score of B, above the sector average.

Additional information

www.lafargeholcim.com/sustainable-development

IMERYS

YEAR OF FIRST INVESTMENT
1987

Imerys' Corporate Social Responsibility Charter supports the group's long-term strategy. Commitments on safety & health, environmental impact reduction, human resources, relations with communities and corporate governance and ethics play a vital role in safeguarding the group's future. To achieve these commitments, every employee in the group must support them through their actions.

In 2017 Imerys group created a new CSR Steering Committee whose responsibilities are to establish group CSR ambitions, validate the group CSR program and guide and monitor implementation on progress towards the group objectives.

In 2017 Imerys also decided to develop a new CSR strategic plan to be launched in an iterative fashion starting from early 2018. The full objectives and preliminary performance results of the new group CSR program shall be reported on within the 2018 Registration Document.

Memberships, commitments and assessments

Imerys became a signatory member of the United Nations Global Compact in 2016, supports the ambitions of the United Nations adopted 17 Sustainable Development Goals and has duly evaluated the policies and practices within its operations that directly contribute to these sustainable development objectives.

The rating agency indices and assessments related to group ESG performance that were included in the definition of material CSR priorities process are:

Indices/Assessment	2017 Rating
CDP Climate Change	B
FTSE4Good Index	Absolute Score (0-5) = 3.3 Supersector Relative (1-100) = 58
MSCI ESG Leaders Indexes	AAA

In addition to the above, Imerys ESG practices are also assessed within: Ethibel Sustainability Index Excellence Europe, Vigeo Europe 120, STOXX® Global ESG Leaders Index, Oekom, Ecovadis and Sedex Advance assessments.

Additional information

"Sustainable development" on www.imerys.com

umicore

YEAR OF FIRST INVESTMENT
2013

Umicore's main contribution to a more sustainable world centres on the products and services it provides to its worldwide customer base. The areas where it can make the most telling contributions are:

- Resource scarcity: in today's world, metals are in greater demand but are becoming ever scarcer. Umicore's recycling capabilities recover more than 20 elements including precious and other metals.
- Clean air: worldwide efforts towards stricter emissions standards provide global growth opportunities in automotive catalysts, for both light and heavy-duty vehicles.
- Vehicle electrification: the growing market for lithium ion batteries is driving demand for the group's rechargeable battery cathode materials.

Horizon 2020

Horizon 2020 adopts a conscious view of Umicore's presence in the overall value chain. The group strives to leverage its sustainability expertise both up the value chain (supply) as well as down the value chain (products and services). From a supply perspective Umicore seeks to generate a greater competitive edge by promoting its ethical sourcing approach and closed loop business offering. In terms of sustainable products and services Umicore aims to generate further competitive benefits through the development of products that have specific sustainability benefits such as the reduction of harmful substances or the enhancement of material or energy efficiency.

The group aims to drive an even more efficient use of metals, energy and other substances in our operations. To this end it will pursue selective eco-efficiency initiatives in business units and sites where these can generate compelling value.

A great place to work is a safe, healthy and engaging workplace. Umicore seeks to be a workplace with zero lost time accidents. In terms of occupational health the group aims to further reduce employee exposure to specific metals. Umicore also wants to make progress on specific strategically important themes of talent management, diversity and employability.

Additional information

www.umicore.com/en/about/about-umicore/sustainability/

TOTAL

YEAR OF FIRST INVESTMENT
1998

As a global energy operator, Total made its commitments to the environment and community engagement an integral part of its strategy. From ensuring people's safety and security to meeting the challenges of climate change and strengthening its integration into local communities, the group acts in a sustainable and responsible manner every day. This is what being committed to better energy is all about.

As a major energy company, Total wants to contribute to three core challenges: satisfying the energy needs of a growing population, limiting the impact of climate change and adapting to changing customer expectations.

The world needs better energy to ensure sustainable, responsible growth. Because the group's ambition is to become the responsible energy major, it is committed to providing safer, cleaner and more affordable energy that creates value.

Performance, reference frameworks and reporting

Total has been included continuously in the FTSE4Good index (London Stock Exchange) since 2001 and in the Dow Jones Sustainability World Index (DJSI World – New York Stock Exchange) since 2004. Total has been listed on DJSI Europe every year since 2005, excepting 2015. Total was third of the extractive sector and first of the Oil & Gas sector in the first ranking of Corporate Human Rights Benchmark published in 2017.

In terms of reporting, Total refers to the IPIECA (global oil and gas industry association for environmental and social issues) guidance and to the Global Reporting Initiative (GRI).

In 2016, Total committed to contributing to the achievement of the UN Sustainable Development Goals (SDGs) and in 2017, the group launched a project to identify and prioritize the SDGs to which it can make the most significant contribution and make public commitments in a show of its support for the United Nations' recommendations for the implementation of the SDGs.

Additional information

www.total.com/en/commitment

GEA

YEAR OF FIRST INVESTMENT
2017

At GEA, sustainability and value creation are inextricably intertwined. They serve as its guideline for entrepreneurial decisions and the further advancement of the group. GEA's understanding of sustainability implies that the group assumes responsibility for the way it handles its business and its economic, ecological and social implications while ensuring transparency of reporting in this field. Against this backdrop, GEA critically reviews its own activities in relation to relevant sustainability issues such as the protection of resources, human rights and the fight against corruption.

GEA's solutions are characterized by megatrends such as continued population growth, rising urbanization and progressing climate: in the future, more and more people will require an adequate supply of food, energy or pharmaceutical products - always on the premise that resources are being conserved. As an internationally active technology group, which is one of the world's largest suppliers of process technology in food production, GEA deals with these macroeconomic trends.GEA is convinced that only industrial process technology can meet the safety, quality and shelf life requirements of critical consumers.

GEA's corporate claim encapsulates the central promise of "engineering for a better world". In this way, GEA sets itself the goal of designing value-added processes in a responsible manner and contributing to the sustainable management and protection of natural resources with increasingly efficient products and process solutions for customers. This claim is reflected in the mission statement "Sustainable value creation"

Frameworks and performance

GEA welcomes the principles of the UN Global Compact initiative and endorses all internal and external corporate responsibility initiatives taking place within the framework of the advancing process of internationalization.

The group also pledged to respect human rights and generally accepted core labor standards of the ILO and it fully abides by the OECD Guidelines for Multinational Enterprises.

GEA participates in the annual EcoVadis CSR performance monitoring scheme-in 2017, it improved its rating to Silver from Bronze, and scored C in the 2017 COP Climate Change.

Additional information

www.gea.com/en/responsibility/index.jsp

Ontex

YEAR OF FIRST INVESTMENT

2015

As a leading supplier of hygienic disposables for both private label and branded markets, Ontex believes that sustainable business practices contribute to genuine business success.

“The ambition is to get sustainability embedded in our Ontex DNA with clear focus on caring for people and offering products to customers and consumers without compromising the needs of future generations” - Annick De Poorter, Group R&D, Quality and Sustainability Director.

The group’s sustainability strategy has been developed to demonstrate and report against the action Ontex takes to advance broader environmental and social goals, such as the UN Sustainable Development Goals (SDGs).

Ontex strives for sustainable growth, offering responsible products at an affordable price (“Sustainable growth” principle). The group also wants to make a positive impact on society and improve people’s lives wherever it connects with them (“People at the heart” principle). Finally, Ontex strives to operate with the ecological limits of the planet in mind so that it can support the needs of present and future generations (“Responsible production” principle).

Frameworks

In 2016, Ontex reviewed its material aspects (along with its main stakeholders) to take into account the United Nations’ Sustainable Development Goals (SDGs). Its materiality assessment process involving all stakeholders was disclosed in detail in a sustainability report and can be found on the group’s website. The materiality matrix shows the main themes and why they matter, the links to the SDGs and where one can find more information on the topic.

Additional information

www.ontexglobal.com/sustainability

Parques Reunidos

PASSION FOR LEISURE

YEAR OF FIRST INVESTMENT

2017

Parques Reunidos seeks to have a positive impact on its team and communities by operating responsibly. The safety and wellbeing of all its guests is the group’s top priority. Parques Reunidos complies with each and every one of the established safety regulations, and goes beyond regulatory requirements, setting new standards for the industry worldwide.

The group also has a strong focus on sustainability, protection of wildlife and the natural world, environmental education, science and research. It is committed to ensuring that animals receive the best possible care. Its zoos and marine life parks make sure all of the animals’ needs are met and exceed all government regulations and professional animal care standards.

Parques Reunidos Foundation

As part of the group’s corporate social responsibility endeavours it has set up The Parques Reunidos Foundation, which plays a key role in its CSR policy. The group believes that only through education and knowledge is it possible to achieve the awareness needed to protect the intangible natural heritage and biodiversity.

The Parques Reunidos Foundation is a private non-profit organization. It seeks to protect the environment and biodiversity by promoting sustainable development through the responsible use of resources, by contributing to the conservation of the natural heritage and by raising awareness in the field.

The Parques Reunidos Foundation collaborates with many international organizations in situ for the conservation of highly endangered species, primarily by raising awareness and by providing direct support (financial or zoological expertise) to well-established international projects throughout the world

Additional information

www.parquesreunidos.com/en/commitment/

Risk management

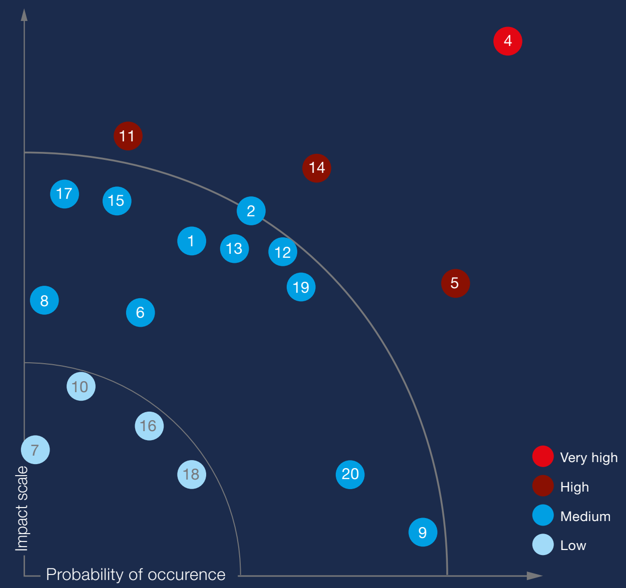
This section presents a summary table that categorises the main risks related to GBL's activities and the various factors and measures mitigating their potential negative impact.

The risk mapping and a schematic representation of the risk identification, assessment and control process can be found on page 70. The section ends with a detailed description of the internal control and risk management system's formalisation based on the COSO model.

Main risks	Risk factors	Mitigants
Exogenous Risks associated with shifts in external factors such as economic, political or legislative change	• Changes in financial markets, notably with regards to the volatility of share price and interest and foreign exchange rates • Changes in macroeconomic variables (growth rates, monetary policy, inflation, commodity prices, etc.) • Regulatory or budgetary policy changes involving, for example, tax reform or new legal obligations • Specific developments affecting certain geographic areas (Eurozone, emerging countries, etc.)	• Geographic and sector diversification of the portfolio with differentiated cyclical exposure • Ongoing legislative monitoring • Systematic monitoring and analysis of macro-economic scenarii, markets and investment thesis
Strategy Risks resulting from the definition, implementation and continuation of the group's guidelines and strategic developments	• Differing visions or understanding of the assessment of strategic priorities and inherent risks • Validity of the parameters underlying investment thesis • Geographic or sector concentration of investments	• Formal decision-making process involving all governance bodies and the management • Ongoing monitoring of key performance indicators and regular updates of assumptions and forecasts • Periodic portfolio review at different hierarchical levels • Portfolio diversification
Cash and cash equivalents, financial instruments and financing Risks associated with the management of cash and cash equivalents, financial instruments and financing	• Access to liquidity • Debt leverage and maturity profile • Quality of counterparties • Relevance of forecasts or expectations • Interest rate exposure • Developments in financial markets • Volatility of derivative instruments	• Rigorous and systematic analysis of considered transactions • Definition of trading limits • Diversification of investment types and counterparties • Strict counterparty selection process • Monitoring of the liquidity profile and limitation of net indebtedness • Formal delegations of authority with the aim to achieve appropriate segregation of duties • Systematic reconciliation of cash data and the accounting
Operations Risks resulting from inadequacies or failures in internal procedures, staff management or systems in place. Risk of non-compliance with quality standards, contractual and legal provisions and ethical norms	• Complexity of the regulatory environment • Adequacy of systems and procedures • Exposure to fraud and litigation • Retention and development of employees' skills	• Internal procedures and control activities regularly reviewed • Implementation of delegations of authority to ensure an appropriate segregation of duties • Maintenance of and investments in IT systems • Hiring, retention and training of qualified staff • Internal Code of Conduct and Corporate Governance Charter

Specific risks related to the participations	GBL indirectly faces specific risks related to the participations, which are identified and addressed by the companies themselves within the framework of their own internal control. The analysis conducted by these companies in terms of risk identification and internal control is described in the reference documents available on their website.	**adidas**: www.adidas-group.com **GEA**: www.gea.com **Imerys**: www.imerys.com **LafargeHolcim**: www.lafargeholcim.com **Ontex**: www.ontexglobal.com **Parques Reunidos**: www.parquesreunidos.com **Pernod Ricard**: www.pernod-ricard.com **SGS**: www.sgs.com **Total**: www.total.com **Umicore**: www.umicore.com

Risk mapping 2018



1. Risk related to strategy implementation
2. Portfolio risk
3. ESG risk [(1)]
4. Stock market risk
5. Change risk
6. Counterparty risk
7. Treasury risk
8. Liquidity risk
9. Interest rate risk
10. Risk related to derivative financial instruments
11. Eurozone risk
12. Legal risk
13. Tax risk in the current legal and regulatory environment
14. Tax risk related to legal and regulatory changes
15. Risk related to financial reporting
16. Risk of delegation of authority
17. Risk of non-compliance with professional practices and ethics standards
18. Risk related to IT infrastructure
19. Risk related to information access management (IT and non IT)
20. Risk related to human resources

Risk mapping provides indicative information, which may change at any time, particularly depending on market conditions. GBL makes no declarations or warranty and takes no undertaking as to the relevance, accuracy or completeness of the information that it contains.

(1) The ESG risk has been isolated since 2017 and is not subject to an individual assessment in terms of impact scale and probability of occurrence, remaining assessed through other identified risks, as explained further in this chapter.

Identification, assessment and control of risks at GBL

Identifying and validating the list of risks

Desk research

Update of the list of risks

Internal meeting

List

Validation

Workshops with GBL's key people

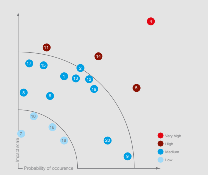
Assessing risks

Risk appetite

Definition of assessment scales

Assessment workshop

Risk mapping



Responding to risks and putting in place control procedures

Accepting / mitigating / rejecting / transferring risks

Implementing / adapting / testing control activities

Verifying and controlling risks

Board of Directors

Audit Committee

Verification of control systems

Whistle blowing procedure

Assessment of applicable risks and their level of control

Risk management and internal control

GBL's Board of Directors is responsible for assessing the risks inherent to the GBL group and the effectiveness of the internal control system. With regards to risk management and internal control, the Belgian legislative framework consists of the law of December 17, 2008 (application of European Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts) and the law of April 6, 2010 (the so-called "Corporate Governance" Law). The 2009 Belgian Corporate Governance Code also includes provisions on that topic. Besides, the IFRS 7 standard defines additional requirements for the management of risks related to financial instruments. Since 2006, GBL has formalised its internal control and risk management system based on the COSO model [1].

The COSO methodology is based on five areas: the control environment, risk assessment, control activities, information and communication, and supervision and monitoring.

1.Control environment

1.1. The company's objective

GBL's primary objective is to create, over the long term, value for its shareholders. GBL strives to develop a quality portfolio focused on a targeted number of companies that are leaders in their market and in which it can play an active role as a professional shareholder over the long term. The portfolio will evolve over time while remaining balanced in terms of sectorial and geographic diversification. GBL invests and divests depending on companies' development and market opportunities in order to achieve its objective of value creation, while maintaining a solid financial structure.

Internal control at GBL contributes to the safeguarding of assets and the control and optimisation of transactions. It aims at providing reasonable assurance about achievement of the objectives of compliance with laws and regulations in force and the reliability of accounting information and financial reporting. Like any control system, it can only provide a reasonable assurance that the risks of errors or fraud are totally controlled or eliminated.

1.2. Role of the governance bodies

GBL has a Board of Directors, a Standing Committee, a Nomination and Remuneration Committee and an Audit Committee. Their respective modes of operation are described from page 171 to page 174. The Audit Committee is in charge in particular of checking the effectiveness of the company's internal control and risk management systems. In this context, the Audit Committee also monitors the proper application of a whistle blowing procedure. The majority of its members, all of whom are designated by the Board, are independent Directors. The Chairman of the Audit Committee is appointed by the members of the Committee and cannot be the Chairman of the Board of Directors.

1.3. Risk culture

GBL aims at investing in companies that offer potential for value creation in the long term. New opportunities and portfolio management are monitored continuously at the highest level (see "Portfolio risk" in page 72). The divestment policy (as detailed in page 16 of the Strategy section) aims at disposing of investments that no longer meet the group's investment criteria.

1.4. Professional ethics

GBL has adopted a Corporate Governance Charter and a Code of Conduct that are regularly updated and aim to ensure conduct that is honest, ethical and complies with the laws, regulations and principles of good governance, by the group's Directors and staff in the exercise of their duties. Pierre de Donnea serves as Compliance Officer.

1.5. Measures adapted to ensure appropriate competence

The Nomination and Remuneration Committee reviews candidacies and seeks to ensure that a satisfactory balance is maintained within the Board of Directors in terms of its members' competences, knowledge and experience, particularly in the fields of finance, accounting and investment. The Board of Directors conducts on a regular basis, at intervals of no more than three years, assessments of itself and its Committees in terms of size, composition and performance. In this context, it also examines regularly the interaction between non-executive Directors and the Executive Management. A recruitment process suited to the profiles sought, appropriate training and a remuneration and evaluation policy based on the achievement of targets enable to ensure the competence of GBL's staff.

2.Risk analysis

GBL has set up a formal risk analysis and assessment process since 2006.

The Audit Committee carries out a thorough exercise for the identification of risks faced by GBL and their ranking every three years. The risks identified during the last assessment carried out in 2018 are presented on pages 71 to 75.

Furthermore, the risks and their level of control are reviewed annually, notably based on changes in the portfolio, economic parameters or the control environment.

The Audit Committee reviews the analysis and assessment of the risks performed by the Management, and validates the operational effectiveness of the internal control systems. When necessary, it ensures that the Executive Management implements a corrective action plan.

The current level of control of these risks (see "Control activities" below) appears sufficient and no additional measures are required to be implemented.

Specific risks related to GBL's participations

Each of GBL's strategic investments is exposed to specific risks which, if they were to materialise, could lead to a change in the overall value of GBL's portfolio, its distribution capacity or its results profile. The bulk (92%) of GBL's portfolio at year-end 2018 was composed of ten participations in major listed groups which themselves analyse their risk environment. These are described and analysed in their respective management reports and registration documents in accordance with legislation in force.

GBL is also exposed to risks related to its investments carried out through Sienna Capital which nevertheless currently account for 8% of the portfolio value.

(1) The COSO (Committee of Sponsoring Organisations of the Treadway Commission) is a recognised private, international, non-governmental organisation active in the areas of governance, internal control, risk management and financial reporting

Risks specific to GBL

1. Risk related to strategy implementation

The strategy must reflect a clear vision that addresses shareholders' expectations. It must be shared by the members of the management and carried out through operational action plans, based on appropriate assumptions, in order to avoid the risk of inefficient implementation and failure to comply with the value creation objectives.

2. Portfolio risk

The composition of the portfolio may involve a particular exposure to certain sectors, certain geographic areas or certain regulations. Investment and divestment decisions must be based on sufficient and adequate analyses in order to ensure that GBL's portfolio remains balanced and in line with the group's strategic orientations.

3. ESG risk

On the basis of an in-depth internal analysis, GBL has decided not to position an ESG risk in the risk mapping as it is a combination of areas of focus which cannot be assessed based on a single, common evaluation grid. Indeed, and similarly to its ESG approach, GBL's exposure to ESG risks is dual. GBL is, on the one hand, directly exposed to ESG-related risks, as an employer and a contributor to the communities in which it operates. On the other hand, GBL is indirectly exposed to ESG risks in its quality of responsible investor. Additionally, and although environmental, social and governance risks are considered with the same underlying goal of carrying out sustainable activities in the long term, they remain largely diverse in nature, rely on a variety of fundamentals and require different evaluation criteria.

Consequently, GBL's ESG risk exposure will remain assessed indirectly, as described below:

- regarding GBL as a responsible company, the group's exposure to environmental risks is not assessed as it is not material. GBL has a limited headcount below 50 people and has no production or distribution operations. GBL's exposure to social risks is addressed through the risk related to human resources whilst the exposure to governance risks is covered by the risk of non-compliance with professional practices and ethics standards;
- regarding GBL as a responsible investor, and as described in the ESG section (refer to page 60), ESG risks are one of the criteria assessed (i) prior to an investment and (ii) as part of the investment team's portfolio monitoring activities. GBL's ESG risk exposure, is consequently assessed through the risk related to strategy implementation.

4. Stock market risk

GBL is exposed, given the nature of its activities, to stock market fluctuations within its portfolio. Moreover, stock market volatility may impact GBL's share price.

5. Foreign exchange risk

GBL is exposed to foreign exchange risk that may have an impact on its portfolio value through investments listed in foreign currencies, as well as on the dividend flows it receives.

6. Counterparty risk

Counterparty default risk occurs primarily within the framework of deposit, drawdown under the credit lines, hedge transactions, purchase/sale of listed shares, derivative financial instruments or other transactions carried out with banks or financial intermediaries, including collateral transactions.

7. Treasury risk

A lack of control over cash inflows, outflows and investments in money market instruments may have significant financial consequences.

8. Liquidity risk

GBL's financial resources are not sufficient to implement its investment strategy and to meet its debt servicing requirements.

9. Interest rate risk

GBL is exposed, given its financial position, to changes in interest rates that could have an impact on both its debt and its cash.

10. Risk related to derivative financial instruments

The value of derivative financial instruments evolves depending on market conditions. Use of such instruments must comply with the prerequisites in terms of technical analysis as well as legal documentation to ensure that these instruments are effective and meet GBL's strategy.

11. Eurozone risk

The transactions carried out by GBL are mainly denominated in euros. The European Union and the Eurozone have been weakened over the past years notably by political tensions, uncertainties related to the level of sovereign debt in Italy and the Brexit process in progress.

12. Legal risk

As a company listed on a regulated market and as an investor in industrial, consumer goods and business services companies, GBL is subject to many statutory and regulatory provisions. In the course of its activities and through its strategy, in addition to complying with those rules, GBL must also monitor them so that changes therein are appropriately taken into account in the management of its activities and governance.

13 - 14. Tax risk related to current legal and regulatory framework and related to legal and regulatory changes

GBL must manage and foresee the tax implications of all its strategic decisions, comply with its legal and tax reporting obligations and monitor potential changes in the Belgian and international legal framework to avoid any risk of non-compliance that could have negative effects. Given the complexity of the current and constantly changing environment, it is all the more important that GBL controls and effectively monitors this tax risk.

15. Risk related to financial reporting

Complete, reliable and relevant information is a key element of management and governance and is also central to GBL's communication. Competent teams in charge of producing that information and appropriate information systems must enable to control the risk that financial information is not prepared in a timely manner, is incomplete or is not understandable to the reader. Budgets and projections are supports to decision-making and management control. Their reliability and relevance can influence the group's performance.

16. Risk of delegation of authority

An inappropriate definition or the failure to comply with signing authority and delegation of authority could commit GBL to unauthorised transactions. A control environment that fails to ensure the segregation of duties and to preserve the group from fraud could result in financial losses and harm its image.

17. Risk of non-compliance with professional practices and ethics standards

GBL is exposed to the risk that behaviour and decisions of its managers or employees, whether individually or collectively, may not comply with professional practices and ethics standards it endorses. GBL's historic performance, its investment policy, its behaviour as a shareholder and its approach to ethics and governance contribute to the group's renown. Preserving this is essential, as a failure to do so could trigger financial losses and harm the group's image.

18. Risk related to IT infrastructure

This risk relates to the general IT environment (including hardware, network, back-up system, software, etc.). The infrastructure and developed tools must address GBL's operational needs in an appropriate manner. Any failure must be anticipated or resolved without any impact on the group's activities.

19. Risk related to information access management

The security of the systems and information access management must ensure that no transaction violates the existing control procedures and that no information is used by unauthorised persons.

20. Risk related to human resources
The group has to recruit, retain and develop the human resources required to ensure that it operates effectively and achieves its objectives.

3.Control activities

Control activities encompass all measures taken by GBL to ensure that the identified key risks are appropriately controlled.

Risk prioritisation has been carried out based on impact (financial, reputational, legal or operational) and occurrence criteria.

This analysis revealed that GBL is exposed simultaneously to:
- exogenous risks, whose materialisation depends on factors outside its control but whose impact the group aims at limiting;
- endogenous risks that arise from its own environment.

The specific risks related to the participations are identified and addressed by the companies themselves within the framework of their own risk management and internal control. The table on page 69 mentions links to the websites where these companies' analyses conducted on risk identification and internal control can be found.

Exogenous risks

Exogenous risks related to external factors, such as market developments and economic, political and regulatory changes, may have a major impact on GBL's operating environment and performance. Exogenous risk factors are, by definition, generated outside the company's scope of control and therefore their occurrence cannot be controlled. However, these risks can be assessed in order to find solutions that mitigate their impacts.

- Stock market risk: stock market fluctuations are inherent to the company's activity and may be mitigated only by adequate diversification, thoughtful investment or divestment decisions and ongoing anticipation of market expectations. This risk and the related mitigants are closely tied to the portfolio risk referred to below.
- Eurozone risk: changes to the economic and political context in the group's areas of activities are monitored particularly closely in terms of exposure and assessment of potential impacts, and the group's needs to adapt its investment strategy or implement specific action plans.
- Legal, tax and regulatory changes: GBL strives to anticipate the regulatory changes (notably legal and tax changes) to which it is subject in order to avoid any risk of non-compliance or adverse impact on the attractiveness of an investment. The group therefore takes such changes into account in its objectives in terms of performance and respect of shareholders and third parties.
- Interest rate risk: GBL's gross indebtedness is mainly at fixed rate. Regarding its cash position, GBL has chosen, despite the negative interest rate environment imposed by the European Central Bank, to continue to favor liquidity while limiting counterparty risk. The cash is placed at very short term and is subject to precise monitoring depending on changes in market conditions and constraints specific to GBL. In this regard, the group remains attentive to the evolution of rates and their relevance in the general economic context.
- Foreign exchange risk: GBL hedges this risk for declared dividends while it remains exposed to foreign exchange fluctuations directly impacting its portfolio value. Nevertheless, geographic and sector diversification makes it possible to reduce the risk of exposure to a particular foreign currency.

Endogenous risks

The endogenous risks related to GBL's activities are the following:
- Risk related to strategy implementation
- Portfolio risk
- ESG risk
- Counterparty risk
- Treasury risk
- Liquidity risk
- Risk related to derivative financial instruments
- Tax and legal risk in the current legal and regulatory environment
- Risk related to financial reporting
- Risk of delegation of authority
- Risk of non-compliance with professional practices and ethics standards
- Risk related to IT infrastructure
- Risk related to information access management
- Risk related to human resources

Risk related to strategy implementation
The composition of the portfolio resulting from the implemented strategy is a key performance element for GBL with a view to creating value for its shareholders. The related decisions are analysed and approved in accordance with the process described below (see "Portfolio risk") by various governance bodies which ensure that they are in line with the group's strategic direction. Furthermore, the assumptions on which the analyses are based and the underlying forecasts are regularly assessed and adjusted when necessary.

Portfolio risk
GBL seeks to mitigate this risk by selecting high-quality assets, leaders in their sectors and by diversifying its portfolio. Any investment or divestment is the subject of in-depth analyses, performed according to pre-established criteria. These are reviewed by the Executive Management and the Standing Committee and then approved by the Board of Directors. Existing investments are monitored through a systematic and regular portfolio review carried out by the various relevant reporting levels at GBL and at every meeting of the Board of Directors. The direction of the Participations department is regularly invited to the Board meeting to present the development strategy.

GBL's managers regularly meet the management of the companies in portfolio and usually sit on their Committees and Boards of Directors. A continuous dialogue is also maintained with industry experts.

ESG risk
As a patrimonial and listed investor, GBL has developed an ESG Statement, a Diversity & Inclusion Policy, a Code of Ethics and a Corporate Governance Charter. Such documents are regularly updated and are made available to GBL's employees and Directors. GBL believes that the identification and communication on ESG risks can drive corporate performance and protect the group's image and reputation.

GBL, as a responsible investor, embeds ESG at all stages of its investment process and portfolio monitoring. This prudent approach to risk translates into the inclusion of ESG aspects into its investment process (as a strategic investment criterion) and the assessment of ESG risks related to each portfolio company, as part of GBL's portfolio monitoring activities and, more generally speaking, as part of GBL's active ownership approach. The ESG assessment is performed by combining:
(i) the analysis carried out by tier 1 independent ESG-rating providers;
(ii) the knowledge and expertise of external ESG specialists mandated by GBL;
(iii) the proprietary knowledge derived from a questionnaire sent by GBL's representatives to the Board of Directors of the portfolio companies on a yearly basis and covering a broad range of ESG topics; and
(iv) the expertise of GBL's investment team on the portfolio companies and their related sectors.

GBL's in-house ESG assessment is reviewed and approved by the Executive Management before being presented on an annual basis to the Audit Committee, and ultimately submitted to the Board of Directors.

Counterparty risk
GBL mitigates this risk through the diversification of its counterparties, a continuous evaluation of their quality by analysing their financial situation, and, with regards to treasury management specifically, through a choice of different types of investments.

In this regard, as of December 31, 2018, most of the cash was placed in money market funds (SICAVs) selected on the basis of their size, volatility and liquidity, and in current account deposits with a limited number of tier 1 banks. All financial contracts (including ISDAs) are internally reviewed by the legal department.

Treasury risk
Treasury transactions are subject to documented limits and rules, formal delegations of authority, segregation of duties and reconciliation of treasury data with the accounting. Appropriate IT tools are used, notably enabling to monitor cash positions, carry out cash flow projections, assess return on cash placements.

Liquidity risk
GBL has a solid liquidity profile ensuring it has readily available resources to quickly seize investment opportunities, support its portfolio companies in the event of a capital increase, guarantee the payment of its dividend, meet its requirements in terms of debt service, and ensure the payment of its current expenses.

GBL also maintains a limited net indebtedness in comparison to its portfolio value.

GBL's financial flexibility is in particular ensured by the group's cash management policy which is conservative in terms of investment horizon and by its committed credit lines, none of which has financial covenants, whose undrawn amount and maturity profile are maintained at appropriate levels.

Risk related to derivative financial instruments
Transactions in this field require the approval of the Board of Directors, which may delegate execution to GBL's Executive Management. The transactions are carried out within the framework of well-established documentation and predefined budgets and limits. They are subject to specific and appropriate prior analysis and systematic monitoring. GBL has also put in place strict rules in terms of appropriate segregation of duties and internal approval processes. Every financial transaction requires two signatures and is systematically reviewed by the finance and legal departments.

Tax and legal risk in the current legal and regulatory environment
GBL ensures compliance with the regulatory obligations (notably legal and tax obligations) to which it is subject in each of the countries in which it operates, with the support of skilled teams, both internally and externally.

Moreover, GBL promotes contractual discipline which is a general matter and is notably applied to the agreements in relation to transactions of financing and cash management, shares' acquisition or disposal as well as derivative instrument contracts. GBL must also manage, in an appropriate manner, litigation in the context of its own activities.

Risk related to financial reporting
GBL publishes consolidated financial statements four times a year. These are reviewed by internal committees and then by the Audit Committee before being approved by the Board of Directors.

Complex accounting subjects, notably in relation to the appropriate application of IFRS and to the standards' changes, main estimates and judgments as well as specific transactions of the period are discussed with the Statutory Auditor and in Audit Committee. Additionally, key financial data, such as the budget and the revised projections, the financing means, the cash management and the access to liquidities, are presented and are discussed in-depth during those meetings. Lastly, the Statutory Auditor carries out its audit procedures, comments on the way its assignment is proceeding and presents its conclusions to the Audit Committee.

The consolidation process is based on a centralised accounting IT system in place in the group's subsidiaries which ensures consistency and comparability of the chart of accounts and accounting treatments. Transaction's accounting recording is based on an appropriate segregation of duties, a review of non-recurring operations by the financial department, an appropriate documentation of operations carried out in relation to treasury and investments, and a documentation of the reconciliation process between the different systems.

Risk of delegation of authority
The company relies on a system of internal authorities adapted to its operations and appropriate separation of duties procedures. The Articles of Association provide that the company can be validly represented by two Directors. In additional, the Executive Management has a large degree of autonomy in the context of day-to-day management, which is not limited to the execution of the decisions of the Board of Directors but encompasses all acts necessary to ensure GBL's normal course of business. Finally the Board of Directors can assign special mandates which require the prior approval of at least two individuals to represent validly GBL vis-à-vis third parties.

Risk of non-compliance with professional practices and ethics standards
GBL seeks to play a leading role in promoting and implementing good professional practices and ethics standards. The group intends to achieve its objective of value creation through a long-term strategy in strict compliance with the ethical principles set out in the Code of Conduct and the Corporate Governance Charter which apply to the group's Directors and staff. The control system that has been put in place takes into account the control activities carried out to prevent the risk of inappropriate behaviour within the company's various operating cycles (including segregation of duties, formal delegation of authority, effective IT and information management systems, etc.). In addition, GBL's values are shared with employees through, among other things, regular information sessions and an environment that encourages ethics and good business conduct.

Risk related to IT infrastructure
An appropriate IT architecture has been put in place that meets GBL's requirements in terms of functionalities, security and flexibility. A back-up plan has been implemented to ensure recoverability of data and continuity of operations in the event of a system failure. Furthermore, a thorough analysis of the adequacy of the architecture to GBL's needs is carried out at regular intervals, to ensure its effective operation and its consistency with technological developments and, when necessary, to put in place corrective action plans.

Risk related to information access management
Adequate information access procedures and data protection tools are in place and tested regularly. Intrusion or cyber attack risks are continually analysed and assessed to provide, if necessary, corrective actions.

Risk related to human resources
GBL strives to have skilled and sufficiently resourced teams in relation to the company's needs and conducts, if required, the necessary reinforcements. Trainings are also proposed to employees based on their field of expertise in order to update and develop their knowledge and skills. An annual evaluation process based on the achievement of objectives enables to ensure an appropriate assessment of the performance of GBL's employees. Finally, GBL grants to its employees a fulfilling working environment, an attractive remuneration policy and ensures the alignments of the employees' interests with the achievement of the group's strategic objectives.

4. Information and communication

GBL has developed a standardised information flow process in order to communicate reliable financial information to shareholders in a timely manner. GBL has been applying IFRS requirements since 2000.

Its assessment rules and accounting principles are published every year in its annual report. Standardised financial reporting is used both upstream and downstream within GBL group in order to ensure the consistency of data and to detect potential anomalies.

A financial calendar for this reporting is established every year in consultation with the controlling shareholder, the subsidiaries and the associated companies based on the publication dates.

The Investor Relations department ensures that significant transactions and important changes within the group are communicated in an accurate and timely manner.

5. Supervision and monitoring

Supervision is exercised by the Board of Directors through the Audit Committee. Given the structure and nature of GBL's activities, there is no internal auditor's function. This situation is assessed on a yearly basis and has so far been deemed appropriate.

The Statutory Auditor (Deloitte Reviseurs d'Entreprises) also reviews on a yearly basis the internal control on the risks related to GBL's financial statements. This review of internal control forms part of its assignment of certifying GBL's statutory and consolidated financial statements in compliance with audit standards applicable in Belgium. More specifically, the Statutory Auditor tests, on the basis of a triennial rotation plan, the operational effectiveness of internal control with regards to risks that are deemed critical in relation to the financial statements. Its work consists of discussions with members of the organisation while testing a given number of transactions.

The conclusions of this work are presented in a report submitted to GBL and do not reveal any major deficiencies in the internal control. The report is submitted to the members of the Audit Committee.

GBL share

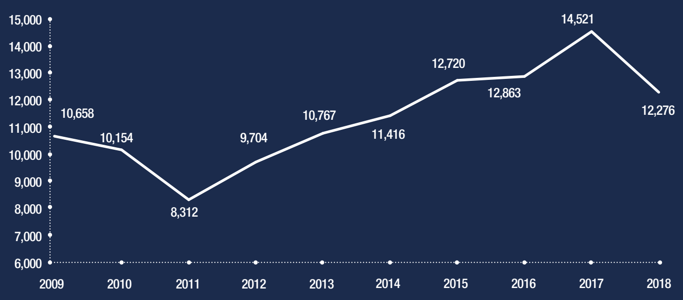
Key share information

(situation as of December 31, 2018)

- Total number of shares issued and outstanding: 161,358,287
- Fully paid-up share capital: EUR 653.1 million
- One class of shares: all shares have the same rights to dividends and voting rights. Voting rights linked to GBL shares held by the company itself or by its direct and indirect subsidiaries are suspended.
- Market capitalisation: EUR 12.3 billion
- Second largest holding company in Europe
- Listed on the Euronext Brussels stock exchange
- Included in the BEL20 index, which represents the 20 largest listed companies in Belgium. GBL is the 9th largest company in the index, with a weight of 5.5%
- Included in the STOXX 600 Financial Services index. GBL is the 6th largest company in the index, with a weight of 4.5%.
- RIC: GBLB.BR
- Bloomberg: GBLB BB

Market capitalisation over 10 years

In EUR million

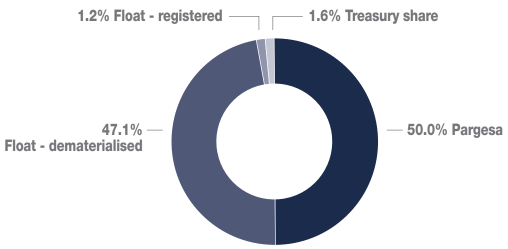


Shareholding structure

At year-end 2018, GBL's share capital totalled EUR 653,1 million, representing 161,358,287 shares. GBL's shareholding is characterised by a controlling shareholder, Pargesa Holding S.A., which holds 50.0% of the outstanding shares and 50.8% of the voting rights [1]. Pargesa Holding S.A. itself is held jointly by the Power Corporation of Canada (Canada) and Frère (Belgium) groups, providing GBL with a stable, solid shareholder base. Since 1990, the two groups have been bound by a shareholders agreement. This agreement, which was extended in December 2012 to 2029, may be further extended. The chain of control is presented in detail and illustrated on page 185. As of December 31, 2018, GBL held 2,642,982 GBL shares directly and through its subsidiaries, representing 1.6% of the issued capital. The company concluded an agreement with a third party to improve the market liquidity of the GBL share. This liquidity agreement is executed on a discretionary basis on behalf of GBL within the limits of the authorisation granted by the General Shareholders' Meeting of April 25, 2017 and in accordance with the applicable rules. GBL held 36,000 shares in that respect in its portfolio as of December 31, 2018. For further information about this authorisation, please see pages 188 and 189 of this report.

Shareholding structure

(as of December 31, 2018)



Employee and management incentive scheme

GBL has set up a long-term incentive scheme, tied to the company's performance. To this end, various employee incentive plans have been granted to employees and the Executive Management from 2007 to 2012 offering entitlement, when exercised, to 257,590 GBL shares (0.2% of the issued capital). Since 2013, plans have been set up that are a variant of the GBL stock option plans used in previous years. For more information, please see pages 136 to 138 and 180.

Shares held by GBL Directors

For information on the shares and options held by members of GBL's Board of Directors and Executive Management, please see pages 136 to 138, 164 to 169 and 175 to 176.

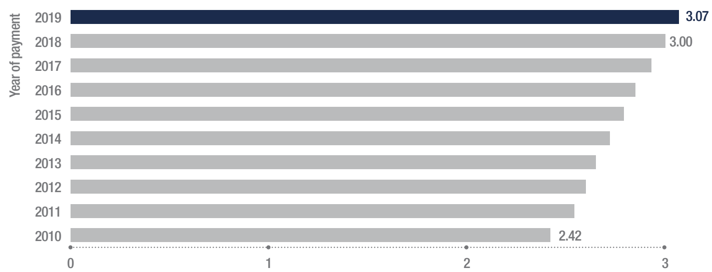
2018 proposed dividend distribution

The proposed dividend distribution for the 2018 financial year of a gross amount of EUR 3.07 per GBL share, which represents a 2.3% increase on the amount of EUR 3.00 paid for the previous financial year, will be submitted for approval to the Ordinary General Meeting on April 23, 2019. This dividend is equal to EUR 2.149 net per share (after a 30% withholding tax).

Based on the number of shares entitled to dividend (161,358,287), the total distribution for the 2018 financial year should amount to EUR 495.4 million compared with EUR 484.1 million in 2017. As a reminder, the withholding tax rate has been uniformly set at 30% for the GBL dividend since January 1, 2016 (27% for the 2015 financial year).

Evolution of the gross dividend per share over the last 10 years

(in EUR)



Analyst coverage of GBL

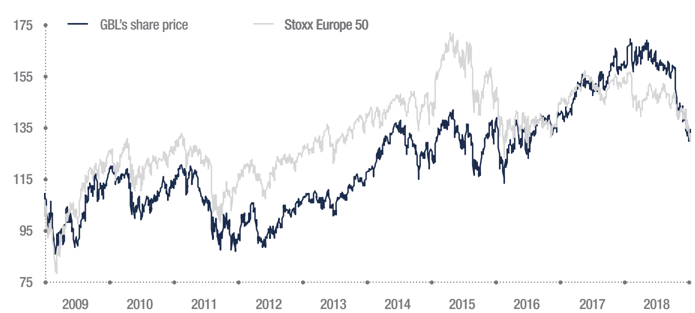
AlphaValue, Bank of America Merrill Lynch, Bank Degroof Petercam, Citi, HSBC, ING Bank, KBC Securities, Kepler Cheuvreux, Société Générale.

Change in the share price in 2018

The GBL share price ended in 2018 at EUR 76.08 and ended 2017 at EUR 89.99, corresponding to a 15.5% decrease. It reached a high at EUR 96.32 (January 24, 2018) and a low at EUR 73.54 (December 24, 2018). The volume of transactions reached EUR 5.8 billion, while the number of traded shares totalled nearly 65 million, with a daily average of 252,496. The velocity on free float was 80% [2]. GBL's market capitalisation as of December 31, 2018 was EUR 12.3 billion.

Evolution of the share price over 10 years

(In base 100)



Share

(1) Taking into account the treasury shares, whose voting rights are suspended
(2) Source: Bloomberg, EU ticker

Stock data

	2018	2017	2016	2015	2014
Stock price (in EUR)					
At the end of the year	**76.08**	89.99	79.72	78.83	70.75
Maximum	**96.32**	94.39	80.11	80.66	78.32
Minimum	**73.54**	78.05	64.10	65.52	64.96
Yearly average	**89.63**	86.32	74.30	74.25	72.22
Dividend (in EUR)					
Gross dividend	**3.07**	3.00	2.93	2.86	2.79
Net dividend	**2.15**	2.10	2.05	2.09	2.09
Variation (in %)	**+ 2.3**	+ 2.4	+ 2.4	+ 2.5	+ 2.6
Ratios (in %)					
Dividend yield	**4.0**	3.3	3.7	3.6	3.9
Total Shareholder Return	**(12.7)**	16.8	5.1	15.6	10.0
Number of shares at December 31					
Issued	**161,358,287**	161,358,287	161,358,287	161,358,287	161,358,287
Treasury shares	**2,642,982**	5,660,482	5,924,416	6,079,926	6,147,123
Net asset value (in EUR million)	**16,192.7**	**18,888.0**	**16,992.2**	**15,188.0**	**15,261.0**
Market capitalisation (in EUR million)	**12,276.1**	**14,520.6**	**12,863.5**	**12,719.9**	**11,416.1**
Variation (in %)	**(15.5)**	+ 12.9	+ 1.1	+ 11.4	+ 6.0

Stock market indicators (1)

GBL is listed on the Euronext Brussels stock exchange and is part of the BEL 20 and the STOXX 600 Financial Services indexes.

	2018	2017	2016	2015	2014
Traded volume (in EUR billion)	**5.8**	4.4	4.2	4.1	2.8
Number of traded shares (in thousands)	**64,639**	51,422	57,057	55,116	38,407
Average number of traded shares on a daily basis	**252,496**	201,657	222,013	215,299	150,616
Capital traded on the stock exchange (in %)	**40.1**	31.9	35.4	34.2	23.8
Velocity on free float (in %)	**80**	64	71	68	48
Weight in the BEL 20 (in %)	**5.5**	5.6	5.0	6.1	6.0
Ranking in the BEL 20	**9**	9	9	8	8
Weight in the STOXX 600 Financial Services (in %)	**4.5**	4.3	4.9	4.4	4.7
Ranking in the STOXX 600 Financial Services	**6**	7	6	6	5

(1) Source: Bloomberg, EU ticker

Resolutions proposed to shareholders

Ordinary General Shareholders' Meeting of April 23, 2019

1. Management report of the Board of Directors and reports of the Statutory Auditor on the 2018 financial year

2. Financial statements for the year ended December 31, 2018

2.1. Presentation of the consolidated financial statements for the year ended December 31, 2018.

2.2. Approval of annual accounts for the year ended December 31, 2018.

3. Discharge of the Directors

Proposal for the discharge to be granted to the Directors for duties performed during the year ended December 31, 2018.

4. Discharge of the Statutory Auditor

Proposal for the discharge to be granted to the Statutory Auditor for duties performed during the year ended December 31, 2018.

5. Resignation and statutory appointments

5.1. Acknowledgment of the resignation of Arnaud Vial as Director at the conclusion of this General Shareholders' Meeting.

5.2. Appointment of Directors
Proposal to appoint Xavier Le Clef and Claude Généreux as Director for respectively a four- and two-year term.

5.3. Ratification of the cooptation of a Director
Proposal to ratify the cooptation of Agnès Touraine as Director from October 31, 2018, for the duration of the mandate left vacant, that is until the 2021 Ordinary General Shareholders' Meeting.

5.4. Renewal of Directors' term of office
Proposal to re-elect for a four-year term, in their capacity as Director, Antoinette d'Aspremont Lynden, Paul Desmarais, Jr., Gérald Frère, Cedric Frère, Ségolène Gallienne, Gérard Lamarche and Marie Polet, whose current term of office expires at the conclusion of this General Shareholders' Meeting.

5.5. Ascertainment of the independence of Directors
Proposal to establish in accordance with Article 526ter of the Companies Code, the independence of the following Directors:

- Antoinette d'Aspremont Lynden
- Marie Polet
- Agnès Touraine

and this, subject to the ratification of the cooptation and the renewal of the term of office as Director referred to in the above items. These persons meet the different criteria laid down in Article 526ter of the Companies Code and included in the GBL Corporate Governance Charter.

5.6. Renewal of the Statutory Auditor's mandate
Proposal to renew the mandate of the Statutory Auditor, Deloitte Reviseurs d'Entreprises SC s.f.d. SCRL, represented by Corine Magnin, for a term of three years and to set its fees at EUR 76,500 a year exclusive of VAT.

6. Remuneration report

Proposal to approve the Board of Directors' remuneration report for the 2018 financial year.

7. Long term incentive

7.1. Proposal to approve the option plan on shares, referred to in the remuneration report by which the CEO may receive in 2019 options relating to existing shares of a subsidiary of the company. These options may be exercised upon the expiration of a period of three years after their granting pursuant to Article 520ter of the Companies Code and if the TSR at this anniversary date reaches at least 5% per year on average for the period since the grant. This condition will have to be met at each further anniversary date for the exercises of each subsequent year, the TSR relating each time to the period since the grant. The 2019 option plan will also benefit to the staff.

7.2. To the extent necessary, proposal to approve all clauses of the aforementioned plan and all agreements between the company and the holders of options, giving these holders the right to exercise their options prior to the expiration of the aforementioned period of three years in case of a change of control of the company, pursuant to Articles 520ter and 556 of the Companies Code.

7.3. Proposal to set the underlying value of the assets of the subsidiary on which the options to be granted to the CEO in 2019 will relate to, in the framework of the aforementioned plan, at EUR 4.32 million.

7.4. Report of the Board of Directors drawn up pursuant to Article 629 of the Companies Code with respect to the security referred to in the proposal of the following resolution.

7.5. Pursuant to Article 629 of the Companies Code, to the extent necessary, proposal to approve the grant by GBL of a guarantee to a bank with respect to the credit granted by that bank to the subsidiary of GBL, permitting the latter to acquire GBL shares in the framework of the aforementioned plan.

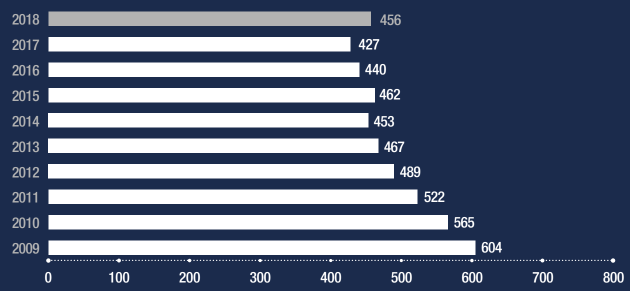
8. Miscellaneous

Economic presentation of the consolidated result and the financial position

Key figures

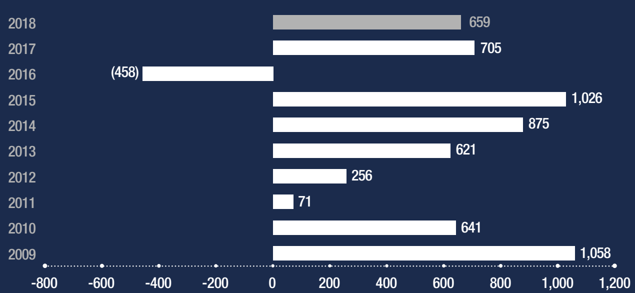
Cash earnings

In EUR million



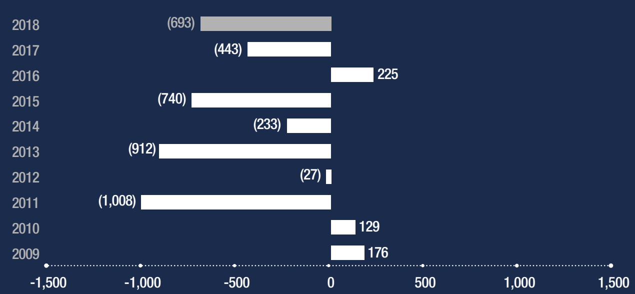
Net result (group's share)

In EUR million



Net cash/(net debt)

In EUR million



Economic presentation of the consolidated result

In EUR million					December 31, 2018	December 31, 2017
Group's share	Cash earnings	Mark to market and other non-cash items	Operating companies (associates or consolidated) and Sienna Capital	Eliminations, capital gains, impairment and reversals	Consolidated	Consolidated
Profit (loss) of associates and consolidated operating companies	-	-	332.0	-	332.0	219.7
Net dividends from investments	452.0	0.3	-	(101.9)	350.4	340.7
Interest income (expenses)	24.2	(2.0)	(39.7)	-	(17.5)	(29.6)
Other financial income (expenses)	13.3	(0.0)	33.6	(17.6)	29.3	12.2
Other operating income (expenses)	(32.0)	4.7	(11.1)	-	(38.4)	(58.5)
Gains (losses) from disposals, impairments and reversal of non-current assets	(1.1)	0.3	4.4	-	3.6	221.5
Taxes	(0.3)	-	(0.2)	-	(0.5)	(0.6)
IFRS consolidated net result (2018)	**456.1**	**3.3**	**319.0**	**(119.5)**	**658.9**	
IFRS consolidated net result (2017)	426.5	(5.2)	413.4	(129.3)		705.4

- The **consolidated net result, group's share**, as of December 31, 2018, stands at EUR 659 million, compared with EUR 705 million as of December 31, 2017.

This result is primarily driven by:
- the net dividends from investments for EUR 350 million;
- Imerys' contribution amounting to EUR 302 million.

A. Cash earnings

(EUR 456 million compared with EUR 427 million)

In EUR million	December 31, 2018	December 31, 2017
Net dividends from investments	452.0	461.2
Interest income (expenses)	24.2	(23.5)
Sienna Capital interests	*39.6*	*2.1*
Other interest income (expenses)	*(15.4)*	*(25.6)*
Other financial income (expenses)	13.3	24.2
Other operating income (expenses)	(32.0)	(35.4)
Gains (losses) from disposals, impairments and reversal of non-current assets	(1.1)	-
Taxes	(0.3)	-
Total	**456,1**	**426,5**

Net dividends from investments in 2018 are slightly down compared with 2017.

In EUR million	December 31, 2018	December 31, 2017
LafargeHolcim	97.1	107.0
Imerys	88.9	80.1
SGS	82.2	82.8
Pernod Ricard	47.0	40.2
Total	34.7	35.5
adidas	34.7	26.7
Umicore	30.2	25.7
GEA	10.0	2.2
Ontex	9.9	9.0
Other	4.3	0.1
Parques Reunidos	4.2	3.0
Burberry	-	8.9
Sienna Capital	**8.8**	**40.0**
Total	**452.0**	**461.2**

The evolution of the net dividends from investments primarily reflects the decrease in dividends from Sienna Capital and negative currency impacts on dividends from LafargeHolcim and SGS. These are partially compensated by the increase in unit dividends from Imerys, adidas, Pernod Ricard and Umicore as well as the increase in dividends from GEA following the investments carried out since last year.

It should be noted that Sienna Capital's total contribution to the cash earnings in 2018 amounts to EUR 48 million, part of which was paid out in the form of a dividend (EUR 9 million) and the other part in the form of interests (EUR 40 million – refer to the section "Net interest expenses" below). In 2017, Sienna Capital's total contribution amounted to EUR 42 million.

LafargeHolcim distributed a dividend of CHF 2.00 per share for 2017 (CHF 2.00 per share in 2017), contributing EUR 97 million as of December 31, 2018.

Imerys approved in the second quarter of 2018 an annual dividend of EUR 2.075 per share (EUR 1.87 per share in 2017), corresponding to a total collection of EUR 89 million for GBL.

SGS paid an annual dividend of CHF 75.00 per share (CHF 70.00 per share in 2017), representing EUR 82 million as of December 31, 2018.

Pernod Ricard declared an interim dividend of EUR 1.01 per share in the second quarter of 2018 (compared with EUR 0.94 per share the previous year), and paid the balance during the fourth quarter (EUR 1.35 per share, compared with EUR 1.08 in 2017), corresponding to a total amount of EUR 47 million for GBL in 2018.

Total approved a dividend of EUR 2.48 per share for 2017 and paid, during the 2018, the last quarterly interim dividend, the balance of the 2017 dividend and the first quarterly interim dividend in relation to 2018, i.e. EUR 0.62, EUR 0.62 and EUR 0.64 per share respectively. Total also announced the distribution of its second interim dividend for EUR 0.64 per share. Total's contribution to the result of the 2018 financial year thus amounts to EUR 35 million.

adidas distributed a dividend of EUR 2.60 per share in the second quarter of 2018 (compared with EUR 2.00 per share in 2017), representing EUR 35 million as of December 31, 2018.

Umicore approved during the second quarter of 2018 the balance of the dividend for 2017 of EUR 0.375 per share (EUR 0.35 [1] per share in 2017), and paid an interim dividend of EUR 0.35 per share (EUR 0.325 [1] per share in 2017) in the third quarter of 2018. The contribution of Umicore amounted to EUR 30 million as of December 31, 2018.

GEA paid in the second quarter of 2018 a dividend of EUR 0.85 per share (EUR 0.80 in 2017), representing EUR 10 million as of December 31, 2018.

Ontex distributed during the first half of 2018 a dividend of EUR 0.60 per share for 2017 (compared with EUR 0.55 per share the previous year), corresponding to an amount of EUR 10 million for GBL.

Parques Reunidos approved during the first half of 2018 a dividend of EUR 0.2477 per share (unchanged compared with last year), representing a contribution of EUR 4 million for 2018.

Net interest expenses (EUR 24 million) are positively impacted by the interests from Sienna Capital [2] as well as the repayment at the end of 2017 of the bond issued in 2010 and by the early conversions of bonds convertible into GBL shares. These impacts are however partially offset by the interest expenses related to the institutional bonds issued in 2017 and 2018.

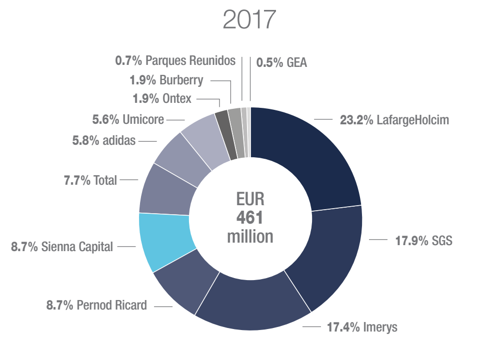
Other financial income (expenses) (EUR 13 million) mainly comprise yield enhancement income of EUR 11 million (EUR 13 million in 2017) and dividends collected on treasury shares for EUR 9 million, compared with EUR 17 million in 2017, primarily as a result of the share deliveries in relation to the early conversions of bonds convertible into GBL shares.

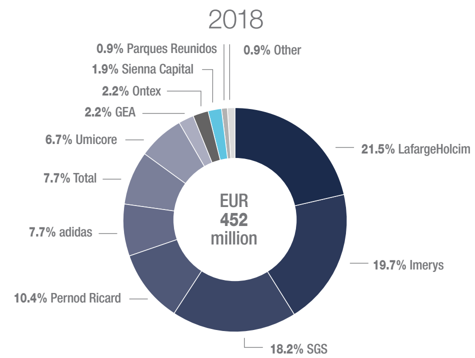
Other operating income (expenses) amounted to EUR - 32 million at the end of December 2018.

The **gains (losses) from disposals, impairments and reversal of non-current assets** correspond to the cost related to the early conversions of bonds convertible into GBL shares whose settlement has been carried out in cash.

(1) Taking into account the two-for-one share split, effective as from October 16, 2017.
(2) The corresponding interest charge is included in the "Interest income (expenses)" in the column "Operating companies (associates or consolidated) and Sienna Capital.

Contribution of investments to net collected dividends





B. Mark to market and other non-cash

(EUR 3 million compared with EUR - 5 million)

In EUR million	December 31, 2018	December 31, 2017
Net dividends from investments	**0.3**	(0.4)
Interest income (expenses)	**(2.0)**	(4.1)
Other financial income (expenses)	**(0.0)**	4.9
Other operating income (expenses)	**4.7**	(5.6)
Gains (losses) from disposals, impairments and reversal of non-current assets	**0.3**	-
Total	**3.3**	**(5.2)**

Interest income (expenses) primarily include the impact of the valuation at amortised cost of the convertible bonds into GBL shares (EUR - 2 million compared with EUR - 4 million last year).

Other financial income (expenses) include the mark to market of the trading portfolio and derivative instruments (EUR - 14 million compared with EUR 15 million in 2017), the unrealized exchange differences (EUR - 7 million) as well as the derivative component embedded in the convertible bonds (EUR 21 million compared with EUR - 11 million in 2017). This non-monetary gain of EUR 21 million includes:

- on the one hand, the reversal of the derivative related to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out through share deliveries (EUR 9 million) ;
- on the other hand, the change in the value of the call options on underlying securities implicitly embedded in the outstanding bonds convertible into GBL shares paid in cash at maturity (EUR 12 million compared with EUR - 11 million in 2017). The change in value of these derivative instruments has been primarily attributable to the fluctuations in the stock price of the GBL share and the expiry of the bonds and the embedded options.

The **gains (losses) from disposals, impairments and reversal of non-current assets** correspond to the reversal of the derivative related to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out in cash.

C. Operating companies (associates or consolidated) and Sienna Capital

(EUR 319 million compared with EUR 413 million)

In EUR million	December 31, 2018	December 31, 2017
Profit (loss) of associates and consolidated operating companies	**332.0**	219.7
Interest income (expenses)	**(39.7)**	(2.0)
Other financial income (expenses)	**33.6**	-
Other operating income (expenses)	**(11.1)**	(17.5)
Gains (losses) on disposals, impairments and reversals of non-current assets	**4.4**	213.8
Taxes	**(0.2)**	(0.6)
Total	**319.0**	**413.4**

Net profit (loss) of associates and consolidated operating companies amounts to EUR 332 million compared with EUR 220 million in 2017:

In EUR million	December 31, 2018	December 31, 2017
Imerys	**302.3**	199.8
Parques Reunidos	**(0.5)**	-
Sienna Capital	**30.2**	19.9
ECP I & II	***(2.2)***	*(7.7)*
Operating subsidiaries of ECP III	***4.1***	*(4.0)*
Kartesia	***21.5***	*24.2*
Backed 1	***6.3***	*-*
Mérieux Participations 2	***0.5***	*7,4*
Total	**332.0**	**219,7**

Imerys

(EUR 302 million compared with EUR 200 million)

Net current income increases by 6.5% to EUR 357 million as of December 31, 2018 (EUR 335 million as of December 31, 2017), taking into account the reclassification of the Roofing business in discontinued operations. The current operating income amounts to EUR 562 million (EUR 551 million as of December 31, 2017). The net result, group's share, amounts to EUR 560 million as of December 31, 2018 (EUR 368 million as of December 31, 2017).

Imerys contributes EUR 302 million to GBL's result in 2018 (EUR 200 million in 2017), reflecting the increase in the net income (group's share) and the 54.0% consolidation rate for Imerys in 2018 (54.3% in 2017).

Parques Reunidos

(EUR - 1 million compared with EUR 0 million)

Parques Reunidos reported a loss of EUR 2 million for the period from January 1, 2018 to December 31, 2018.

The contribution of Parques Reunidos amounts to EUR - 1 million, taking into account the 21.19% consolidation rate. As a reminder, Parques Reunidos is accounted according to the equity method since year-end 2017, the 20.00% threshold having been crossed in November 2017.

Sienna Capital

(EUR 30 million compared with EUR 20 million)

Sienna Capital's contribution to GBL's results as of December 31, 2018 amounts to EUR 30 million compared with EUR 20 million in the prior year. This result was impacted by the large contribution of Kartesia (EUR 22 million in 2018 compared with EUR 24 million in 2017) and of Backed 1 (EUR 6 million).

The **interest income (expenses)** consist mainly of interests paid by Sienna Capital to GBL for EUR 40 million [(1)].

Since January 1, 2018, following the entry into force of IFRS 9, **other financial income and expenses** include the change in fair value of Sienna Capital's funds, not consolidated or accounted for under the equity method, for a total amount of EUR 34 million (of which EUR 15 million on assets sold in 2018).

The **gains (losses) from disposals, impairments and reversals of non-current assets** mainly consisted in 2017 of the net capital gain on the disposal by ECP III of Golden Goose (EUR 112 million, group's share) and of ELITech (EUR 104 million, group's share). The capital gains generated on the disposals in 2018 by Sagard II and Sagard 3 of the investments in Kiloutou, Alvest Group and Délices des 7 Vallées (EUR 99 million) are not recognised in the consolidated net result, following the entry into force of IFRS 9 on January 1, 2018.

D. Eliminations, capital gains, impairments and reversals

(EUR - 120 million compared with EUR - 129 million)

In EUR million	December 31, 2018	December 31, 2017
Elimination of dividends (Imerys, Sienna Capital, Parques Reunidos)	**(101.9)**	(120.1)
Other financial income (expenses) (GBL, other)	**(17.6)**	(16.9)
Capital gains from disposals (Other)	**-**	8.1
Impairments and reversals of non-current assets (Other)	**-**	(0.4)
Total	**(119,5)**	**(129,3)**

Elimination of dividends

Net dividends from operating investments (associates or consolidated companies) are eliminated and represent EUR 102 million from Imerys, Sienna Capital and Parques Reunidos.

Other financial income (expenses)

This item includes, on the one hand, the elimination of the dividend on treasury shares amounting to EUR - 9 million and, on the other hand, the cancellation of the reversal of the derivative recorded in "mark to market and other non-cash items" in relation to the bonds convertible into GBL shares which were the subject of early conversions and whose settlement was carried out through share deliveries for EUR - 9 million (transactions on treasury shares not impacting the results).

The gain on the disposal of treasury shares [(2)] in relation to the conversion of bonds whose settlement was carried out through share deliveries amounts to EUR 195 million. This gain does not impact the consolidated net result as it relates to transactions on treasury shares.

Gains (losses) from disposals, impairments and reversal of non-current assets

Following the entry into force of the IFRS 9 standard as of January 1, 2018, no result from disposals is recognised in 2018 in relation to the sale of Burberry shares. The economic capital gain in relation to this disposal amounts to EUR 67 million (GBP 83 million).

Furthermore, the concept of impairment on investments previously classified as Available-for-sale assets under IAS 39 is no longer applicable under IFRS 9. Under IAS 39, an impairment of EUR 483 million would have been accounted for (mainly on the investments in GEA, Ontex and LafargeHolcim).

(1) The corresponding interest income is included in the cash earnings' "Interest income (expenses)".
(2) 3.7 million GBL shares

E. Comprehensive income 2017 – group's share

In accordance with IAS 1 - *Presentation of financial statements*, GBL publishes its consolidated comprehensive income as an integral part of the consolidated financial statements. This income, group's share, amounted to EUR - 397 million in 2018 compared with EUR 2,071 million the previous year. This change is mainly the result of the change in the market prices of the investments held in the portfolio.

This income of EUR - 397 million gives an indication of the value creation achieved by the company in 2018. It is based on the consolidated result, group's share, for the period (EUR 659 million), plus the market value impact on the available for sale investments, i.e. EUR - 1,110 million, and the changes in the equity of associates and consolidated companies, group's share, amounting to EUR 54 million. The consolidated comprehensive income, group's share, shown in the table below, is broken down according to each investment's contribution.

In EUR million				2018	2017
	Result of the period	**Elements entered directly in shareholders' equity**		**Comprehensive income**	**Comprehensive income**
Group's share		**Mark to market**	**Associated and consolidated companies**		
Investments' contribution	**698.5**	**(1,110.2)**	**54.3**	**(357.4)**	**2,147.7**
Imerys	302.3	-	(13.2)	**289.1**	54.6
adidas	34.7	239.4	-	**274.1**	297.4
Pernod Ricard	47.0	225.8	-	**272.8**	620.1
Total	35.0	1.9	-	**36.9**	(7.8)
Burberry	-	(58.5)	67.1	**8.6**	42.2
Parques Reunidos	(0.5)	-	1.5	**1.0**	(38.2)
Ontex	9.9	(159.2)	-	**(149.3)**	(3.9)
Umicore	30.2	(197.9)	-	**(167.7)**	498.9
SGS	82.2	(266.4)	-	**(184.2)**	389.4
GEA	10.0	(210.5)	-	**(200.5)**	11.0
LafargeHolcim	97.1	(641.6)	-	**(544.5)**	(57.6)
Sienna Capital	56.8	-	0.0	**56.8**	333.6
Other	(6.2)	(43.2)	(1.1)	**(50.5)**	8.0
Other income (expenses)	**(39.6)**	**-**	**0.0**	**(39.6)**	**(76.5)**
December 31, 2018	**658.9**	**(1,110.2)**	**54.3**	**(397.0)**	
December 31, 2017	705.4	1,554.4	(188.6)		2,071.2

Economic presentation of the financial position

As of December 31, 2018, GBL presents a net debt position of EUR 693 million.

It is characterised by:

- gross cash excluding treasury shares of EUR 376 million (EUR 564 million at year-end 2017); and
- gross debt of EUR 1,069 million (EUR 1,007 million at year-end 2017).

The weighted average maturity of the gross debt is 6.1 years at the end of December 2018 (4.0 year at year-end 2017).

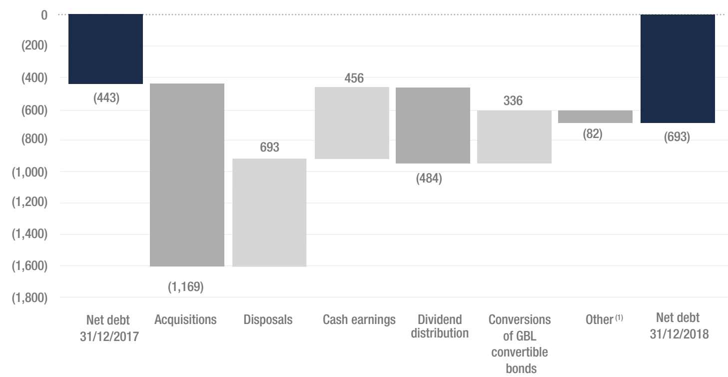
As of December 31, 2018, committed credit lines total EUR 2,150 million (entirely undrawn) and mature in 2022 and 2023.

This position does not include the company's commitments in respect of Sienna Capital, which total EUR 528 million at the end of December 2018 (EUR 733 million as of December 31, 2017).

Finally, the 2,642,982 treasury shares represents 1.6% of the issued capital and are valued at EUR 200 million, compared with 3.5% and EUR 505 million respectively at the end of the previous year.

Net debt: change over 1 year

In EUR million



EUR million	Gross cash	Gross debt	Net debt
Position as of December 31, 2017	**564.3**	**(1,007.0)**	**(442.7)**
Cash earnings	456.1		456.1
Dividend distribution	(484.1)		(484.1)
Investments:	(1,169.1)		(1,169.1)
Sienna Capital	*(452.7)*		*(452.7)*
GEA	*(228.5)*		*(228.5)*
Umicore	*(214.4)*		*(214.4)*
GBL	*(60.0)*		*(60.0)*
Other	*(213.6)*		*(213.6)*
Divestments:	692.7		692.7
Burberry	*565.8*		*565.8*
Sienna Capital	*126.9*		*126.9*
Conversions of GBL convertible bonds	(114.0)	450.4	336.4
Institutional bond issuance	496.5	(500.0)	(3.5)
Bank financing	12.8	(12.8)	-
Other	(78.6)		(78.6)
Position as of December 31, 2018	**376.5**	**(1,069.4)**	**(693.0)**

Gross cash

As of December 31, 2018, gross cash excluding treasury shares stands at EUR 376 million (564 million as of December 31, 2017). The following table presents its components in correlation with GBL's consolidated financial statements:

In EUR million	Notes	December 31, 2018	December 31, 2017
Gross cash as presented in:			
Net asset value		**376.5**	564.3
Segment information (Holding) - pages 108 and 109		**378.6**	555.0
- Trading financial assets	16	**275.1**	485.1
- Cash and cash equivalents	17	**119.9**	81.5
- Other current assets	18	**30.0**	33.1
- Trade payables		**(2.7)**	(3.0)
- Tax liabilities		**(7.0)**	(4.1)
- Other current liabilities	23	**(36.7)**	(37.6)
Reconciliation items		**(2.1)**	9.3
Reclassification of ENGIE shares previously taken into account in the net asset value and included since 2016 in gross cash		**1.1**	1.1
Other		**(3.2)**	8.2

(1) Corresponding mainly to (i) the neutralization of Sienna Capital's contribution (EUR 48 million) included in both Cash Earnings and Disposals, and (ii) cash on Disposals kept by Sienna Capital (EUR 26 million)

Gross debt

As of December 31, 2018, gross debt of EUR 1,069 million (EUR 1,007 million as of December 31, 2017) breaks down as follows:

In EUR million	December 31, 2018	December 31, 2017
Retail and institutional bonds	1,000.0	500.0
GBL convertible bonds	-	450.4
Other	69.4	56.6
Gross debt	**1,069.4**	**1,007.0**

The following table presents the components of the gross debt in correlation with the IFRS consolidated financial statements:

In EUR million	December 31, 2018	December 31, 2017
Gross debt, included in the segment information (Holding) - pages 108 and 9109:	**1,061.0**	**996.1**
Non-current financial liabilities	1,061.0	552.8
Current financial liabilities	-	443.3
Reconciliation items	**8.4**	**10.9**
Impact of the recognition of financial liabilities at amortised cost in IFRS	8.4	10.9

Net debt

As of December 31, 2018, GBL presents a net debt position of EUR 693 million. The net debt presents the following Loan To Value ratio:

In EUR million	December 31, 2018	December 31, 2017
Net debt (excluding treasury shares)	693.0	442.7
Market value of the portfolio	16,686.1	18,825.7
Market value of the treasury shares underlying the bonds convertible into GBL shares	n.a.	450.0
Loan To Value	4.2%	2.3%

Treasury shares

Treasury shares, valued at their historic value, are recorded as a deduction from shareholders' equity in IFRS. The treasury shares (EUR 200 million as of December 31, 2018 and EUR 505 million as of December 31, 2017) are valued by applying the following valuation principles set out in the glossary in page 195.

Historical data over 10 years

In EUR million	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Consolidated result										
Cash earnings	**456.1**	426.5	440.4	461.6	452.8	467.0	489.3	522.3	565.0	603.5
Mark to market and other non-cash items	**3.3**	(5.2)	14.4	90.9	(27.8)	(167.4)	(25.7)	18.9	(20.0)	4.7
Operating companies (associated or consolidated) and Sienna Capital	**319.0**	413.4	223.1	(45.2)	225.0	256.0	189.0	284.4	260.2	135.5
Eliminations, gains (losses) on disposals, impairments and reversals	**(119.5)**	(129.3)	(1,135.6)	519.1	225.3	65.0	(397.0)	(750.6)	(164.4)	314.0
Consolidated result (group's share)	**658.9**	**705.4**	**(457.7)**	**1,026.4**	**875.3**	**620.6**	**255.6**	**75.0**	**640.8**	**1,057.7**
Consolidated result of the period	**904.1**	**891.1**	**(310.9)**	**1,055.9**	**993.1**	**724.7**	**375.5**	**167.3**	**638.4**	**1,057.7**
Total distribution	**495.4**	**484.1**	**472.8**	**461.5**	**450.2**	**438.9**	**427.6**	**419.5**	**409.9**	**390.5**
Number of shares at the end of the year (1)										
Basic	**157,679,088**	155,607,490	155,374,131	155,243,926	155,139,245	155,060,703	155,253,541	155,258,843	155,223,385	155,641,380
Diluted	**157,783,601**	160,785,245	160,815,820	160,841,125	160,649,657	156,869,069	156,324,572	157,431,914	158,721,241	161,202,533
Payout (in %)										
Dividend/cash earnings	**108.6**	113.5	107.4	100.0	99.4	94.0	87.4	80.3	72.5	64.7
Consolidated result per share (2) (group's share)	**4.18**	**4.53**	**(2.95)**	**6.61**	**5.64**	**4.00**	**1.65**	**0.48**	**4.13**	**6.80**
Consolidated cash earnings per share (3) (group's share)	**2.83**	**2.64**	**2.73**	**2.86**	**2.81**	**2.89**	**3.03**	**3.24**	**3.50**	**3.74**

(1) The calculation of the number of basic and diluted shares is detailed in note 27
(2) The calculation of the consolidated result per share takes into account the basic number of shares
(3) The calculation of the consolidated cash earnings per share takes into account the number of shares issued

Accounts as of December 31, 2018

Consolidated financial statements

Consolidated balance sheet as of December 31

In EUR million	Notes	2018	2017
Non-current assets		**20,529.3**	**21,098.5**
Intangible assets	9	**556.7**	483.1
Goodwill	10	**2,692.8**	2,398.6
Property, plant and equipment	11	**2,336.7**	2,621.6
Investments		**14,717.8**	15,390.3
Investments in associates	*2*	***689.2***	*605.2*
Other equity investments (1)	*3*	***14,028.6***	*14,785.1*
Other non-current assets	12	**107.4**	116.1
Deferred tax assets	13	**117.9**	88.8
Current assets		**3,360.9**	**2,960.1**
Inventories	14	**901.9**	852.7
Trade receivables	15	**739.7**	728.0
Trading financial assets	16	**341.4**	524.3
Cash and cash equivalents	17	**1,013.6**	491.9
Other current assets	18	**364.3**	363.2
Total assets		**23,890.2**	**24,058.6**
Shareholders' equity		**17,629.6**	**17,936.4**
Share capital	19	**653.1**	653.1
Share premium		**3,815.8**	3,815.8
Reserves		**11,449.8**	12,036.1
Non-controlling interests	29	**1,710.9**	1,431.4
Non-current liabilities		**4,832.6**	**3,773.9**
Financial liabilities	17	**3,623.8**	2,834.9
Provisions	20	**676.8**	396.8
Pensions and post-employment benefits	21	**301.4**	327.3
Other non-current liabilities	22	**32.2**	34.1
Deferred tax liabilities	13	**198.4**	180.8
Current liabilities		**1,428.0**	**2,348.3**
Financial liabilities	17	**205.6**	1,152.7
Trade payables		**597.8**	540.0
Provisions	20	**26.1**	35.2
Tax liabilities		**129.0**	107.3
Other current liabilities	23	**469.5**	513.1
Total shareholders' equity and liabilities		**23,890.2**	**24,058.6**

(1) Available-for-sale investments in 2017 under IAS 39

Consolidated income statement as of December 31

In EUR million	Notes	2018	2017 [2]
Share of profit (loss) of associates	2	**25.6**	23.9
Net dividends from investments	3	**350.4**	340.7
Other operating income (expenses) from investing activities	5	**(39.1)**	(59.4)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities		**4.2**	245.7
Available-for-sale investments		**-**	*6.9*
Investments in equity-accounted entities	*4*	***5.5***	*240.3*
Other		***(1.3)***	*(1.5)*
Financial income (expenses) from investing activities	7	**11.8**	(17.4)
Profit (loss) before tax from investing activities - continued operations		**352.9**	**533.5**
Turnover	8	**5,201.3**	4,626.3
Raw materials and consumables		**(1,715.7)**	(1,434.0)
Employee expenses	5	**(1,201.5)**	(1,064.7)
Depreciation/amortisation of property, plant, equipment and intangible assets		**(313.3)**	(280.6)
Other operating income (expenses) from operating activities	5	**(1,802.0)**	(1,331.6)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	6	**(215.2)**	(6.6)
Financial income (expenses) from operating activities	7	**(95.7)**	(97.1)
Profit (loss) before tax from consolidated operating activities - continued operations		**(142.1)**	**411.7**
Income taxes	13	**(94.7)**	**(121.4)**
Profit (loss) from continued activities		**116.1**	**823.8**
Profit (loss) from consolidated operating activities - discontinued operations	Group structure	**788.0**	**67.3**
Consolidated profit (loss) for the year		**904.1**	**891.1**
Attributable to owners of the Company		**658.9**	705.4
Attributable to non-controlling interests	29	**245.2**	185.7
Consolidated earnings per share for the period	27		
Basic - continued operations		***1.48***	*4.30*
Basic - discontinued operations		***2.70***	*0.23*
Basic		***4.18***	*4.53*
Diluted - continued operations		***1.44***	*4.29*
Diluted - discontinued operations		***2.70***	*0.23*
Diluted		***4.14***	*4.52*

Consolidated statement of comprehensive income as of December 31

In EUR million	Notes	2018	2017
Consolidated profit (loss) for the period		**904.1**	**891.1**
Other comprehensive income [1]			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains (losses)	21	**18.7**	(12.0)
Other equity investments	3	**(1,043.1)**	-
Total items that will not be reclassified to profit or loss, after tax		**(1,024.4)**	(12.0)
Items that may be reclassified subsequently to profit or loss			
Available-for-sale investments - change in fair value	3	**-**	1,515.3
- recycling in result on disposals/impairment	3	**-**	(2.2)
Currency translation adjustments for consolidated companies		**(38.7)**	(257.3)
Cash flow hedges		**(5.6)**	(3.7)
Share in the other items of the comprehensive income of associates		**1.5**	-
Total items that may be reclassified to profit or loss, after tax		**(42.8)**	1,252.1
Other comprehensive income (loss) after tax		**(1,067.2)**	**1,240.1**
Comprehensive income (loss)		**(163.1)**	**2,131.2**
Attributable to the group		**(397.0)**	2,071.2
Attributable to non-controlling interests	29	**233.9**	60.0

(1) These elements are presented net of taxes. Income taxes are presented in note 13
(2) Comparative figures have been reclassified to take into account Imerys' decision to sell its Roofing business (refer to note "Scope of consolidation, associates and changes in group structure")

Consolidated statement of changes in shareholders' equity

In EUR million	Capital	Share premium	Revaluation reserves	Treasury shares	Currency translation adjustments	Retained earnings	Share holders' equity – group's share	Non-controlling interests	Shareholders' equity
As of December 31, 2016	**653.1**	**3,815.8**	**4,189.8**	**(236.0)**	**(33.5)**	**6,477.8**	**14,867.0**	**1,507.2**	**16,374.2**
Consolidated profit (loss) for the year	-	-	-	-	-	705.4	705.4	185.7	891.1
Other comprehensive income (loss)	-	-	1,554.4	-	(140.1)	(48.5)	1,365.8	(125.7)	1,240.1
Total comprehensive income (loss)	**-**	**-**	**1,554.4**	**-**	**(140.1)**	**656.9**	**2,071.2**	**60.0**	**2,131.2**
Dividends	-	-	-	-	-	(455.9)	(455.9)	(94.2)	(550.1)
Treasury share transactions	-	-	-	11.3	-	7.2	18.5	-	18.5
Other movements	-	-	-	-	-	4.2	4.2	(41.6)	(37.4)
As of December 31, 2017 - published	**653.1**	**3,815.8**	**5,744.2**	**(224.7)**	**(173.6)**	**6,690.2**	**16,505.0**	**1,431.4**	**17,936.4**
Changes in accounting policies (1)	-	-	(162.2)	-	-	162.2	-	-	-
As of December 31, 2017 - restated	**653.1**	**3,815.8**	**5,582.0**	**(224.7)**	**(173.6)**	**6,852.4**	**16,505.0**	**1,431.4**	**17,936.4**
Consolidated profit (loss) for the year	-	-	-	-	-	658.9	658.9	245.2	904.1
Reclassification following disposals	-	-	(67.1)	-	-	67.1	-	-	-
Other comprehensive income (loss)	-	-	(1,043.1)	-	(19.3)	6.5	(1,055.9)	(11.3)	(1,067.2)
Total comprehensive income (loss)	**-**	**-**	**(1,110.2)**	**-**	**(19.3)**	**732.5**	**(397.0)**	**233.9**	**(163.1)**
Dividends	-	-	-	-	-	(474.9)	(474.9)	(79.1)	(554.0)
Treasury share transactions	-	-	-	87.0	-	195.7	282.7	-	282.7
Other movements	-	-	-	-	-	2.9	2.9	124.7	127.6
As of December 31, 2018	**653.1**	**3,815.8**	**4,471.8**	**(137.7)**	**(192.9)**	**7,308.6**	**15,918.7**	**1,710.9**	**17,629.6**

During 2018, shareholders' equity was mainly impacted by:

- the distribution of GBL's gross dividend of EUR 3.00 per share (EUR 2.93 in 2017), less treasury shares, for a net total amount of EUR 475 million (see note 19);
- the change in fair value of the portfolio of other equity investments whose changes in fair value are recognised in equity, in revaluation reserves for EUR 1,110 million (see note 3);
- the disposals of treasury shares following the conversions of part of the GBL convertible bonds (through share deliveries) for EUR 344 million; and
- the consolidated net result for the period of EUR 904 million.

(1) Refer to note on "Accounting policies"

Consolidated statement of cash flows

The consolidated statement of cash flows takes into account the cash flows from continued and discontinued operations.

In EUR million	Notes	2018	2017 [3]
Net cash from (used in) operating activities	**Scope of consolidation**	**914.3**	**975.3**
Consolidated profit (loss) for the year		**904.1**	891.1
Adjustments for non-cash items:			
Income taxes (continued and discontinued activities)		**121.1**	148.7
Interest income (expenses)	7	**94.8**	96.3
Share of profit (loss) of associates	2	**(24.1)**	(32.7)
Dividends from investments in non-consolidated companies	3	**(350.4)**	(340.7)
Net depreciation and amortisation expenses	9, 11	**317.9**	297.4
Gains (losses) on disposals, impairment and reversals of non-current assets		**(571.1)**	(244.5)
Other		**310.9** [1]	10.7
Interest received		**10.7**	20.5
Interest paid		**(92.4)**	(121.1)
Dividends received from investments in non-consolidated companies		**353.2**	348.2
Dividends received from investments in associates	2	**9.7**	5.9
Income taxes paid		**(118.3)**	(125.0)
Changes in working capital		**(54.2)**	(10.6)
Changes in other receivables and payables		**2.4**	31.1
Net cash from (used in) investing activities	**Scope of consolidation**	**(173.3)**	**(719.5)**
Acquisitions of:			
Investments		**(1,004.2)**	(1,005.2)
Subsidiaries, net of cash acquired	Scope of consolidation	**(408.0)**	(443.6)
Property, plant and equipment and intangible assets	9, 11	**(390.6)**	(360.4)
Other financial assets [2]		**(116.5)**	(54.7)
Disposals/divestments of:			
Investments		**696.4**	278.1
Subsidiaries, net of cash paid		**743.2**	282.0
Property, plant and equipment and intangible assets		**35.9**	19.9
Other financial assets [2]		**270.5**	564.4
Net cash from (used in) financing activities	**Scope of consolidation**	**(212.4)**	**(829.0)**
Capital increase from non-controlling interests		**104.6**	19.5
Dividends paid by the parent company to its shareholders		**(474.9)**	(455.9)
Dividends paid by the subsidiaries to non-controlling interests		**(79.1)**	(94.2)
Proceeds from financial liabilities	17	**909.7**	1,560.9
Repayments of financial liabilities	17	**(619.6)**	(1,870.4)
Net change in treasury shares		**(59.9)**	18.5
Other		**6.8**	(7.4)
Effect of exchange rate fluctuations on funds held		**(6.9)**	**(21.0)**
Net increase (decrease) in cash and cash equivalents	**Scope of consolidation**	**521.7**	**(594.2)**
Cash and cash equivalents at the beginning of the year	17	**491.9**	1,086.1
Cash and cash equivalents at the end of the year	17	**1,013.6**	491.9

(1) Includes, in the current year, on one hand, the booking of provisions, mainly by Imerys for EUR - 353 million (see note 20) and, on the other hand, the change in fair value of other equity investments whose change in faire value is recognized through profit or loss for EUR 34 million
(2) Change linked to the evolution of money market funds (EUR 323 million, EUR 497 million and EUR 975 million as of December 31, 2018, 2017 and 2016, respectively) – see note 16
(3) Comparative figures have been restated to take into account the reclassification of the variation in trading assets from net cash from (used in) operating activities to net cas from (used in) investing activities

Accounting policies

Groupe Bruxelles Lambert SA ("GBL") is a Belgian holding company listed on Euronext Brussels. Its consolidated financial statements cover a period of 12 months ended December 31, 2018. They were approved by its Board of Directors on March 14, 2019 on a going concern basis, in millions of euros, to one decimal place and rounded to the nearest hundred thousand euros.

General accounting principles and applicable standards

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Mandatory changes in accounting policies

The following new and amended standards and interpretations have been applied since 2018. With the exception of IFRS 9 mentioned below, these have not had a significant impact on the consolidated financial statements of GBL.

IFRS 9 *Financial Instruments*. IFRS 9 replaced IAS 39 *Financial Instruments*. The improvements introduced by IFRS 9 include (i) a classification and measurement model of financial instruments, (ii) an impairment loss model based upon expected losses and no longer upon past credit events, as well as (iii) a new approach to hedge accounting.

(i) The classification and measurement model of financial instruments introduced by IFRS 9, simpler than that of the former standard IAS 39, has enabled to improve the readibility of disclosures in notes.
IFRS 9 has influenced, among other things, the accounting treatment of changes in the fair value of investments previously classified under IAS 39 as Available-for-sale assets ("AFS"):
- investments being not consolidated or not equity-accounted, namely adidas, Pernod Ricard, SGS, LafargeHolcim, Umicore, Total, GEA, Ontex and Burberry; and
- investments in funds over which the group exercises neither control, nor significant influence, namely Sagard, Sagard II, Sagard 3, PrimeStone, BDT Capital Partners II, Upfield and Mérieux Participations I.

Under IFRS 9, these assets remained carried at fair value (corresponding to the market value in the case of listed securities), but the company has the option of recognising changes in these fair values in profit or loss ("financial assets recognised at fair value in profit or loss" or "Fair value through profit or loss") or in equity ("financial assets recognised at fair value through equity" or "Fair value through other comprehensive income"). This choice may be different for each of the investments / each of the funds. GBL has opted to account for changes in the fair value of listed investments via equity. For funds currently held by GBL, changes in fair value are recognised in profit or loss (under the item "Financial income (expenses) from investing activities"). As a result of the application of IFRS 9, in the event of the sale of securities, no gain or loss on disposal has an impact on earnings. Furthermore, the concept of impairment of these investments as defined by IAS 39 is no longer applicable under IFRS 9.
As of January 1, 2018, the distinction of the Available-for-sale investments (now referred to as "Other equity investments") into financial assets recognised at fair value in profit or loss and financial assets recognised at fair value through equity has led, as sole impact, to the reclassification of revaluation reserves cumulated at that date and related to the funds to the consolidated reserves (for an amount of EUR 162 million). This had consequently no impact on total shareholders' equity.
Otherwise, the application of the IFRS 9 classification and measurement model has had no impact on the value of the other financial instruments held at the transition date.

(ii) The impairment loss model under IFRS 9 and based upon expected losses has no material impact on the measurement of financial assets write-downs.

(iii) In terms of hedge accounting, Imerys is primarily affected by the new recognition requirements applicable to changes in the time value of options and forward points of outright contracts in equity instead of profit or loss as was the case until December 31, 2017 under IAS 39. The amount of the time value of options and forward points of outright contracts credited to the 2017 profit or loss (EUR 1 million) was thus reclassified as of January 1, 2018 to the cash flow hedge reserve.

Finally, GBL has decided to adopt IFRS 9 as of January 1, 2018 without restating the comparative year. The accounting policies used for the preparation of the comparative and not restated numbers are not included in the present document but are in GBL's annual report as of December 31, 2017.

IFRS 15 *Revenue from contracts with customers*. This standard applicable on revenue is based upon two principles: recognition of the sale when the customer obtains control over the good or service and measurement for the amount of the expected payment. At Imerys' level, for sales of goods, the standard's principles have no material impact on transactions combining a sale of goods and a transport-on-sale service. For services contracts, the standard's principles have no material impact on the timing of revenue recognition, depending on whether the client's takeover of the service was on an ad hoc or continuous basis. At Sienna Capital's level, the analysis of the main activities affected by this standard also led to the conclusion that the application of this new standard has not a significant impact.

Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*. This amendment clarifies share-based payments when they are settled as equity or cash. These clarifications had no impact on the group's financial statements.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration*. In the absence of indications in IAS 21 *The Effects of Changes in Foreign Exchange Rates*, on the exchange rate applicable to transactions that include the receipt or payment of advance consideration in a foreign currency resulting in the recognition of a non-monetary asset or liability, IFRIC 22 specifies that each payment and receipt must be measured at the exchange rate at the date of the transaction. Already facing the absence of indications in IAS 21 regarding this matter, the group had applied the clarification in its accounting policies since 2014. Therefore, the adoption of this interpretation will have no impact.

In addition, the mprovements to the IFRS (2014-2016) and the amendments to IAS 40 *Transfers of investment properties* and IFRS 4 *Application of IFRS 9 Financial Instruments* and IFRS 4 *Insurance Contracts* are not applicable to the group.

Texts in force after the reporting date

GBL did not opt for the early application of the new and amended standards and interpretations which entered into force after December 31, 2018, namely:

- improvements to the IFRS (2015-2017) (applicable for annual periods beginning on or after January 1, 2019, but not yet adopted at European level);
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after January 1, 2016 but not yet adopted at European level);
- IFRS 16 *Leases* (applicable for annual periods beginning on or after January 1, 2019);
- IFRS 17 *Insurance Contracts* (applicable for annual periods beginning on or after January 1, 2021, but not yet adopted at European level);

- amendments to the references to the Conceptual Framework for Financial Reporting in IFRS (applicable for annual periods beginning on or after January 1, 2020, but not yet adopted at European level);
- amendments to IFRS 3 *Business Combinations* (applicable for annual periods beginning on or after January 1, 2020, but not yet adopted at European level);
- amendments to IFRS 9 *Prepayment Features with Negative Compensation* (applicable for annual periods beginning on or after January 1, 2019);
- amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (the date of entry into force has been deferred indefinitely, and therefore the adoption at European level has been postponed);
- amendments to IAS 1 and IAS 8 - Amendment to the definition of "material" (applicable for annual periods beginning on or after January 1, 2020, but not yet adopted at European level);
- amendments to IAS 19 *Plan Amendment, Curtailment or Settlement* (applicable for annual periods beginning on or after January 1, 2019, but not yet adopted at European level);
- amendments to IAS 28 *Long term interests in Associates and Joint Ventures* (applicable for annual periods beginning on or after January 1, 2019, but not yet adopted at European level);
- IFRIC 23 *Uncertainty over Income Tax Treatments* (applicable for annual periods beginning on or after January 1, 2019).

Except for what is mentioned here below, the future application of these new and amended standards and interpretations is not expected to significantly affect the consolidated financial statements.

IFRS 16 abolishes for a lessee the current distinction between (i) operating leases recognized as an expense and (ii) finance leases recognized as property, plant and equipment against a financial debt. Lessees are now required to recognize the right of use against a financial debt for all leases. The application of this standard will notably impact Imerys and its property, plant and equipment, the depreciation cost recognized in current operating income, the interest expense recognized in financial income (loss), impairment tests, the covenants Imerys is required to meet for some of its financing and the level of commitments made under current operating leases. The scope of contracts in place at Imerys has been systematically reviewed, reassessing the existence of leases in each contract according to the criteria of the standard and excluding leases with a term of 12 months or less and assets of low value in line with the options set out in the standard. Imerys will apply the simplified approach, according to which the cumulative impact of initial adoption is recognized as an adjustment in equity at January 1, 2019. Comparative information for 2018 will not be restated. The right to use an asset is measured in relation to the amortized value at the date of transition. Imerys believes that, depending on the assumptions made on lease terms, the non-discounted amount of its lease commitments at January 1, 2019 could range from EUR 320 million to EUR 345 million (not discounted), corresponding to a lease liability of between EUR 280 million to EUR 310 million discounted over the residual terms of the leases.

At Sienna Capital's level, the work of identifying the contracts within the scope has been finalized and the lease commitment would amount to an undiscounted value in the range of EUR 100 million and EUR 125 million. At GBL's level, it is not expected to significantly affect the consolidated financial statements

Basis and scope of consolidation

The consolidated financial statements, prepared before appropriation of result, include those of GBL and its subsidiaries (the "group") and the interests of the group in joint ventures and associates accounted for using the equity method. The important subsidiaries, joint ventures and associates close their accounts on December 31.

Controlled companies

Controlled companies are entities for which GBL is exposed to variable returns because of ties to these entities and has the capacity to influence these returns because of the control that GBL has over these entities. Controlled companies are consolidated.

Intra-group balances and transactions as well as unrealised gains (losses) have been eliminated. Newly acquired companies are consolidated as from the date of acquisition.

Jointly controlled companies (joint ventures)

A joint venture is a company over which GBL has joint control with one or more other parties and for which the parties have a claim to the company's net assets. Joint control is the contractually agreed sharing of the control exercised over a company, which only exists in cases where decisions regarding the relevant operations require the unanimous consent of the parties sharing control.

These joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

If the group has a significant influence in a company, the investment it holds in that company is considered as an associate company. Notable influence is the power to participate in decisions about financial and operational policies, but without exercising control or joint control over these policies.

Associates are accounted for in the consolidated financial statements using the equity method.

An investment is accounted for using the equity method from the date it becomes an investment in an associate or joint venture. Under the equity method, the investment in an associate or joint venture is recorded at cost on initial recognition. In the absence of definition in the standards of the notion of cost, the group considers, in the event of a change from an other equity investment - financial assets recognised at fair value through equity to an associate, the fair value at the date of the first equity method as the cost. The revaluation reserve accounted for until that date is transferred to consolidated reserves.

Intangible assets

Intangible assets are recorded at cost less any accumulated amortisation and impairment losses.

Intangible assets with a finite useful life are amortised using the straight-line method over their estimated useful life.

Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually at the close of the financial year (or at an earlier date should there be an indication of impairment). When the recoverable amount of an asset is less than its carrying amount, this carrying amount is reduced to reflect the loss of value.

If there is no applicable standard or interpretation, Imerys treats greenhouse gas emission credits as intangible assets. Imerys holds these credits solely to prove the volume of its emissions and does not trade them, for example through forward purchases or sales. The recognised value of credits received free of charge is zero and credits purchased on the market are recognised at their purchase price.

If the credits held are less than the actual emissions at the reporting date, a provision is recognised in profit or loss that is equal to the value of the credits to be purchased, measured at their market value (net liability method). Only surplus credits are sold and are recognised in profit or loss as asset disposals.

Business combinations and goodwill

When the group acquires a business, the identifiable assets and liabilities of the acquired entity are recorded at fair value on the acquisition date.

The counterparty transferred to a business combination corresponds to the fair value of the transferred assets (including cash), the assumed liabilities and the shareholders' equity instruments issued by the group in exchange for the control of the acquired entity. The costs directly related to the acquisition are generally recognised in profit or loss.

Goodwill is calculated as the positive difference between the following two elements:

- the sum of (i) the counterparty transferred and, where appropriate, (ii) the amount of the non-controlling interests (minority interests) in the acquired entity, and (iii) the fair value of interests already held by the group prior to acquiring the controlling interest; and
- the net amount on the date of acquisition of the identifiable assets and liabilities acquired and assumed.

If, after confirmation of the values, this difference proves to be negative, this amount is immediately recorded in the income statement as a gain from a bargain purchase.

Goodwill is accounted for as an asset in the balance sheet under the heading "Goodwill" and subject to an annual impairment test, which consists in comparing the recoverable amount of the cash generating units ("CGU") to which the goodwill has been allocated with their carrying amount (including the goodwill). If the latter is higher, an impairment loss must be recorded in the income statement.

In addition, in valuing goodwill as outlined above, the amount of the non-controlling interests can be valued on a case by case basis and at GBL's choice, either at fair value (the so-called "full goodwill" option) or at the share of the identifiable net asset in the acquired entity.

Property, plant and equipment

Items of property, plant and equipment are recorded under assets if they are controlled as a result of a deed of ownership or a finance lease contract that transfers the risks and rewards incident to ownership. Items of property, plant and equipment are initially valued at acquisition or production cost.

The initial cost of property, plant and equipment under finance lease is the lower of the fair value of the asset and the present value of future minimum payments. The cost of property, plant and equipment includes the cost of loans contracted to finance their construction or production when they necessitate a substantial period of time. The cost of the assets is reduced, where appropriate, by the amount of public subsidies used to finance their acquisition or construction.

Maintenance and repair costs are immediately expensed under "Other operating income (expenses) from operating activities". The cost of property, plant and equipment includes, in particular for satellite industrial installations built on clients' land, the present value of the rehabilitation or dismantling obligation, where such an obligation exists. Property, plant and equipment are subsequently valued at cost less accumulated depreciation and any accumulated impairment losses.

Imerys has defined the following accounting and valuation policies for mineral assets where there are no standards that specifically apply. Exploration expenses, i.e. research of new knowledge on the mining potential, technical feasibility and commercial viability of a geographic region are immediately expensed when incurred under "Other operating income (expenses) from operating activities".

Mineral reserves constitute property, plant and equipment and are initially valued at acquisition cost excluding subsoil and increased by expenditure incurred to determine the tonnage of ore present in the deposit. Overburden works, i.e. works to remove the topsoil to enable access to the deposit, are included in the mineral reserve assets. Their initial valuation includes the production cost and present value of the rehabilitation obligation resulting from degradations caused by their construction. Mineral reserves and overburden works are recorded under "Property, plant and equipment". Mineral assets are subsequently valued at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation expense is spread over the expected useful life of the different categories of property, plant and equipment using the straight-line method. The estimated useful lives of the most significant items of property, plant
and equipment fall into the following ranges:

- buildings: 10 to 50 years;
- industrial constructions: 10 to 30 years;
- fixtures and fittings of buildings and constructions: 5 to 15 years;
- machinery, equipment and technical fittings: 5 to 20 years;
- vehicles: 2 to 5 years;
- other property, plant and equipment: 10 to 20 years.

Land is not depreciated.

Imerys considers that straight-line depreciation is unsuited to the consumption of property, plant and equipment related to its mining activity, such as mineral reserves and overburden assets, and of certain industrial assets that are not used on a continuous basis. Their depreciation is therefore estimated in production units on the basis of real extraction for mineral assets or, for these industrial assets, operational follow-up units such as production or hours of use. A mineral reserve is depreciated over a quantity equal to the geological inventory of the deposit decreased by discounts representative of the geological uncertainty inherent to resources. Overburden assets that qualify as a component of the mineral reserve asset are depreciated over the quantity of reserve to which they specifically give access. The subsoil, i.e. the land surface excluding the deposit, is not depreciated because it is not consumed by the extracting activity.

Other equity investments

Other equity investments, previsouly classified as available-for-sale investments under IAS 39 include investments in companies in which the group does not control nor exercise a significant influence, as defined above.

Other equity investments are either quoted or not quoted.

Quoted investments (adidas, Pernod Ricard, SGS, LafargeHolcim, Umicore, etc.)

These investments are recorded at fair value based on their share price at closing date.

For existing investments as of the date of applicability of IFRS 9 (i.e. as of January 1, 2018) and for investments made during 2018, GBL has opted to account for changes in the fair value of listed investments via equity ("financial assets recognised at fair value through equity"). These amounts will never be recycled in earnings, even in the event of the sale of securities or significant or prolonged loss of value. In the event of a sale, the accumulated revaluation reserves at the time of sale are reclassified to consolidated reserves.

Non-quoted investments (Sagard, Sagard II and 3, PrimeStone, BDT Capital Partners II, Upfield and Mérieux Participations I funds)

Investments in funds are revalued at each closing at their fair value, determined by the managers of these funds, according to their investment portfolio.

Based on the analysis of the characteristics of these unlisted funds, GBL determined that they were not eligible for the "Fair value through other comprehensive income" option. Therefore, the changes in fair value are accounted for in profit or loss ("financial assets recognised at fair value through profit and loss").

Non-current assets held for sale and discontinued operations

When, at the reporting date, it is highly likely that non-current assets or groups of directly related assets and liabilities will be disposed of, they are designated as non-current assets or groups of assets held for sale. Their sale is considered highly likely if, on the reporting date, a plan to put them up for sale at a reasonable price in relation to their fair value has been organised in order to find a buyer and finalise their transfer within one year at most.Non-current assets or groups of assets held for sale are presented as separate items in the financial statements. They are no longer depreciated and are valued at the lower of carrying amount or fair value less costs to sell. Non-current assets or groups of assets that will be shut down and not sold constitute non-current assets that are to be abandoned. When non-current assets that are sold, held for sale or to be abandoned correspond to one or more CGUs (cash-generating units) and must be abandoned in the framework of a single and coordinated plan, they are considered discontinued operations and their related flows are placed in a separate presentation in the consolidated statement of comprehensive income and in the consolidated statement of cash flows.

Inventories

Inventories are recorded as assets at the date on which the risks, rewards and control are transferred to the group. At the time of sale, their disposal is accounted for through an expense at the same date as the corresponding gain. Inventories are valued at the lower of production cost or net realisable value. When production is less than normal capacity, fixed costs specifically exclude the share corresponding to the sub-activity. Inventories presenting similar characteristics are valued under the same method. The methods used in the group are FIFO - First-In, First-Out - and the weighted average unit cost. When production cost cannot be recovered, it is lowered to net realisation value under the conditions existing at the reporting date.

Trade receivables

Trade receivables are initially recognized at their transaction price, when those do not contain an important financing component (determined in accordance with IFRS 15). The transaction price is the amount of consideration that the group expects to receive in exchange for the goods or services transferred. Subsequent to their initial recognition, trade receivables are valued at amortised cost, i.e. at fair value plus, where applicable, directly attributable transaction costs, increased or decreased, of accumulated amortisation of any difference between this initial amount and the amount at maturity, and less any write-down for impairment or non-recoverability. At the end of the reporting period, a write-down is recognized for the value of expected credit losses. Such losses correspond to the estimated weighted probability of credit losses, i.e. the expected loss of cash over the life of the trade receivable. A receivable sold to a banking institution for financing purposes is only derecognized if the factoring agreement also transfers to the factor all the risks and rewards incidental to the receivable

Other financial assets

The other financial assets are classifeid in one of the following two categories:

- Amortized cost. Financial assets are measured at amortized cost when the objective of the business model is to collect the contractual cash flows. These correspond mainly to cash and cash equivalents, as well as, to a lesser extent, of receivables related to dividends to be received. Cash and cash equivalents include bank deposits and fixed-term investments with a maturity date equal to or less than three months from the acquisition date. These are highly liquid investments indexed on a money market rate and the value of which is known or subject to very little uncertainty.

- Fair value through profit or loss. Financial assets are measured at fair value through profit or loss when the objective of the business model is to both collect the contractual cash flows and make a trading profit in the short term. They are non-derivative financial assets held for trading and recognized as assets between the dates of purchase and disposal, and whose changed in fair value is recognized in other financial income and expenses (investing or operating activities) at market prices published at the end of the reporting period. This category also includes trading assets as well as derivative instruments other than hedge accounting.

Finally, the group derecognizes a financial asset only if the contractual rights to the cash flows of the asset expire, or if the financial asset and the associated risks and benefits are transferred to third parties. If the group does not transfer or retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the group then recognizes retained interests in that asset and an associated liability for amounts that it may have to pay. If the group retains substantially all the risks and rewards of owning a transferred financial asset, the group continues to recognize the financial asset and also recognizes a debt backed by the proceeds received.

Impairment of assets

Other equity investments

Other equity investments are no longer subject to impairment tests since any decrease in fair value, even significant or prolonged, is still recognized in equity for financial assets recognised at fair value through equity or, directly in profit or loss for financial assets recognised at fair value through profit or loss.

Investments in equity-accounted entities

When there is an objective indication of impairment of an investment accounted for using the equity method, an impairment test must be carried out, in accordance with IAS 36 *Impairment of assets* and IAS 28 *Investments in Associates and Joint Ventures*. The recoverable amount of the asset is estimated in order to compare it to its carrying amount and, if need be, to recognise an impairment loss for the surplus. The recoverable amount is the highest of either the fair value less costs to sell or the value in use. The value in use corresponds to the future estimated discounted cash flows. When an impairment accounted for in an earlier period ceases to exist, the carrying amount is partially or totally restored. The reversal of an impairment loss is recorded immediately in profit.

Property, plant and equipment and intangible assets

At every reporting date, the group reviews the carrying amount of intangible assets and property, plant and equipment with finite useful life in order to assess whether there is any evidence of impairment of these assets.

If there is any evidence of impairment, the asset's recoverable amount is estimated to compare it with its carrying amount. The recoverable amount is the higher of the asset's net sale price or its value in use. The value in use is the present value of estimated future cash flows from the continuous use of an asset. Where it is not possible to estimate the recoverable amount of an asset individually, the group estimates the recoverable amount of the CGU to which the asset belongs.

If the recoverable amount of the asset or of the CGU is estimated to be less than the carrying amount, the carrying value of the asset or of the CGU is lowered to its recoverable amount.An impairment loss is immediately recognised in expenses.

When an impairment recorded during past financial years is no longer justified, the impairment loss on this asset or CGU is reversed in order to bring the asset or CGU back to a value corresponding to the new valuation of its recoverable amount. However, the carrying value of an asset or CGU may not exceed, following reversal of an impairment loss, the carrying value it would have had if no impairment had been recognised for the asset or CGU in previous years. The reversal of an impairment loss is recognised immediately as income.

Trade receivables and other financial assets

IFRS 9 requires the application of a model based on anticipated losses on trade receivables and other financial assets as opposed to a proven loss model applied until December 31, 2017. In particular, IFRS 9 requires, among other things, that the group recognizes an impairment loss on trade receivables and other financial assets as of the initial recognition date thereof. The assessment of expected credit losses is made on an individual or collective basis taking into account historical data on late payments, information on current circumstances, as well as forward-looking information.

Taxes

Income taxes of the financial year include both current and deferred taxes. They are recorded in the income statement unless they relate to items directly recorded in shareholders' equity, in which case they are also recorded in shareholders' equity.

Current taxes are the taxes to be paid on the taxable profit for the financial year and are calculated in accordance with the tax rates in effect or that will be in effect on the last day of the financial year, plus any adjustments relating to prior years.

Deferred taxes are calculated in accordance with the liability method, which is applied to the temporary differences between the carrying amounts and tax basis of the assets and liabilities recorded in the balance sheet.

The following tax differences are disregarded: non-tax-deductible goodwill and initial valuations of assets and liabilities not affecting the accounting and taxable profit.

Deferred taxes are calculated according to the manner in which the related assets and liabilities are expected to be realised or settled, based on the tax rates in effect or that will be in effect on the last day of the financial year.

Additionally, deferred tax liabilities related to investments in subsidiaries are not recorded when the group is able to control the date on which the temporary difference will reverse and when the group does not expect the temporary difference to reverse in the foreseeable future.

Deferred tax assets are recorded if the taxable profits are likely to materialise in such a manner as to allow them to be offset against tax losses and tax credits.

Treasury shares

When treasury shares are bought (or sold), the amount paid (or received) is recorded as a decrease (or increase) in shareholders' equity. Movements in these shares are shown in the consolidated statement of changes in shareholders' equity. No profits or losses on these movements are recorded in the income statement.

Appropriation of profit

Dividends paid by GBL to its shareholders are included as a reduction of shareholders' equity for their gross amount, i.e. before withholding tax. The financial statements are prepared before appropriation of profit.

Incentive plans

Equity-settled share-based payments

GBL and Imerys stock options granted prior to November 7, 2002 have not been recorded in the consolidated financial statements in accordance with the transitional provisions of IFRS 2.

Incentive plans granted as from November 7, 2002 are accounted for in accordance with IFRS 2. In accordance with this standard, the fair value of the options on the date of allocation is recorded in the income statement for the period of acquisition of the rights ("vesting period"). The options are valued by means of a valuation model generally accepted based on the market conditions prevailing at the time of their grant.

Cash-settled share-based payments

If the arrangement is settled in cash, the group incurs a liability measured at fair value. Until the settlement of the liability, the fair value should be measured at each reporting date and at settlement date. The changes in fair value are recognised in the income statement of the period.

Retirement benefits

Defined benefit plans

Commitments for defined benefit pension plans and similar obligations are valued using the projected credit unit method, in accordance with IAS 19. This valuation uses financial and demographic actuarial assumptions. These are used to value services rendered during the year on the basis of an estimate of the end-of-career salary.
The provisions (or assets) recognised correspond to the present value of the obligation less the fair value of the plan's assets, which may be capped.

The discount rates used to discount the obligations and calculate the resulting normative return on the assets are determined by referring to the yields of bonds issued by AA (high quality) listed companies within the main iBoxx GBP and USD Corporate AA indexes.

Contributions to funds and direct payments to beneficiaries as well as contributions and payments related to restructuring are recorded under "Employee expenses" or "Other operating income (expenses) from investing activities". Contributions to closed deficit plans with compulsory funding are recorded under "Financial income (expenses) from operating activities". The effect of these contributions in income statement is neutralized by reversals of provisions recognized in each of the items mentioned above. Other elements of the change in post-employment benefit plans are recorded in "Employee expenses" or "Other operating income (expenses) from investing activities", with the exception of the accretion of obligations and normative return on assets that are recognized under "Financial income (expenses) from investing activities" or "Financial income (expenses) from operating activities". Administrative costs are recorded in "Employee expenses" or "Other operating income (expenses) from investing activities", except for the administrative expenses of the closed deficit plans with compulsory funding that are recorded under "Other operating income (expenses) from operational activities".

Plan amendments, reductions and liquidations are immediately recognised in profit or loss. Actuarial differences and caps relating to post-employment benefit plan assets are fully recognised in shareholders' equity, net of asset management fees, without reclassification to profit or loss in a subsequent period.

Defined contribution plans

The group participates, in accordance with the regulations and corporate practices of each country, in the creation of retirement reserves for its staff, paying contributions on a mandatory or voluntary basis to external bodies such as pension funds, insurance companies or financial institutions.

These plans are defined contribution plans, in other words they do not guarantee the level of benefits paid. These contributions are recorded under “Employee expenses” or “Other operating income (expenses) from investing activities”.

Provisions

Provisions are recorded at the reporting date when a group entity has an actual legal or implicit obligation resulting from a past event, when it is probable that an amount will have to be paid out to settle this obligation, and if the amount of the obligation can be determined reliably.

The amount recorded as a provision should be the most accurate estimation of the expenditure required to meet the obligation existing at the reporting date.

Provisions are recognised in profit or loss, apart from provisions for decommissioning and some provisions for rehabilitation, whose counterpart is included in the cost of assets whose construction has created the obligation. This treatment applies in particular to some of Imerys’ industrial installations and overburden mineral assets.

Provisions whose settlement is expected within twelve months after the reporting date or whose settlement may occur at any time are not discounted. Provisions whose settlement is expected more than twelve months after the reporting date are discounted.

Changes in discounted provisions resulting from a revision of the amount of the obligation, its calendar or its discount rate are recognised in profit or loss, or for provisions recognised against assets, as an adjustment of the cost of the assets. The discounting is recognised as a debit in Financial income (expenses).

Provisions for restructuring costs are not recorded unless the group has approved a detailed and formal restructuring plan and if the restructuring has either begun or been publicly announced. Costs relating to the group’s continuing operations are not taken into account.

Current and non-current liabilities

Non-current liabilities (bank loans and bonds) and current liabilities (bank deposits) are initially recognised in the accounting records at their fair value less, in the case of a financial liability that has not been recorded at fair value through the income statement, the transaction costs that are directly imputed to the acquisition or release of the financial liability.

After initial recording, they are valued at their amortised cost (initial amount less repayments of principal plus or minus the accumulated amortisation of any difference between the initial amount and the value at maturity).

The exchangeable or convertible bonds issued by the group are considered as hybrid instrumentsn, i.e. containing both a bond component and an embedded derivative. At the date of issue, the fair value of the bond component is estimated based on the prevailing market interest rate for similar non-exchangeable or non-convertible bonds. The difference between the proceeds of issuance of the exchangeable or convertible bond and the fair value assigned to the bond component, representing the embedded option to exchange the bonds for shares, is included separetely, depending on the option’s maturity, in the heading “Other current liabilities” or “Other non-current liabilities”. The interest cost of the bond component is calculated by applying the prevailing interest market rate.

Transaction costs related to the issue of convertible or exchangeable bonds are allocated to the “liability” and “derivative” components in proportion to the allocation of gross proceeds. Transaction costs related to the derivative component are recognized directly in profit or loss. Transaction costs related to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible or exchangeable bonds using the effective interest rate method.

Trade payables and other financial non-derivative liabilities are measured at amortised cost.

The group derecognizes a financial liability if, and only if, its obligations are discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid and payable is recognized in profit or loss. When the group exchanges a debt instrument with an existing lender for another instrument with substantially different terms, the exchange is recognized as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, if the contractual terms of an existing liability are substantially changed, the group also recognizes an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the contractual terms of the financial liability are substantially different if the present value of the cash flows under the new conditions, including any fees paid, net of fees collected and discounted at the original effective rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability.

Derivative financial instruments

The group’s consolidated operating companies use derivatives to reduce their exposure to various risks, in particular foreign exchange, interest rate and energy price risks. The purpose of these instruments is to hedge the economic risks to which they are exposed. Financial instruments are recognised at the transaction date, i.e. the date the hedge accounting contract is entered into. However, only those that fulfil the hedge accounting criteria laid down in IFRS 9 are given the accounting treatments described hereafter are given the accounting treatments described hereafter.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are immediately recognised in profit or loss.

Any transaction qualified as hedge accounting is documented by reference to the hedging strategy by identifying the hedged risk, the hedged item, the hedging instrument, the hedging relationship and the measurement method of the hedge relationship effectiveness. The measurement of the hedge relationship effectiveness is updated at every reporting date. Derivatives are measured at fair value on initial recognition. Fair value is subsequently remeasured at every reporting date by reference to market conditions and to IFRS 13 *Fair Value Measurement*.

Derivatives recorded as assets or liabilities are classified in the headings “Other non-current assets/liabilities” and “Other current assets/liabilities” depending on their maturity date. The recognition of hedging derivatives varies depending on whether they are designated as fair value hedges, cash flow hedges or hedges of net investments in foreign operations.

GBL also uses derivative instruments. It can carry out transactions using call or put options. These transactions are implemented with reference to thorough documentation and are subject to specific and appropriate prior analysis and systematic monitoring.

Consolidated operating companies use different types of derivative financial instruments in various hedging strategies, as described below.

Fair value hedge

When changes in fair value of a recognised asset or liability or an unrecognised firm commitment may affect income, these changes may be covered by a fair value hedge. The hedged item and the hedging instrument are remeasured symmetrically in profit or loss at every reporting date. The impact in profit or loss is limited to the ineffective portion of the hedge.

Cash flow hedge

A cash flow hedge is used to cover unfavourable cash flow changes related to a recognised asset or liability or a highly likely future transaction when such changes are likely to affect profit or loss. At every reporting date, the effective share of the hedge and, if applicable, the changes in the time value of the options and futures points of the futures contracts, are recognised in shareholders' equity. The ineffective portion is recognized in profit or loss. When the transaction is recognised, items previously recognized in equity are reclassified to profit or loss simultaneously with the recognition of the hedged item. In the event of a disqualification of a derivative, i.e. the interruption of hedge accounting, the effective portion of the hedge previously recognized in equity is amortized to operating or financial result, depending on the nature of the hedged item.

Hedge of net investments in foreign operations

Foreign currency translation adjustments generated by net assets held by the group's consolidated operating companies in foreign currencies can be hedged. At every reporting date, the effective share of the hedge is recognised in shareholders' equity and the ineffective portion in profit or loss. The effective portion in shareholder's equity is only reclassified as profit or loss in the case of loss of control over a consolidated activity or reduction of an interest in an activity under significant influence.

Items denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies in the accounting records of group companies are translated into euro using the exchange rates of the last day of the financial year. Unrealised differences on translation resulting from the application of this methodology are recorded as gains or losses of the financial year. Non-monetary assets and liabilities are recorded using the exchange rates applicable on the date of the transaction.

In the consolidated financial statements, the group's foreign assets and liabilities are converted at the closing rate. Items of income and expenses denominated in foreign currencies are converted into euro at the average exchange rate for the year. Foreign currency translation adjustments reflecting the difference between the average rate and the rate on the last day of the year, are recognised in shareholders' equity under "Foreign currency translation adjustments". These foreign currency translation adjustments are recorded in profit or loss when the group disposes of the entity concerned.

Revenue

Revenue is made up of two elements: on the one hand sales of goods, and, on the other hand, services rendered, mainly invoicing customers the cost of shipping goods and providing industrial services. The contractual commitments made by the group to transfer these goods and services to customers are categorized as performance obligations. When control of goods or services defined in the contract is transferred to customers, the performance obligation is deemed to have been satisfied and the revenue is recognized. Material specialties are therefore transferred to customers at a given point in time, which coincides with the transfer of all the risks and rewards defined in the contractual incoterms. There are multiple incoterms due to the specificities provided for in contracts. However, while certain services, such as molding work, are rendered at a given point in time, most are transferred to customers over time.

This is the case for shipping services, the revenue for which is recognized after the delivery has been made, and certain specialized services in the construction of industrial facilities, for which the degree of completion is measured based on the the actual level of production costs committed. Collateral requirements on the sale of goods and rendering of services offer customers guarantees about the specifications agreed in the contracts, rather than an additional service on top of these guarantees. Consequently, guarantees are not recognized as performance obligations but as provisions.

Sale of goods and rendering of services are measured at the fair value of the transaction, minus trade and volume rebates, as well as discounts for early payment.

Interest

Interest income (expenses) include interest to be paid on loans and interest to be received on investments. Interest income received or interest charges paid are recorded prorata temporis in the consolidated statement of comprehensive income, taking into account the effective interest rate on the investment.

Dividends

Dividends relating to other equity investments or trading securities are booked in profit or loss on the date on which their distribution is decided upon, unless these dividends clearly represent the recovery of a portion of the cost of the investment. The amount of withholding tax is recorded as a deduction of gross dividends.

Changes in accounting policies, errors and changes in accounting estimates/judgements

A change in the accounting policies is only applied to meet the requirements of a standard or an interpretation, or if it gives more reliable and more relevant information. Changes in accounting policies are recognised retrospectively, except when specific transitional provisions are stated in a standard or an interpretation. When an error is detected, it is also retrospectively adjusted.

Uncertainties inherent to the business require estimates to be made when preparing the financial statements. These estimates result from judgements aiming at providing a true and fair view based upon available and reliable information. An estimate is revised to reflect changes in circumstances, new information available and effects linked to experience.

When such estimates are established, they are explained in the notes on the items to which they relate.

The main estimates are the following:

- the valuation of the assets and liabilities of an acquired business (section "Scope of consolidation, associates and changes in group structure");
- the principal assumptions related to goodwill impairment testing (note 10);
- an estimate of the useful life of intangible assets with limited life (note 9) and property, plant and equipment (note 11);
- assessment, as part of the recognition and measurement of provisions, of the probability of settlement and amount of the obligation, of the expected timing of future payments and of discount rates (note 20); and
- actuarial assumptions for defined benefit plans (note 21).

Ontex, Umicore and SGS

GBL analysed the accounting treatment to be applied to the investment in Ontex, Umicore and SGS and particularly the classification in (i) investments in associates (IAS 28), with the recognition of GBL's share in the profit or loss and shareholders' equity of Ontex, Umicore and SGS or in (ii) other equity investments (IFRS 9), with the recognition of the investment at its fair value and the recognition of the dividend through profit or loss.

In accordance with IAS 28, it is assumed that a group does not exercise significant influence if the percentage holding is less than 20.00%, unless it can be clearly demonstrated. According to this standard, significant influence is usually demonstrated in the case of (i) representation on the Board of Directors, (ii) participation in policy-making processes, (iii) material transactions between the investor and the company owned, (iv) the exchanging of management personnel or (v) the supplying of critical technical information.

As of December 31, 2018, those three investments are held respectively at 19.98%, 17.69% and 16.60%. The representation on the Board of Directors of those companies is not sufficient to demonstrate the existence of significant influence. Moreover, representation on the Boards of Directors is limited to the mandates of the Directors and does not come from a contractual or legal right but from a resolution at General Shareholders' Meeting. Taking these different factors into account, GBL has entered into the accounting treatment of its investments in Ontex, Umicore and SGS as other equity investments as of December 31, 2018.

Exchange rates used

	2018	2017
Closing rate		
US Dollar	**1.15**	1.20
Swiss franc	**1.13**	1.17
Average rate		
US Dollar	**1.18**	1.13

Presentation of the consolidated financial statements

The consolidated statement of comprehensive income separately presents:

- **Investing activities**
  Components of income resulting from investing activities, which includes the operations of GBL and of its subsidiaries whose main purpose is investment management. This includes Sienna Capital as well as the profit (loss) of operating associates (Parques Reunidos) and non-consolidated operating companies (adidas, Pernod Ricard, SGS, LafargeHolcim, Umicore, Total, GEA, Ontex, etc); and
- **Consolidated operating activities**
  Components of income from consolidated operating activities, i.e. from consolidated operating companies (Imerys as well as the sub-groups Keesing, Sausalitos, opseo, svt, Indo, Vanreusel, etc).

Scope of consolidation, associates and changes in group structure

Fully consolidated subsidiaries

		Interest and voting rights (in %)		
Name	**Registered office**	**2018**	**2017**	**Main activity**
Belgian Securities B.V.	Amsterdam	**100.0**	100.0	Holding
Brussels Securities S.A.	Brussels	**100.0**	100.0	Holding
GBL O S.A. (previously GBL Finance & Treasury S.A.)	Brussels	**100.0**	100.0	Holding
Sagerpar S.A.	Brussels	**100.0**	100.0	Holding
GBL Participations S.A.	Brussels	**100.0**	100.0	Holding
Brussels Advisors S.A.	Brussels	**100.0**	100.0	Holding
URDAC S.A.	Brussels	**100.0**	100.0	Holding
FINPAR S.A.	Brussels	**100.0**	100.0	Holding
FINPAR II S.A.	Brussels	**100.0**	100.0	Holding
FINPAR III S.A.	Brussels	**100.0**	-	Holding
LTI One S.A.	Isnes	**100.0**	100.0	Holding
LTI Two S.A.	Isnes	**100.0**	100.0	Holding
GBL Verwaltung S.A.	Luxembourg	**100.0**	100.0	Holding
GBL Energy S.à r.l.	Luxembourg	**100.0**	100.0	Holding
GBL R S.à r.l.	Luxembourg	**100.0**	100.0	Holding
Serena S.à r.l.	Luxembourg	**100.0**	100.0	Holding
GBL Finance S.à.r.l.	Luxembourg	**100.0**	100.0	Holding
Eliott Capital S.à.r.l.	Luxembourg	**100.0**	100.0	Holding
Miles Capital S.à.r.l.	Luxembourg	**100.0**	100.0	Holding
Owen Capital S.à.r.l.	Luxembourg	**100.0**	-	Holding
Theo Capital S.à.r.l.	Luxembourg	**100,0**	-	Holding
Oliver Capital S.à.r.l.	Luxembourg	**100.0**	100.0	Holding
GBL Investments Ltd	Dublin	**100.0**	100.0	Holding
GBL Development Ltd	London	**100.0**	-	Holding
GBL Advisors Ltd	London	**100.0**	-	Holding
Imerys S.A. (and subsidiaries)	Paris	**53.9**	53.8	Operational
Sienna Capital S.à r.l.	Luxembourg	**100.0**	100.0	Sienna Capital
Sienna Capital International Ltd	London	**100.0**	100.0	Sienna Capital
Ergon Capital Partners III S.A.	Brussels	**89.9**	89.9	Sienna Capital
E.V.E. S.A. (in liquidation)	Luxembourg	**100.0**	100.0	Holding
E.V.U. S.A.	Luxembourg	**100.0**	100.0	Holding
Urbe Group S.A.	Luxembourg	**100.0**	100.0	Holding
Benito Artis S.L. (and subsidiaries)	Barcelona	**-**	99.1	Operational
Egerton S.A.	Luxembourg	**98.2**	98.2	Holding
E.V.S. S.A.	Luxembourg	**96.4**	96.2	Holding
Frisco Bay Holding GmbH (group Sausalitos and subsidiaries)	Munich	**85.0**	85.0	Operational
E.V.R. S.A.	Luxembourg	**78.6**	78.6	Holding
Ride Holding S.A.S.	Saint-Malo	**45.5**	45.5	Holding
Financière Looping Holding S.A.S. (and subsidiaries)	Saint-Malo	**100.0**	100.0	Operational
E.V.C. S.A.	Luxembourg	**82.7**	82.7	Holding
Care Holding Luxembourg S.à.r.l.	Luxembourg	**58.7**	60.8	Holding
Deutsche Intensivpflege Holding B.V. (group opseo and subsidiaries)	Amsterdam	**100.0**	100.0	Operational
E.V.P. S.A.	Luxembourg	**95.4**	95.4	Holding
Puzzle Holding B. V. (group Keesing and subsidiaries)	Amsterdam	**60.0**	60.0	Operational
E.V.F. S.C.A.	Luxembourg	**58.8**	-	Holding
Fire TopCo GmbH (group svt and subsidiaries)	Hambourg	**77.2**	-	Operational
Belmont Food N.V. (group Vanreusel)	Hamont-Achel	**51.0**	-	Operational
E.V.L. S.A.	Luxembourg	**84.0**	-	Holding
Penasanda Investments S.L. (group Indo and subsidiaries)	Madrid	**67.7**	-	Operational

The percentage of voting rights is identical to the percentage interest, with the exception of Imerys, for which the voting rights are 67.7%. An incentive plan has also been granted to the management of Ergon Capital Partners III ("ECP III"), covering 16.7% of the shares.

Associates

Percentage (in %)		Kartesia Management S.A.	Kartesia Credit Opportunities III S.C.A.	Kartesia Credit Opportunities IV S.C.S.	Parques Reunidos Servicios Centrales, S.A.	Backed 1 LP	Ergon Capital Partners S.A.	Ergon Capital Partners II S.A.	IPE S.R.L., subsidiary of ECP III	Mérieux Participations 2 S.A.S.
Office		**Luxembourg**	**Luxembourg**	**Luxembourg**	**Madrid**	**Jersey**	**Brussels**	**Brussels**	**Bologna**	**Lyon**
Activity		**Sienna Capital**	**Sienna Capital**	**Sienna Capital**	**Leisure parks**	**Sienna Capital**	**Sienna Capital**	**Sienna Capital**	**Home furnishing**	**Sienna Capital**
2018	**Ownership**	**22.2**	**29.6**	**17.2**	**21.2**	**48.6**	**50.0**	**42.4**	**65.6**	**37.8**
2017	Ownership	22.2	29.6	17.2	21.2	48.6	50.0	42.4	65.6	37.8

The percentage of voting rights is identical to the percentage interest.

In the rest of the notes, Ergon Capital Partners and Ergon Capital Partners II have been referred to together under the name “ECP I & II”, while the name “ECP” refers to these two companies referred to above and Ergon Capital Partners III (“ECP III”). Similarly, the Kartesia entities will be referred to as “Kartesia”.

The group has analysed the accounting treatment to be applied to the recognition of its investment in I.P.E. S.R.L (Visionnaire group) and has concluded that it only has a significant influence despite its 65.6% interest, based on the existence of a shareholders’ agreement. The group has also concluded that it has a significant influence on Kartesia Credit Opportunities IV S.C.S., despite its ownership lower than 20.0%.

Lastly, GBL holds a 26.9% stake in the Sagard 3 fund and has determined that it has no significant influence over this investment. Sagard 3 is therefore presented as an other equity investment and is measured at fair value at each reporting date.

Changes in group structure

Companies entering the group structure

During the first quarter of 2018, ECP III acquired a majority stake in svt, active in the fire protection sector. In April 2018, svt acquired 100.0% of Rolf Kuhn. As of December 31, 2018, ECP III holds an indirect 45.4% stake in svt (ECP III has control through an intermediate holding company). The total purchase price amounts to EUR 149 million (excluding acquisition costs of EUR 5 million). The non-controlling interests amounted to EUR 45 million at the time of the acquisition. The provisional goodwill generated by this acquisition is EUR 87 million. This acquisition contributed to the group’s net income of the period for EUR 0 million (group’s share).

In the third quarter of 2018, ECP III acquired a majority stake (51.0%) in Beltaste-Vanreusel, a Belgian manufacturer of frozen products and a preferred supplier to the fast food sector. The total purchase price amounts to EUR 105 million (excluding acquisition costs of EUR 2 million). The non-controlling interests amounted to EUR 26 million at the time of the acquisition. The provisional goodwill generated by this acquisition is EUR 83 million. This acquisition contributed to the group’s net income of the period for EUR 1 million (group’s share).

In the third quarter of 2018, ECP III also acquired a majority stake (67.6%, becoming 67.7% as of December 31, 2018) in Indo, the Spanish leader in the manufacture and distribution of ophthalmic lenses and ophthalmologic diagnostic equipment. The total purchase price amounts to EUR 68 million (excluding acquisition costs of EUR 3 million). The non-controlling interests amounted to EUR 15 million at the time of the acquisition. The provisional goodwill generated by this acquisition is EUR 63 million. This acquisition contributed to the group’s net income of the period for EUR - 1 million (group’s share).

The goodwills arising from the acquisitions of these companies is mainly related to growth forecasts and expected future profitability. They should not be deductible for tax purposes.

Lastly, the group also made other marginally significant acquisitions in 2018. These acquisitions generated a net cash flow of EUR 105 million. The assets and liabilities of the various acquisitions in 2018 as well as the net cash flows are detailed in the table below.

In EUR million	svt	Vanreusel	Indo	Other	Total
Non-current assets	104.3	10.1	6.7	42.4	163.5
Current assets	35.6	21.7	19.4	20.5	97.2
Non-current liabilities	55.1	2.4	3.5	5.8	66.8
Current liabilities	23.3	7.3	17.6	16.5	64.7
Net asset	**61.5**	**22.1**	**5.0**	**40.6**	**129.2**
Goodwill	87.4	82.9	62.5	75.9	308.7
Purchase price	148.9	105.0	67.5	116.5	437.9
Of which cash payment	*148.9*	*105.0*	*67.5*	*111.1*	*432.5*
Of which deferred payment	*-*	*-*	*-*	*5.4*	*5.4*
Acquired cash and cash equivalents	4.0	13.1	1.3	6.1	24.5
Net cash flow	144.9	91.9	66.2	105.0	408.0

Purchase accounting finalized in 2018

On July 18, 2017, Imerys acquired from the investment fund Astorg Partners 100.00% of the voting rights of the French group Kerneos, the world's leading manufacturer of high performance calcium aluminate binders (revenue of EUR 417 million in 2016). The purchase was agreed at EUR 206 million. The fair value of the majority of identifiable assets and liabilities at the date control was obtained was measured by third-party experts. The valuations for the intangible assets, property, plant and equipment, mineral reserves, provisions for mining site restoration and provisions for employee benefits were adjusted. The goodwill that arose from the difference between the value of the partially adjusted net assets and the value of the investment provisionally amounted to EUR 463 million as of December 31, 2018. The fair value of the assets, liabilities and contingent liabilities are presented in the table below.

In EUR million	Kerneos
Non current assets	525.3
Current assets	195.2
Non current liabilities	883.2
Current liabilities	93.6
Net asset	(256.3)
Non controlling interests	(1.0)
Acquired net asset	(257.3)
Goodwill	463.4
Purchase price	206.1

Companies leaving the group structure

On April 17, 2018, Imerys published a press release stating it was currently reviewing its strategic options for the future of its Roofing division (included in the Ceramic Materials division). On May 17, 2018, the Board of Directors concluded that the Roofing division should be sold as the following criteria had been met: Imerys was able to dispose of the division immediately in its current state and a potential buyer had been identified in order to complete the disposal within a 12-month period. Amortisation and depreciation was no longer recognized after this date. As the Roofing division constituted a major business line, it was accounted for in discontinued operations as of June 30, 2018. On October 11, 2018, the sale of the division to Lone Star Funds was completed, generating a gain of EUR 756 million before income tax (EUR 756 million after income tax), which was recognized in the result from consolidated operating activities – discontinued operations. Contributions from discontinued operations were presented in separate line items in the Consolidated Income Statement and the Consolidated Statement of Cash Flows, and are presented in the table below.

In EUR million	2018	2017
Turnover	**229.2**	299.4
Raw materials and consumables used	**(61.0)**	(78.6)
Staff expenses	**(43.0)**	(57.0)
Depreciation/amortisation of property, plant, equipment and intangible assets	**(5.5)**	(13.8)
Other current income (expenses) from operating activities	**(61.1)**	(54.5)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	**-**	-
Financial income (expenses) from operating activities	**(0.4)**	(0.9)
Result before tax from consolidated operating activities	**58.2**	**94.6**
Gain (loss) on disposal	**756.3**	**-**
Income taxes	**(26.5)**	**(27.3)**
Result from consolidated operating activities - discontinued operations	**788.0**	**67.3**

In EUR million	2018	2017
Cash flow from operating activities	**59.7**	73.0
Cash flow from investing activities	**676.1**	(20.4)
Cash flow from financing activities	**(29.9)**	(51.9)
Change in cash and cash equivalents	**705.9**	0.7

Finally, Imerys also made other minor acquisitions finalized in 2018. These have generated a net cash outflow of EUR 21 million.

Notes

For consistency purposes, the notes to the consolidated financial statements are grouped based on the nature of the items and not in the order they are presented in the consolidated balance sheet and consolidated statement of comprehensive income. This arrangement is meant to facilitate the analysis of all the factors of the same kind affecting the assets and liabilities in the financial statements.

1. Segment information

IFRS 8 *Operating Segments* requires that segments be identified based on internal reports which are regularly presented to the main operating decision-maker for the purpose of managing the allocation of resources to the segments and assessing their performance.

In conformity with IFRS 8, the group has identified three segments:

- **Holding:** ocomprising the parent company GBL and its subsidiaries. Its main activity is to manage investments as well as the non-consolidated operating companies and associates;
- **Imerys:** cconsists of the Imerys group, a French group listed on Euronext Paris, which holds leading positions in each of its four business lines: Energy Solutions & Specialities; Filtration & Performance Additives; Ceramic Materials; and High Resistance Minerals;
- **Sienna Capital:** includes, on the one hand, under investment activities, the companies Sienna Capital, ECP, ECP II, ECP III, Sagard, Sagard II and Sagard 3, PrimeStone, Backed 1 LP, BDT Capital Partners II, Kartesia Credit Opportunities III and IV and Mérieux Participations I and 2 and, on the other, under consolidated operating activities, the operating subsidiaries of ECP III (sub-groups Benito, Sausalitos, Looping, Keesing, opseo, svt, Vanreusel, Indo, etc.).

The results of a segment, its assets and its liabilities include all the items directly attributable to it. The accounting standards applied to these segments are the same as those described in the section entitled “Accounting Policies”.

1.1. Segment information - Consolidated income statement

For the period ended as of December 31, 2018

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	(0.5)	-	26.1	25.6
Net dividends from investments	350.4	-	-	350.4
Other operating income (expenses) from investing activities	(27.3)	-	(11.8)	(39.1)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	(0.8)	-	5.0	4.2
Financial income (expenses) from investing activities	17.9	-	(6.1)	11.8
Profit (loss) before tax from investing activities - continued operations	**339.7**	**-**	**13.2**	**352.9**
Turnover	-	4,590.0	611.3	5,201.3
Raw materials and consumables	-	(1,503.2)	(212.5)	(1,715.7)
Employee expenses	-	(997.7)	(203.8)	(1,201.5)
Depreciation/amortisation of property, plant, equipment and intangible assets	-	(267.2)	(46.1)	(313.3)
Other operating income (expenses) from operating activities	-	(1,696.4)	(105.6)	(1,802.0)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(214.7)	(0.5)	(215.2)
Financial income (expenses) from operating activities	-	(60.4)	(35.3)	(95.7)
Profit (loss) before tax from consolidated operating activities - continued operations	**-**	**(149.6)**	**7.5**	**(142.1)**
Income taxes	**(0.3)**	**(89.0)**	**(5.4)**	**(94.7)**
Profit (loss) from continued activities	**339.4**	**(238.6)**	**15.3**	**116.1**
Profit (loss) from consolidated operating activities - discontinued operations	**-**	**788.0**	**-**	**788.0**
Consolidated profit (loss) for the year	**339.4**	**549.4**	**15.3**	**904.1**
Attributable to the group	339.4	302.3	17.2	658.9

Information by segment on other items of profit or loss is mentioned below:

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates and joint ventures	(0.5)	(5.9)	30.5	24.1
Depreciation/amortisation of property, plant, equipment and intangible assets	0.9	(272.7)	(46.1)	(317.9)
Impairment of non-current assets	-	(224.0)	(1.1)	(225.1)

For the period ended as of December 31, 2017

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	-	-	23.9	23.9
Net dividends from investments	340.7	-	-	340.7
Other operating income (expenses) from investing activities	(41.0)	-	(18.4)	(59.4)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	7.7	-	238.0	245.7
Financial income (expenses) from investing activities	(15.4)	-	(2.0)	(17.4)
Profit (loss) before tax from investing activities - continued operations	**292.0**	**-**	**241.5**	**533.5**
Turnover	-	4,299.0	327.3	4,626.3
Raw materials and consumables	-	(1,351.2)	(82.8)	(1,434.0)
Employee expenses	-	(930.5)	(134.2)	(1,064.7)
Depreciation/amortisation of property, plant, equipment and intangible assets	-	(252.4)	(28.2)	(280.6)
Other operating income (expenses) from operating activities	-	(1,260.3)	(71.3)	(1,331.6)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(5.6)	(1.0)	(6.6)
Financial income (expenses) from operating activities	-	(78.3)	(18.8)	(97.1)
Profit (loss) before tax from consolidated operating activities - continued operations	**-**	**420.7**	**(9.0)**	**411.7**
Income taxes	-	(118.9)	(2.5)	(121.4)
Profit (loss) from continued activities	**292.0**	**301.8**	**230.0**	**823.8**
Profit (loss) from consolidated operating activities - discontinued operations	**-**	**67.3**	**-**	**67.3**
Consolidated profit (loss) for the year	**292.0**	**369.1**	**230.0**	**891.1**
Attributable to the group	292.0	199.8	213.6	705.4

Information by segment on other items of profit or loss is mentioned below:

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates and joint ventures	-	5.9	26.8	32.7
Depreciation/amortisation of property, plant, equipment and intangible assets	(3.0)	(266.2)	(28.2)	(297.4)
Impairment of non-current assets	(0.4)	(13.9)	(4.2)	(18.5)

The geographical split of the turnover is presented in note 8.

1.2. Segment information - consolidated balance sheet

Consolidated balance sheet as of December 31, 2018

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**13,563.4**	**4,908.3**	**2,057.6**	**20,529.3**
Intangible assets	-	277.6	279.1	556.7
Goodwill	-	2,143.3	549.5	2,692.8
Property, plant and equipment	1.8	2,165.8	169.1	2,336.7
Investments	13,561.6	115.3	1,040.9	14,717.8
Investments in associates	*232.5*	*112.8*	*343.9*	*689.2*
Other equity investments	*13,329.1*	*2.5*	*697.0*	*14,028.6*
Other non-current assets	-	93.9	13.5	107.4
Deferred tax assets	-	112.4	5.5	117.9
Current assets	**425.4**	**2,685.6**	**249.9**	**3,360.9**
Inventories	-	867.0	34.9	901.9
Trade receivables	0.4	656.6	82.7	739.7
Trading financial assets	275.1	6.6	59.7	341.4
Cash and cash equivalents	119.9	848.9	44.8	1,013.6
Other current assets	30.0	306.5	27.8	364.3
Total assets	**13,988.8**	**7,593.9**	**2,307.5**	**23,890.2**
Non-current liabilities	**1,071.4**	**3,095.5**	**665.7**	**4,832.6**
Financial liabilities	1,061.0	1,995.9	566.9	3,623.8
Provisions	1.0	666.2	9.6	676.8
Pensions and post-employment benefits	6.2	290.0	5.2	301.4
Other non-current liabilities	3.2	18.1	10.9	32.2
Deferred tax liabilities	-	125.3	73.1	198.4
Current liabilities	**46.4**	**1,244.8**	**136.8**	**1,428.0**
Financial liabilities	-	180.1	25.5	205.6
Trade payables	2.7	557.3	37.8	597.8
Provisions	-	23.7	2.4	26.1
Tax liabilities	7.0	115.1	6.9	129.0
Other current liabilities	36.7	368.6	64.2	469.5
Total liabilities	**1,117.8**	**4,340.3**	**802.5**	**6,260.6**

All the assets and liabilities are allocated to the various segments.

Capital expenditure (property, plant and equipment and intangible assets) by segment is shown in the following table:

In EUR million	Holding	Imerys	Sienna Capital	Total
Capital expenditure	0.2	310.3	80.1	390.6

Consolidated balance sheet as of December 31, 2017

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**14,528.2**	**5,251.5**	**1,318.8**	**21,098.5**
Intangible assets	-	305.5	177.6	483.1
Goodwill	-	2,135.5	263.1	2,398.6
Property, plant and equipment	9.3	2,488.6	123.7	2,621.6
Investments	14,518.9	127.5	743.9	15,390.3
Investments in associates	*238.0*	*115.5*	*251.7*	*605.2*
Available-for-sale investments	*14,280.9*	*12.0*	*492.2*	*14,785.1*
Other non-current assets	-	108.9	7.2	116.1
Deferred tax assets	-	85.5	3.3	88.8
Current assets	**599.9**	**2,216.5**	**143.7**	**2,960.1**
Inventories	-	840.2	12.5	852.7
Trade receivables	0.2	676.1	51.7	728.0
Trading financial assets	485.1	6.6	32.6	524.3
Cash and cash equivalents	81.5	382.0	28.4	491.9
Other current assets	33.1	311.6	18.5	363.2
Total assets	**15,128.1**	**7,468.0**	**1,462.5**	**24,058.6**
Non-current liabilities	**564.6**	**2,859.8**	**349.5**	**3,773.9**
Financial liabilities	552.8	1,986.3	295.8	2,834.9
Provisions	0.6	394.6	1.6	396.8
Pensions and post-employment benefits	3.5	321.3	2.5	327.3
Other non-current liabilities	7.7	22.9	3.5	34.1
Deferred tax liabilities	-	134.7	46.1	180.8
Current liabilities	**492.1**	**1,730.0**	**126.2**	**2,348.3**
Financial liabilities	443.3	667.9	41.5	1,152.7
Trade payables	3.0	510.9	26.1	540.0
Provisions	4.1	27.1	4.0	35.2
Tax liabilities	4.1	100.9	2.3	107.3
Other current liabilities	37.6	423.2	52.3	513.1
Total liabilities	**1,056.7**	**4,589.8**	**475.7**	**6,122.2**

All the assets and liabilities are allocated to the various segments.

Capital expenditure (property, plant and equipment and intangible assets) by segment is shown in the following table:

In EUR million	Holding	Imerys	Sienna Capital	Total
Capital expenditure	0.2	339.2	21.1	360.4

The breakdown of the group's non-current assets by geographic region is as follows:

In EUR million	2018	2017
Non-current assets (1)		
Belgium	207.6	114.0
Other European countries	3,565.7	3,505.7
North America	997.4	1,047.7
Other	815.5	835.9
Total	**5,586.2**	**5,503.3**

(1) Intangible assets, property, plant and equipment and goodwill

2. Associates

2.1. Share of profit (loss)

Dividends received from equity-accounted entities have been eliminated and replaced by GBL's share of their profit or loss.

Dividends received

In EUR million	2018	2017
Parques Reunidos	**4.2**	-
Mérieux Participations 2	**-**	0.1
Other (Imerys)	**5.5**	5.8
Total	**9.7**	**5.9**

Profit or loss of associates (GBL's share)

In EUR million	2018	2017
Parques Reunidos	**(0.5)**	-
Backed 1	**6.3**	-
ECP I & II	**(2.2)**	(7.7)
Kartesia	**21.5**	24.2
Mérieux Participations 2	**0.5**	7.4
Share of profit or loss of associates – investing activities	**25.6**	23.9
I.P.E.	**4.4**	2.9
Other	**(5.9)**	5.9
Associates related to consolidated operating activities (shown under "Other operating income (expenses)")	**(1.5)**	8.8
Total	**24.1**	**32.7**

Parques Reunidos

The net result (GBL's share) of Parques Reunidos amounts to EUR - 1 million for the 12 month period starting on January 1, 2018 and ending on December 31, 2018.

Backed 1

Backed 1 contributed to GBL's result for EUR 6 million. This result mainly includes gains on the revaluation to fair value of the share portfolio. The result was not significant in 2017.

ECP I & II

The contribution of ECP I & II to the net result of GBL amounts to EUR - 2 million in 2018 (EUR - 8 million in 2017). In 2017, this result mainly included an impairment on one investment held by one of these funds for EUR - 5 million (GBL's share).

Kartesia

The contribution of Kartesia includes, on the on hand, interests on loans of EUR 23 million, GBL's share (EUR 24 million, GBL's share in 2017), and, on the other hand, gains on the revaluation to fair value of the loan portfolio of EUR 0 million, GBL's share (EUR 6 million, GBL's share in 2017), after deduction of incurred expenses of EUR - 5 million, GBL's share (EUR - 6 million, GBL's share in 2017).

Mérieux Participations 2

The contribution of Mérieux Participations 2 is not significant in 2018. In 2017, it mainly included gains on the revaluation to fair value of the share portfolio of EUR 9 million (GBL's share).

2.2. Value of investments (equity method)

In EUR million	Parques Reunidos	Backed 1	ECP I & II	Kartesia	Investing activities Mérieux Participations 2	Operating activities I.P.E.	Other	Total
As of December 31, 2016	**-**	**-**	**19.2**	**155.1**	**24.5**	**39.2**	**122.5**	**360.5**
Investment/(Divestment)	2.3	7.8	-	(22.0)	8.5	-	-	(3.4)
Profit (loss) for the year	-	-	(7.7)	24.2	7.4	2.9	5.9	32.7
Distribution	-	-	-	-	(0.1)	-	(5.8)	(5.9)
Transfer from available-for-sale investments	235.7	-	-	-	-	-	-	235.7
Other	-	0.6	-	(8.0)	-	-	(7.0)	(14.4)
As of December 31, 2017	**238.0**	**8.4**	**11.5**	**149.3**	**40.3**	**42.1**	**115.6**	**605.2**
Investment/(Divestment)	-	11.8	-	37.4	11.8	-	-	61.0
Profit (loss) for the year	(0.5)	6.3	(2.2)	21.5	0.5	4.4	(5.9)	24.1
Distribution	(4.2)	-	-	-	-	-	(5.5)	(9.7)
Other	(0.8)	-	-	0.8	-	-	8.6	8.6
As of December 31, 2018	**232.5**	**26.5**	**9.3**	**209.0**	**52.6**	**46.5**	**112.8**	**689.2**
Of which: Holding	232.5	-	-	-	-	-	-	232.5
Imerys	-	-	-	-	-	-	112.8	112.8
Sienna Capital	-	26.5	9.3	209.0	52.6	46.5	-	343.9

On April 12, 2017, GBL announced the acquisition of a 15.0% participation in the capital of Parques Reunidos Servicios Centrales, S.A. On April 25, 2017, Parques Reunidos co-opted a representative of GBL in the Board of Directors. During the fourth quarter of 2017, GBL had crossed the 20.0% treshold and held 21.2% of the capital as of December 31, 2017. GBL had concluded that it had significant influence and has therefore accounted for this investment according to the equity method since the end of 2017. After purchase price allocation, the goodwill, that results from the difference between the share of the acquired net asset of Parques Reunidos as of December 31, 2017 and the financial asset valued at fair value when the significant influence has been demonstrated (in accordance with group's accounting policies) is zero.

The market value of the investment in Parques Reunidos at year-end 2018 stood at EUR 185 million (EUR 254 million in 2017). The other equity-accounted entities are not listed.

2.3. Other information on investments in equity-accounted entities

Aggregated financial information of the main equity-accounted entities

The tables below present a summary of the financial information regarding Kartesia Credit Opportunities III S.C.A., Kartesia Credit Opportunities IV S.C.S. and Parques Reunidos Servicios Centrales, S.A., significant associate entities in 2018 and the other smaller associate entities. This summary represents the amounts included in the companies' financial statements prepared in accordance with IFRS.

In EUR million	Kartesia Credit Opportunities III S.C.A.	Kartesia Credit Opportunities IV S.C.S.	Parques Reunidos [(1)]	Other associated companies	Total
As of December 31, 2018					
Non-current assets	399.2	585.1	2,214.7	594.2	3,793.2
Current assets	113.6	34.0	106.4	147.5	401.5
Non-current liabilities	64.1	172.1	1,112.6	203.7	1,552.5
Current liabilities	2.0	4.1	110.9	83.1	200.1
Non-controlling interests	-	-	0.6	0.6	1.2
Shareholder's equity (group's share)	**446.7**	**442.9**	**1,097.0**	**454.3**	**2,440.9**
Ownership interest in capital	29.6%	17.2%	21.2%	n.r.	n.r.
Share in equity	132.2	76.2	232.5	243.8	684.7
Goodwill	-	-	-	4.5	4.5
Carrying amount as of December 31, 2018	**132.2**	**76.2**	**232.5**	**248,3**	**689.2**
Turnover	-	-	591.2	454.3	1,045.5
Profit (loss) from continuing operations	57.3	25.1	(2.4)	79.5	159.5
Net result of the year (including non-controlling interests)	**57.3**	**25.1**	**(2.4)**	**79.5**	**159.5**
Net result of the year (group's share)	**57.3**	**25.1**	**(2.4)**	**79.9**	**159.9**
Other comprehensive income (loss)	**-**	**-**	**6.9**	**-**	**6.9**
Total comprehensive income (loss) for the year	**57.3**	**25.1**	**4.5**	**79.9**	**166.8**
Dividends received during the period	-	-	4.2	5.5	9.7
Share of the group in the profit (loss) for the year	**17.0**	**4.3**	**(0.5)**	**3.3**	**24.1**
As of December 31, 2017					
Non-current assets	435.9	288.2	1,893.4	533.9	3,151.4
Current assets	107.3	17.2	150.6	135.8	410.9
Non-current liabilities	91.0	208.8	810.9	204.4	1,315.1
Current liabilities	1.6	3.9	156.8	86.9	249.2
Non-controlling interests	-	-	0.5	1.0	1.5
Shareholder's equity (group's share)	**450.6**	**92.7**	**1,075.8**	**377.4**	**1,996.5**
Ownership interest in capital	29.6%	17.2%	21.2%	n.r.	n.r.
Share in equity	133.4	15.9	228.0	213.4	590.7
Goodwill	-	-	10.0	4.5	14.5
Carrying amount as of December 31, 2017	**133.4**	**15.9**	**238.0**	**217.9**	**605.2**
Turnover	-	-	68.7	434.6	503.3
Profit (loss) from continuing operations	70.2	19.3	(30.4)	23.5	82.6
Net result of the year (including non-controlling interests)	**70.2**	**19.3**	**(30.4)**	**23.5**	**82.6**
Net result of the year (group's share)	**70.2**	**19.3**	**(30.4)**	**12.3**	**71.4**
Other comprehensive income (loss)	**-**	**-**	**(2.6)**	**-**	**(2.6)**
Total comprehensive income (loss) for the year	**70.2**	**19.3**	**(33.0)**	**23.5**	**80.0**
Dividends received during the period	-	-	3.0 [(2)]	5.9	8.9
Share of the group in the profit (loss) for the year	**20.7**	**3.3**	**-**	**8.7**	**32.7**

(1) Parques Reunidos' figures as of December 31, 2017 relate to a 3-months period
(2) Dividend paid on July 19, 2017, when Parques Reunidos was accounted for as an "available-for-sale investment"

3. adidas, Pernod Ricard, SGS, LafargeHolcim and other equity investments

3.1. Net dividends

In EUR million	2018	2017
LafargeHolcim	**97.1**	107.0
SGS	**82.2**	82.8
Pernod Ricard	**47.0**	40.2
Total	**35.0**	35.1
adidas	**34.7**	26.7
Umicore	**30.2**	25.7
GEA	**10.0**	2.2
Ontex	**9.9**	9.0
Burberry	**-**	8.9
Parques Reunidos	**-**	3.0
Other	**4.3**	0.1
Total	**350.4**	**340.7**

In 2018, GBL recorded EUR 350 million in dividends (EUR 341 million in 2017).

This increase mainly comes from the increase in unit dividends from adidas, Pernod Ricard and Umicore as well as the increase in dividend from GEA following the investments carried out since last year. The negative currency impacts on dividends from LafargeHolcim and SGS partially offset this increase.

3.2. Fair value and changes

The investments in listed companies are valued on the basis of the share price at the reporting date. Changes in the fair value of investments are recognised in the revaluation reserves (see note 3.3.).

Shares in "Funds", namely Sagard, Sagard II and Sagard 3, PrimeStone, BDT Capital Partners II, Upfield and Mérieux Participations I are revalued at their fair value, determined by the managers of the funds based on their investment portfolio. Changes in the fair value of investments are recognised in profit or loss (see note 7).

							Of which:		
In EUR million	December 31, 2017	Acquisitions	Disposals/ Reimbursements	Change in fair value	Other	December 31, 2018	Holding	Imerys	Sienna Capital
Investments with changes in fair value through equity	**14,280.9**	**656.4**	**(498.6)**	**(1,110.2)**	**0.6**	**13,329.1**	**13,329.1**	**-**	**-**
adidas	2,623.3	-	-	239.4	-	**2,862.7**	2,862.7	-	-
Pernod Ricard	2,624.9	-	-	225.8	-	**2,850.6**	2,850.6	-	-
SGS	2,751.1	-	-	(266.4)	-	**2,484.7**	2,484.7	-	-
LafargeHolcim	2,692.5	-	-	(641.6)	-	**2,050.9**	2,050.9	-	-
Umicore	1,503.3	214.4	-	(197.9)	-	**1,519.9**	1,519.9	-	-
Total	746.0	-	-	1.9	0.6	**748.5**	748.5	-	-
GEA	327.6	228.5	-	(210.5)	-	**345.5**	345.5	-	-
Ontex	453.7	-	-	(159.2)	-	**294.5**	294.5	-	-
Burberry	557.1	-	(498.6)	(58.5)	-	**-**	-	-	-
Other	1.4	213.6	-	(43.2)	-	**171.8**	171.8	-	-
Investments with changes in fair value through profit or loss	**504.2**	**275.8**	**(101.8)**	**33.6**	**(12.3)**	**699.5**	**-**	**2.5**	**697.0**
Funds	491.3	263.8	(100.8)	33.4	(1.1)	**686.6**	-	-	686.6
Other	12.9	12.0	(1.0)	0.2	(11.2)	**12.9**	-	2.5	10.4
Fair value	**14,785.1**	**932.2**	**(600.4)**	**(1,076.6)**	**(11.7)**	**14,028.6**	**13,329.1**	**2.5**	**697.0**

In 2017, all changes in fair value were accounted for in equity, through revaluation reserves.

In EUR million	December 31, 2016	Acquisitions	Disposals/ Reimbursements	Change in fair value	(Impairment losses)/reversals	Transfer to investments in associates	Other	December 31, 2017
adidas	2,356.0	0.6	-	266.7	-	-	-	2,623.3
Pernod Ricard	2,048.0	-	-	576.9	-	-	-	2,624.9
SGS	2,444.5	-	-	306.6	-	-	-	2,751.1
LafargeHolcim	2,857.1	-	-	(164.6)	-	-	-	2,692.5
Umicore	1,031.6	0.1	-	471.6	-	-	-	1,503.3
Total	789.1	0.3	-	(42.9)	-	-	(0.5)	746.0
GEA	-	318.8	-	8.8	-	-	-	327.6
Parques Reunidos	-	277.0	-	(41.3)	-	(235.7)	-	-
Ontex	422.6	44.1	-	(13.0)	-	-	-	453.7
Burberry	229.9	295.0	-	33.8	-	-	(1.6)	557.1
ENGIE	144.8	-	(261.3)	0.2	117.7	-	-	1.4
Funds	364.0	33.6	(4.1)	103.9	(1.7)	-	(4.4)	491.3
Other	89.4	4.7	(78.0)	(2.2)	(1.0)	-	-	12.9
Fair value	**12,777.0**	**974.2**	**(343.4)**	**1,504.5**	**115.0**	**(235.7)**	**(6.5)**	**14,785.1**

3.3. Revaluation reserves

These include the changes in the fair value of other equity investments whose changes in fair value is recorded through equity. The cumulated revaluation reserves of EUR 67 million at the date of the Burberry disposal were reclassified to consolidated reserves.

In EUR million	adidas	Pernod Ricard	SGS	Lafarge-Holcim	Umicore	Total	GEA	Ontex	Parques Reunidos	Burberry	Funds	Other	Total
As of December 31, 2016	**1,089.4**	**1,222.1**	**264.6**	**733.6**	**372.2**	**413.7**	**-**	**12.2**	**-**	**24.7**	**58.3**	**(1.0)**	**4,189.8**
Change resulting from the change in fair value	270.7(1)	579.9(1)	306.6	(164.6)	473.1(1)	(42.9)	8.8	(12.9)(1)	(41.3)	33.8	103.9	0.2	1,515.3
Transfers to profit (loss) (disposal/ impairment)	-	-	-	-	-	-	-	-	-	-	-	(2.2)	(2.2)
Transfers to consolidated reserves (2)	-	-	-	-	-	-	-	-	41.3	-	-	-	41.3
As of December 31, 2017 - Published	**1,360.1**	**1,802.0**	**571.2**	**569.0**	**845.3**	**370.8**	**8.8**	**(0.7)**	**-**	**58.5**	**162.2**	**(3.0)**	**5,744.2**
Changes in accounting policies (3)											(162.2)		(162.2)
As of December 31, 2017 - Restated	**1,360.1**	**1,802.0**	**571.2**	**569.0**	**845.3**	**370.8**	**8.8**	**(0.7)**	**-**	**58.5**	**-**	**(3.0)**	**5,582.0**
Change resulting from the change in fair value	239.4	225.8	(266.4)	(641.6)	(197.9)	1.9	(210.5)	(159.2)	-	8.6	-	(43.2)	(1,043.1)
Transfers to consolidated reserves in case of disposal	-	-	-	-	-	-	-	-	-	(67.1)	-	-	(67.1)
As of December 31, 2018	**1,599.5**	**2,027.8**	**304.8**	**(72.6)**	**647.4**	**372.7**	**(201.7)**	**(159.9)**	**-**	**-**	**-**	**(46.2)**	**4,471.8**

(1) Including the tax impact of EUR 4.0 million, EUR 3.0 million, EUR 1.5 million and EUR 0.1 million on respectively adidas, Pernod Ricard, Umicore and Ontex in 2017
(2) Amount transfered to the consolidated reserves as other comprehensive income
(3) Revaluation reserves restated according to IFRS 9 - refer to "Accounting policies"

4. Gains on disposals of subsidiaries - investing activities

In EUR million	2018	2017
Golden Goose	-	124.2
ELITech	-	116.1
Other	5.5	-
Gains on disposals of subsidiaries - investing activities	**5.5**	**240.3**

In 2017, this caption mainly included the net capital gains on the sales by ECP III of Golden Goose (EUR 124 million) and ELITech (EUR 116 million).

5. Other operating income (expenses) and employee expenses

5.1. Other operating income (expenses)

In EUR million	2018	2017
Miscellaneous goods and services	(25.2)	(28.3)
Employee expenses	(16.3)	(29.2)
Depreciation and amortisation	0.9	(3.0)
Other operating expenses	(0.8)	(0.5)
Other operating income	2.3	1.6
Other operating income (expenses) - investing activities	**(39.1)**	**(59.4)**
Transport costs	(602.1)	(557.4)
Subcontracting costs	(142.6)	(139.0)
Operating leases	(104.1)	(98.4)
Fees	(119.1)	(110.7)
Various taxes	(42.8)	(48.6)
Other operating expenses	(876.1)	(441.9)
Other operating income	86.3	55.6
Share of profit (loss) of associates belonging to consolidated operating activities	(1.5)	8.8
Other operating income (expenses) - operating activities	**(1,802.0)**	**(1,331.6)**

Other operating expenses related to operating activities mainly consist of Imerys' maintenance and repair expenses (EUR 132 million and EUR 122 million in 2018 and 2017 respectively), restructuring expenses (EUR 434 million in 2018 and EUR 28 million in 2017) and research and development costs (EUR 58 million and EUR 48 million in 2018 and 2017 respectively).

5.2. Employee expenses

In EUR million	2018	2017
Remuneration	(11.1)	(12.9)
Social security contributions	(2.0)	(1.4)
Costs related to stock options	0.7	(5.8)
Contributions to pension plans	(2.2)	(2.8)
Other	(1.7)	(6.3)
Total employee expenses - investing activities	**(16.3)**	**(29.2)**

The details of the remuneration of GBL's directors are shown in note 31. The stock option plans are detailed in note 26.

In EUR million	2018	2017
Remuneration	(974.8)	(850.4)
Social security contributions	(169.8)	(159.6)
Costs related to stock options	(14.6)	(12.9)
Contributions to pension plans	(32.4)	(39.4)
Other	(9.9)	(2.4)
Total employee expenses - consolidated operating activities	**(1,201.5)**	**(1,064.7)**

6. Gains (losses) on disposals, impairments and reversals of non-current assets related to operating activities

In EUR million	2018	2017
Impairment on intangible assets and goodwill	**(23.8)**	-
Impairment on property, plant and equipment, net of reversals	**(201.0)**	(13.9)
Reversal of impairment/(impairment) on other non-current assets	**0.2**	(1.0)
Capital gain realised on disposals of investments and activities	**9.4**	8.3
Total	**(215.2)**	**(6.6)**

The impairments on intangible assets, goodwill and property, plant and equipment are detailed in the notes 9, 10 and 11 respectively.

7. Financial income (expenses)

In EUR million	2018	2017
Interest income on cash and cash equivalents and non-current assets	**(0.2)**	(0.2)
Interest expenses on financial liabilities	**(17.4)**	(29.4)
Gains (losses) on trading securities and derivatives	**9.3**	17.4
Change in the fair value of other equity investments recognised at fair value through profit or loss	**33.6**	-
Other financial income	**-**	-
Other financial expenses	**(13.5)**	(5.2)
Financial income (expenses) - investing activities	**11.8**	**(17.4)**
Interest income on cash and cash equivalents and non-current assets	**5.8**	10.3
Interest expenses on financial liabilities	**(83.0)**	(77.0)
Gains (losses) on trading securities and derivatives	**4.6**	(0.9)
Other financial income	**32.2**	40.8
Other financial expenses	**(55.3)**	(70.3)
Financial income (expenses) - operating activities	**(95.7)**	**(97.1)**

Financial income (expenses) from investing activities totalled EUR 12 million (compared to EUR - 17 million in 2017). They mainly consist of (i) the changes in fair value of other equity investments recognised at fair value in profit or loss for EUR 34 million (following the entry into force of IFRS 9 in 2018) and (ii) a gain of EUR 12 million from the mark to market valuation of the derivative component embedded in the convertible bonds (EUR - 11 million in 2017). These impacts are partically compensated by the interest charges on GBL's indebtness (notably bond issues) for EUR - 17 million (EUR - 29 million in 2017).

Financial income (expenses) from consolidated operating activities essentially result from interest expenses on Imerys' debt of EUR 47 million (EUR 57 million in 2017).

8. Turnover

The table below presents the split the of the revenue into sales of goods, services provided and other:

In EUR million	2018	2017
Sales of goods	**4,437.7**	4,013.6
Services provided	**762.2**	611.4
Other	**1.4**	1.3
Total	**5,201.3**	**4,626.3**

The split by cash generating unit is presented below:

In EUR million	2018
Energy Solutions & Specialities (Imerys)	**1,290.8**
Filtration & Performance Additives (Imerys)	**1,279.4**
Ceramic Materials (Imerys)	**832.9**
High Resistance Minerals (Imerys)	**1,192.8**
Holdings (Imerys)	**(5.9)**
Imerys	**4,590.0**
Benito (Sienna Capital)	**25.6**
Sausalitos (Sienna Capital)	**48.8**
Looping (Sienna Capital)	**84.2**
opseo (Sienna Capital)	**117.4**
Keesing (Sienna Capital)	**147.8**
svt (Sienna Capital)	**145.0**
Vanreusel (Sienna Capital)	**23.2**
Indo (Sienna Capital)	**19.3**
Sienna Capital	**611.3**
Total	**5,201.3**

The breakdown of the group's turnover by geographic region is as follows:

In EUR million	2018	2017
Turnover		
Belgium	**119.3**	94.4
Other European countries	**2,572.7**	2,133.1
Americas	**1,382.0**	1,398.7
Asia	**953.1**	829.5
Other	**174.2**	170.6
Total	**5,201.3**	**4,626.3**

The following table presents a different breakdown of revenue by the time at which goods or services are transferred to customers, distinguishing between goods and services transferred to customers at a given point in time and services transferred to customers over time:

In EUR million	2018
Goods and services transferred to customers at a specific time	**4,445.4**
Services progressively transferred to customers	**755.9**
Total	**5,201.3**

At Imerys' level, main contributor to the turnover, the breakdown of revenue by geographical location of its operations and geographical location of its customers is as follows:

In EUR million	2018
Turnover breakdown by geographic areas of the group's activities	
Europe	**2,364.8**
Asia-Oceania	**733.8**
North America	**1,284.1**
Other	**207.3**
Total	**4,590.0**

In EUR million	2018
Turnover breakdown by geographic areas of the clients	
Europe	**2,093.4**
Asia-Oceania	**974.5**
North America	**1,187.3**
Other	**334.8**
Total	**4,590.0**

9. Intangible assets

In EUR million	Development costs	Software	Mining rights	Patents, licences and concessions	Trademarks	Other	Total
Gross carrying amount							
As of December 31, 2016	34.7	80.0	1.4	58.1	146.8	172.4	**493.4**
Investments	-	2.9	0.2	0.3	-	19.7	**23.1**
Changes in group structure/Business combinations	(27.1)	72.8	-	214.4	(57.3)	(10.3)	**192.5**
Transfers between categories	(0.2)	3.0	-	0.6	-	(4.9)	**(1.5)**
Disposals and retirements	-	(3.6)	(0.1)	(0.1)	-	(0.3)	**(4.1)**
Foreign currency translation adjustments	(0.4)	(5.4)	(0.1)	(2.5)	-	(8.2)	**(16.6)**
Other	-	0.2	-	(1.7)	-	11.8	**10.3**
As of December 31, 2017	7.0	149.9	1.4	269.1	89.5	180.2	**697.1**
Investments	2.8	6.1	-	14.3	5.5	36.5	**65.2**
Changes in group structure/Business combinations	3.2	(0.4)	-	92.1	-	1.7	**96.6**
Transfers between categories	0.4	5.8	1.4	(19.3)	-	(5.4)	**(17.1)**
Disposals and retirements	-	(4.3)	-	(0.1)	-	(1.3)	**(5.7)**
Foreign currency translation adjustments	-	1.2	-	0.4	-	3.2	**4.8**
Other	(0.2)	(4.3)	-	(6.6)	(2.8)	-	**(13.9)**
As of December 31, 2018	**13.2**	**154.0**	**2.8**	**349.9**	**92.2**	**214.9**	**827.0**
Cumulated amortisation							
As of December 31, 2016	(12.0)	(59.6)	(0.5)	(19.0)	(4.2)	(109.7)	**(205.0)**
Amortisation	(0.5)	(8.5)	(0.1)	(2.2)	(2.1)	(12.1)	**(25.5)**
Impairment (losses)/reversals	-	-	-	-	-	-	**-**
Transfers between categories	(0.1)	0.6	-	0.1	-	0.1	**0.7**
Disposals and retirements	-	3.5	0.1	-	-	-	**3.6**
Foreign currency translation adjustments	0.3	3.8	-	0.8	-	6.0	**10.9**
Changes in group structure/Other	8.0	(27.8)	-	(25.1)	-	46.2	**1.3**
As of December 31, 2017	(4.3)	(88.0)	(0.5)	(45.4)	(6.3)	(69.5)	**(214.0)**
Amortisation	(0.8)	(12.3)	(0.1)	(8.5)	(2.1)	(17.8)	**(41.6)**
Impairment (losses)/reversals	-	0.1	-	-	-	(22.6)	**(22.5)**
Transfers between categories	(0.4)	(1.5)	-	0.4	-	(0.5)	**(2.0)**
Disposals and retirements	-	3.3	-	0.1	-	0.6	**4.0**
Foreign currency translation adjustments	-	(1.0)	-	(0.1)	-	(2.8)	**(3.9)**
Changes in group structure/Other	0.1	3.0	0.1	4.8	-	1.7	**9.7**
As of December 31, 2018	**(5.4)**	**(96.4)**	**(0.5)**	**(48.7)**	**(8.4)**	**(110.9)**	**(270.3)**
Net carrying amount							
As of December 31, 2016	22.7	20.4	0.9	39.1	142.6	62.7	**288.4**
As of December 31, 2017	2.7	61.9	0.9	223.7	83.2	110.7	**483.1**
As of December 31, 2018	**7.8**	**57.6**	**2.3**	**301.2**	**83.8**	**104.0**	**556.7**
Of which: Holding	-	-	-	-	-	-	**-**
Imerys	2.6	18.3	2.3	163.7	-	90.7	**277.6**
Sienna Capital	5.2	39.3	-	137.5	83.8	13.3	**279.1**

In 2018, impairment losses net of reversals were recognized by Imerys on its intangible assets for an amount of EUR 23 million (EUR 0 million in 2017).

The headings “Trademarks” include an amount of EUR 62 million related to intangible assets with an indefinite useful life (EUR 59 million as of December 31, 2017).

The depreciation charges for the various periods are shown under “Other operating income (expenses) from investing activities” and “Depreciation/amortisation of property, plant, equipment and intangible assets - consolidated operating activities” in the consolidated statement of comprehensive income.

Research and development costs in 2018 amounted to EUR 58 million (EUR 49 million in 2017).

10. Goodwill

In EUR million	2018	2017
Gross carrying amount		
At 1 January	**2,496.6**	2,019.4
Changes in group structure/Business combinations	**308.7**	637.3
Foreign currency translation adjustments	**(1.1)**	(62.8)
Subsequent value adjustments	**3.9**	(27.2)
Disposals	**(36.9)**	(70.1)
At 31 December	**2,771.2**	**2,496.6**
Cumulated impairment losses		
At 1 January	**(98.0)**	(90.7)
Impairment losses	**(1.3)**	-
Foreign currency translation adjustments	**(0.4)**	5.2
Disposals	**21.3**	0.9
Other	**-**	(13.4)
At 31 December	**(78.4)**	(98.0)
Net carrying amount at 31 December	**2,692.8**	**2,398.6**
Of which: Holding	**-**	-
Imerys	**2,143.3**	2,135.5
Sienna Capital	**549.5**	263.1

As of December 31, 2018, this caption was made up of EUR 2,143 million of goodwill generated by Imerys' various business lines and EUR 550 million of goodwill on acquisitions by ECP III (EUR 2,136 million and EUR 263 million respectively as of December 31, 2017).

Definition of cash generating units (CGU)

GBL's management has retained the judgements made by Imerys and Sienna Capital in the definition of CGUs.

At Imerys, this constitutes a judgement when, at the level of the smallest possible grouping of assets, the following three criteria are met: a uniform production process in terms of mineral portfolio, processing methods and applications; an active market with uniform macro-economic characteristics; and a degree of operational power in terms of the continuing, restructuring or stopping of mining, industrial and/or commercial activities. The validation of these three criteria for each CGU guarantees the independence of their respective cash flows. The CGUs are directly taken from the analysis structure monitored each month by Imerys' general management as part of its management reporting. All Imerys group's assets, including mining assets and goodwill, are allocated to a CGU. The grouping together of the CGUs forms the segments presented in the segment information at Imerys group level, namely: Energy Solutions & Specialities; Filtration & Performance Additives; Ceramic Materials; and High Resistance Minerals.

At Sienna Capital level, the goodwill is allocated to each investment.

In the table below, the carrying amount and the goodwill impairment loss are presented by CGU:

In EUR million	2018		2017	
	Net carrying amount	Cumulated impairment losses	Net carrying amount	Cumulated impairment losses
Energy Solutions & Specialities (Imerys)	315.1	-	318.5	-
Filtration and Performance Additives (Imerys)	833.9	-	839.2	-
Ceramic Materials (Imerys)	256.1	(2.0)	262.5	(2.3)
High Resistance Minerals (Imerys)	737.4	(75.2)	714.5	(74.7)
Benito (Sienna Capital)	-	-	4.3	(21.0)
Sausalitos (Sienna Capital)	13.7	-	13.7	-
svt (Sienna Capital)	87.4	-	-	-
Looping (Sienna Capital)	98.4	-	84.8	-
opseo (Sienna Capital)	108.6	(1.2)	77.7	-
Keesing (Sienna Capital)	96.0	-	82.6	-
Vanreusel (Sienna Capital)	82.9	-	-	-
Indo (Sienna Capital)	62.5	-	-	-
Holdings (Imerys)	0.8	-	0.8	-
Total	**2,692.8**	**(78.4)**	**2,398.6**	**(98.0)**

Impairment tests

In accordance with IAS 36, group companies conduct a yearly impairment test on all their CGUs to the extent that they report goodwill. The recoverable amount for a CGU or an individual asset is the highest of the fair value less the costs of sale or the value in use. In practice, fair value can only be reliably estimated for individual assets and therefore corresponds to recent transaction prices for sales of similar assets. The value in use is the most commonly used measurement basis for CGUs and individual assets.

For Imerys, this test did not require the recognition of any impairment in 2018 and 2017.

The projected cash flows used by Imerys to estimate the value in use are usually taken from their 2019 budget and the plan for the years 2020 to 2022. The key assumption underlying these projections are firstly the level of organic growth. For the terminal value, Imerys uses the Gordon and Shapiro perpetual growth model.

The discount rate used to calculate the value in use is determined based on the weighted average cost of capital of groups comparable to Imerys in the industrial minerals sector. This rate of 6.50% in 2018 (6.50% in 2017) is adjusted for each CGU or individual asset tested for a country/market risk premium ranging from 0 to + 170 basis points (0 to + 230 basis points in 2017). The average discount rate after taxes was 6.93% in 2018 (7.01% in 2017). The calculations after income taxes are the same as those that would be made with flows and rates before income taxes, as required by the applicable standards.

For Sienna Capital, this test did not require the recognition of any impairment in 2018 and 2017.

The projected cash flows derive from the financial budgets made by managements of each respective investment, covering a period from three to five years. The prepared projections are extrapolated and cover a period of ten years. For the terminal value, Sienna Capital uses an average of the Gordon and Shapiro perpetual growth model and multiple valuation method.

The discount rate used to calculate the value in use is determined based on the weighted average cost of capital of groups comparable each investment in their respective sector. This rate is adjusted by a country/market risk premium and a specific premium. The average discount rate after taxes was 9.84% in 2018 (12.63% in 2017).

In the table below, the weighted average discount and perpetual growth rates used at Imerys to calculate the value in use are presented by CGU:

	2018		2017	
	Discount rate	**Perpetual growth rate**	**Discount rate**	**Perpetual growth rate**
Energy Solutions & Specialities (Imerys)	7.04%	1.59%	7.15%	1.48%
Filtration and Performance Additives (Imerys)	6.82%	2.14%	7.11%	2.27%
Ceramic Materials (Imerys)	7.03%	1.44%	6.75%	1.78%
High Resistance Minerals (Imerys)	6.94%	2.00%	6.99%	2.00%
Average rate (Imerys)	**6.93%**	**1.89%**	**7.01%**	**1.93%**
Average rate (Sienna Capital)	**9.84%**	**2.00%**	**12.63%**	**2.00%**

Sensitivity to a change in the projected cash flows and discount rates

Out of all of the assumptions used, changes in the projected cash flows, the discount rate and the perpetual growth rate had the largest impact on the financial statements. The following table shows the impairment losses per CGU that would be accounted for in case of adverse changes compared to the retained assumptions in the financial statements as of December 31, 2018:

In EUR million	**Adverse changes**
Forecasted cash flows	**(5%)**
Impairment loss	None
Discount rates	**+ 100 bps**
Impairment loss	None
Perpetual growth rates	**(100 bps)**
Impairment loss	None

11. Property, plant and equipment

In EUR million	Land and buildings	Mineral reserves	Fittings, machinery, equipment and rolling stock	Assets in progress	Other property, plant and equipment	Total
Gross carrying amount						
As of December 31, 2016	681.4	935.1	3,983.2	190.1	75.4	**5,865.2**
Investments	12.5	62.2	73.2	179.3	10.1	**337.3**
Changes in group structure/Business combinations	70.9	69.3	569.2	37.8	12.3	**759.5**
Disposals and retirements	(20.8)	(0.5)	(69.9)	(0.7)	(2.1)	**(94.0)**
Foreign currency translation adjustments	(38.6)	(75.3)	(253.9)	(15.6)	(1.0)	**(384.4)**
Other	16.4	(22.7)	130.8	(167.1)	(13.1)	**(55.7)**
As of December 31, 2017	721.8	968.1	4,432.6	223.8	81.6	**6,427.9**
Investments	29.8	61.9	83.7	143.0	7.0	**325.4**
Changes in group structure/Business combinations	28.4	(53.7)	18.8	(6.1)	4.5	**(8.1)**
Disposals and retirements	(17.4)	(1.1)	(74.0)	(0.6)	(15.2)	**(108.3)**
Foreign currency translation adjustments	(1.9)	(2.3)	20.2	(1.8)	-	**14.2**
Other	(73.2)	(76.6)	(173.1)	(130.5)	3.8	**(449.6)**
As of December 31, 2018	**687.5**	**896.3**	**4,308.2**	**227.8**	**81.7**	**6,201.5**
Cumulated depreciation						
As of December 31, 2016	(296.5)	(349.8)	(2,805.8)	(3.1)	(17.5)	**(3,472.7)**
Depreciation	(17.5)	(64.6)	(177.8)	(0.1)	(11.9)	**(271.9)**
Impairment (losses)/reversals	(1.8)	-	(11.3)	(0.8)	-	**(13.9)**
Disposals and retirements	10.9	0.4	65.6	0.3	2.0	**79.2**
Foreign currency translation adjustments	17.6	29.4	169.0	0.1	1.0	**217.1**
Changes in group structure/Other	8.8	8.9	(367.4)	-	5.6	**(344.1)**
As of December 31, 2017	(278.5)	(375.7)	(3,127.7)	(3.6)	(20.8)	**(3,806.3)**
Depreciation	(20.2)	(58.7)	(182.7)	(0.5)	(14.2)	**(276.3)**
Impairment (losses)/reversals	(34.4)	(6.0)	(131.4)	(29.2)	-	**(201.0)**
Disposals and retirements	8.9	0.1	69.8	-	6.3	**85.1**
Foreign currency translation adjustments	0.3	(0.6)	(18.0)	1.1	-	**(17.2)**
Changes in group structure/Other	44.6	48.2	256.5	1.9	(0.3)	**350.9**
As of December 31, 2018	**(279.3)**	**(392.7)**	**(3,133.5)**	**(30.3)**	**(29.0)**	**(3,864.8)**
Net carrying amount						
As of December 31, 2016	384.9	585.3	1,177.4	187.0	57.9	**2,392.5**
As of December 31, 2017	443.3	592.4	1,304.9	220.2	60.8	**2,621.6**
As of December 31, 2018	**408.2**	**503.6**	**1,174.7**	**197.5**	**52.7**	**2,336.7**
Of which: Holding	-	-	1.0	-	0.8	**1.8**
Imerys	325.0	503.6	1,139.1	195.9	2.2	**2,165.8**
Sienna Capital	83.2	-	34.6	1.6	49.7	**169.1**

In 2018, impairment losses amounting to EUR 202 million were recorded by Imerys on its property, plant and equipment (EUR 14 million in 2017). These impairment losses mainly concerned the Oilfield Solutions and the Namibian assets of the Graphite & Carbon divisions.

The depreciation charges for the various periods are shown under "Other operating income (expenses) from investing activities" and "Depreciation/amortisation of property, plant, equipment and intangible assets - consolidated operating activities" in the consolidated statement of comprehensive income.

Property, plant and equipment controlled pursuant to a finance lease and reported in the balance sheet amounted to EUR 9 million (EUR 2 million as of December 31, 2017). They mainly consist of production equipment held by Imerys.

12. Other non-current assets

In EUR million	2018	2017
Non-current financial assets	**94.9**	**109.5**
Derivative financial instruments held for trading	**-**	22.5
Derivative financial instruments - Hedging	**19.4**	-
Long-term advance payments, loans and deposits	**39.4**	40.5
Other	**36.1**	46.5
Non-current non-financial assets	**12.5**	**6.6**
Assets related to pension plans	**6.6**	6.5
Other	**5.9**	0.1
Total	**107.4**	**116.1**
Of which: Holding	**-**	-
Imerys	**93.9**	108.9
Sienna Capital	**13.5**	7.2

13. Income taxes

13.1. Analysis of income taxes

In EUR million	2018	2017
Current taxes	**(112.1)**	**(93.4)**
For the year in progress	***(131.4)***	*(88.8)*
For previous years	***19.3***	*(4.6)*
Deferred taxes	**17.4**	(28.0)
Total	**(94.7)**	**(121.4)**

13.2. Reconciliation of the income tax expense for the year

In EUR million	2018	2017
Profit (loss) before income taxes from continued activities	**210.8**	945.2
Share of profit (loss) of equity-accounted entities	**(24.1)**	(32.7)
Profit (loss) before income taxes and before share of profit (loss) of equity-accounted entities	**186.7**	912.5
Taxes at Belgian rate (29.58% in 2018 and 33.99% in 2017)	**(55.2)**	**(310.2)**
Impact of different tax rates in foreign countries	**(21.2)**	62.9
Tax impact of non-taxable income	**136.1**	180.8
Tax impact of non-deductible expenses	**(85.6)**	(13.5)
Tax impact of changes in tax rates for subsidiaries	**(3.9)**	(6.3)
Other	**(64.9)**	(35.1)
Income tax (expense) for the year	**(94.7)**	**(121.4)**

The “Other” heading mainly consisted of the non-recognition of deferred tax assets in relation to tax losses generated by some group companies over the financial year.

The effective tax rate in 2018 was - 50.7%, compared to - 13.3% in 2017. This is primarily the result of the non-deductibility of impairement losses accounted for during the year, in sharp decline compared to last year.

13.3. Deferred tax by nature in the statement of financial position

	Deferred tax assets		Deferred tax liabilities	
In EUR million	2018	2017	2018	2017
Property, plant, equipment and intangible assets	**81.9**	97.6	**(314.0)**	(332.4)
Inventories, trade receivables, trade payables, provisions and other	**105.7**	79.9	**(15.6)**	(1.4)
Employee benefit obligations	**46.3**	59.9	**-**	-
Unused tax losses and credits	**22.1**	16.8	**-**	-
Other	**43.4**	33.0	**(50.3)**	(45.4)
Offsetting of assets/liabilities	**(181.5)**	(198.4)	**181.5**	198.4
Total	**117.9**	**88.8**	**(198.4)**	**(180.8)**
Of which: Holding	**-**	-	**-**	-
Imerys	**112.4**	85.5	**(125.3)**	(134.7)
Sienna Capital	**5.5**	3.3	**(73.1)**	(46.1)

Tax losses relating to the "Notional Interest Deduction" (NID) claimed by the group in Belgium, for which the duration of use is set at seven years at most, amounted to EUR 382 million (EUR 760 million in 2017). Other tax losses carried forward for an unlimited time and tax credits amounted to EUR 1,000 million (EUR 977 million in 2017); for foreign subsidiaries, these items amounted to EUR 5,219 million (EUR 4,945 million in 2017). This amount includes losses generated by Imerys of EUR 251 million and by ECP III and its operating subsidiaries of EUR 99 million (EUR 231 million and EUR 119 million in 2017).

Moreover, deferred taxes on tax losses are only recognised insofar as the taxable profits are likely to be realised, allowing these losses to be used. As of December 31, 2018, a total of EUR 22 million was recognised as deferred tax assets on tax losses and tax credits (EUR 17 million in 2017).

No deferred tax liabilities are recognised in relation to the temporary tax differences between the carrying amount and the tax value of investment securities if the group is able to verify the date of the temporary difference's reversal and it is likely that this difference will not be reversed in the foreseeable future. The group estimates that the deferred tax liabilities not recognised in this regard as of December 31, 2018 amount to EUR 16 million (EUR 16 million as of December 31, 2017).

Finally, the different taxes directly recorded under shareholders equity are shown in the following table:

In EUR million	2018	2017
Actuarial gains (losses)	**18.7**	(12.0)
Of which amounts before taxes	*24.9*	*(16.9)*
Of which deferred taxes	*(6.2)*	*4.9*
Foreign currency translation adjustements	**(38.7)**	(257.3)
Of which amounts before taxes	*(39.0)*	*(244.0)*
Of which deferred taxes	*0.3*	*(13.3)*
Cash flow hedge	**(5.6)**	(3.7)
Of which amounts before taxes	*(8.2)*	*(5.7)*
Of which deferred taxes	*2.6*	*2.0*
Revaluation reserves	**(1,043.1)**	1,513.1
Of which amounts before taxes	*(1,043.1)*	*1,513.1*
Of which deferred taxes	-	-

14. Inventories

In EUR million	2018	2017
Raw materials, consumables and parts	**445.2**	404.8
Work in progress	**103.9**	76.1
Finished goods and goods for resale	**423.6**	420.0
Other	**0.2**	-
Gross total (before writedowns)	**972.9**	**900.9**
Writedowns of inventory, of which:	**(71.0)**	(48.2)
Raw materials, consumables and parts	***(40.9)***	*(31.0)*
Work in progress	***(2.1)***	*(1.5)*
Finished goods and goods for resale	***(28.0)***	*(15.7)*
Total	**901.9**	**852.7**
Of which: Holding	**-**	-
Imerys	**867.0**	840.2
Sienna Capital	**34.9**	12.5

The amount of inventories recognized as an expense is EUR 102 million in 2018 (EUR 48 million in 2017).

15. Trade receivables

In EUR million	2018	2017
Trade receivables	773.8	762.0
Writedowns of doubtful receivables	(34.1)	(34.0)
Net total	**739.7**	**728.0**
Of which: Holding	0.4	0.2
Imerys	656.6	676.1
Sienna Capital	82.7	51.7

Trade receivables are mainly related to Imerys. A factoring agreement has been put in place by Imerys for an unlimited period for a maximum amount of EUR 42 million (including taxes). As of December 31, 2018, EUR 9 million in receivables were thus transferred and deconsolidated, the risks and benefits associated with these receivables, including default and late payment risks, having been transferred to the factor (EUR 52 million as of December 31, 2017).

The following table shows the change in writedowns over several years:

In EUR million	2018	2017
Writedowns of receivables at 1 January	**(34.0)**	**(42.4)**
Writedowns over the year	(8.3)	(7.7)
Utilisations	8.6	11.6
Reversals of writedowns	-	-
Foreign currency translation adjustments and other	(0.4)	4.5
Writedowns of receivables at 31 December	**(34.1)**	**(34.0)**

Trade receivables do not bear interest and generally have a 30 to 90-day maturity. These receivables are not covered by any material financing arrangement. At the reporting date, some of the trade receivables detailed below may be due without being impaired, for example when covered by a credit insurance contract or a guarantee.

In EUR million	2018	2017
Delay of no more than 1 month	131.0	77.9
Delay of 1 to 3 months	77.4	22.8
Delay of more than 3 months	22.9	23.0
Total trade receivables due and not written down	**231.3**	**123.7**
Trade receivables not due and trade receivables due and written down	508.4	604.3
Total trade receivables, net	**739.7**	**728.0**

16. Trading financial assets

In EUR million	2018	2017
Money market funds (SICAV)	322.6	497.3
Other trading assets	18.8	27.0
Total	**341.4**	**524.3**
Of which: Holding	275.1	485.1
Imerys	6.6	6.6
Sienna Capital	59.7	32.6

17. Cash, cash equivalents and financial liabilities

17.1. Cash and cash equivalents

In EUR million	2018	2017
Treasury bonds and treasury notes (corporate, sovereign)	20.0	20.0
Deposits (maturity < 3 months)	339.9	92.5
Current accounts	653.7	379.4
Total	**1,013.6**	**491.9**
Of which: Holding	119.9	81.5
Imerys	848.9	382.0
Sienna Capital	44.8	28.4

As of December 31, 2018 and 2017, cash was completely held in fixed-term deposits, treasury notes and current accounts with various financial institutions.

17.2. Financial liabilities

In EUR million	2018	2017
Non-current financial liabilities	**3,623.8**	**2,834.9**
Convertible bonds (GBL)	**991.5**	496.2
Bank borrowings (Sienna Capital)	**467.6**	159.1
Bonds (Imerys)	**1,982.1**	1,971.1
Other non-current financial liabilities	**182.6**	208.5
Current financial liabilities	**205.6**	**1,152.7**
Convertible bonds (GBL)	**-**	443.3
Bonds (Imerys)	**-**	25.5
Bank borrowings (Imerys)	**155.9**	628.8
Other current financial liabilities	**49.7**	55.1

Convertible bonds issued by GBL

On September 27, 2013, Sagerpar S.A., a wholly owned subsidiary of GBL, issued bonds convertible into treasury shares with a nominal value of EUR 428 million. The bonds were fully guaranteed by GBL and exchangeable into 5,000,000 existing GBL treasury shares. The nominal value of the bonds results from a 35% issue premium compared with the reference price of the GBL share of EUR 63.465 (being the volume-weighted average price between the launch date and the setting of the issue's final terms).

These bonds bore interest at an annual rate of 0.375% (effective rate of 2.46%). These were to be redeemed on October 9, 2018, either in cash or through the delivery of shares or a combination thereof, at a redemption price of 105.14% of the principal amount, implying an effective conversion premium and price of respectively 42% and EUR 90.08 per share.

Bondholders could request the exchange of their bonds for GBL shares subject to the option of GBL to instead pay in cash all or part of the value of GBL shares in lieu of such exchange.

GBL had the option to redeem the bonds early, as from October 31, 2016, if the value of the shares exceeded 130% of the principal amount of the bonds over a specified period.

The bonds were admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

During the first 9 months of 2018, Sagerpar S.A. received conversion requests for 3,483 convertible bonds, representing 81% of the total convertible bonds issued on September 27, 2013. These bonds that were subject to conversion requests have been redeemed (i) in cash for 273 bonds and (ii) in treasury shares for 3,210 bonds. The outstanding nominal of the convertible bonds has been repaid in cash at maturity.

The carrying amount of these bonds (excluding the option) was EUR 443 million as of December 31, 2017. The option component was assessed at fair value at the reporting date (EUR 21 million as of December 31, 2017, shown under "Other non-current liabilities").

Bonds issued by GBL

On June 19, 2018, GBL has placed a EUR 500 million institutional bond, with a 7-year maturity and a coupon of 1.875%. This issuance is intended to cover the group's general corporate purposes and to lengthen the weighted average maturity of the gross debt. The carrying amount of this debt is EUR 495 million as of December 31, 2018.

During the first semester of 2017, GBL has issued a bond placement of EUR 500 million, with a coupon of 1.375% and maturing on May 23, 2024. The carrying amount of this debt is EUR 497 million as of December 31, 2018.

Bank loans (Sienna Capital)

This caption includes the different bank loans of the operational subsidiaries of ECP III.

Bonds (Imerys)

Imerys has issued listed and non-listed bonds. The bond issues as of December 31, 2018 are detailed below:

	Nominal value in currency In million	Nominal interest rate	Effective interest rate	Listed/Unlisted	Maturity	Fair value In EUR million	Carrying amount In EUR million
JPY	7,000.0	3.40%	3.47%	Unlisted	09/16/2033	80.6	72.1
EUR	167.6	2.50%	2.60%	Listed	11/26/2020	174.7	168.7
EUR	55.9	2.50%	1.31%	Listed	11/26/2020	58.3	55.9
EUR	500.0	2.00%	2.13%	Listed	12/10/2024	513.8	496.1
EUR	300.0	0.88%	0.96%	Listed	03/31/2022	304.1	300.6
EUR	300.0	1.88%	1.92%	Listed	03/31/2028	296.4	302.3
EUR	600.0	1.50%	1.63%	Listed	01/15/2027	582.0	600.1
Total						**2,009.9**	**1,995.8**

The bond issues as of December 31, 2017 are detailed below:

	Nominal value in currency In million	Nominal interest rate	Effective interest rate	Listed/Unlisted	Maturity	Fair value In EUR million	Carrying amount In EUR million
JPY	7,000.0	3.40%	3.47%	Unlisted	09/16/2033	75.4	67.0
USD	30.0	5.28%	5.38%	Unlisted	08/06/2018	26.1	25.5
EUR	167.6	2.50%	2.60%	Listed	11/26/2020	178.6	169.1
EUR	55.9	2.50%	1.31%	Listed	11/26/2020	59.5	55.9
EUR	500.0	2.00%	2.13%	Listed	12/10/2024	533.9	495.3
EUR	300.0	0.88%	0.96%	Listed	03/31/2022	307.4	300.2
EUR	300.0	1.88%	1.92%	Listed	03/31/2028	316.3	302.1
EUR	600.0	1.50%	1.63%	Listed	01/15/2027	617.8	598.9
Total						**2,115.0**	**2,014.0**

Bank debts (Imerys)

Those bank debts coming from Imerys include as of December 31, 2018, EUR 146 million of short-term borrowings and EUR 10 million of bank overdrafts (EUR 628 million and EUR 1 million respectively as of December 31, 2017).

Other non-current financial liabilities

This item primarily includes the debts of ECP III's operating subsidiaries. These debts are contracted with banks and non-controlling interests.

Undrawn credit lines

As of December 31, 2018, the group had undrawn credit lines with various financial institutions totalling EUR 3,528 million (EUR 3,508 million as of December 31, 2017). These credit facilities were available to GBL, Imerys and ECP III's operating subsidiaries in the amounts of EUR 2,150 million, EUR 1,330 million and EUR 48 million respectively (EUR 2,150 million, EUR 1,330 million and EUR 28 million respectively as of December 31, 2017).

With regards to GBL, all credit lines mature in 2022 and 2023. Confirmed credit lines do not have financial covenants, meaning that, under its credit contracts, GBL has no obligations in terms of compliance with financial ratios.

17.3. Change of financial liabilities

The table below mentions the reconciliation in 2018 and 2017 between the financial debts included in the consolidated balance sheet and the amounts from the consolidated statement of cash flows:

In EUR million	As of January 1, 2018	Cash flow variation	Acquisitions/sales of subsidiaries	Impact of exchange rates change	Other movements	As of December 31, 2018
Financial liabilities - Non-current liabilities	2,834.9	1,268.8	(11.0)	23.0	(491.9)	**3,623.8**
Financial liabilities - Current liabilities	1,152.7	(978.7)	(142.5)	(1.9)	176.0	**205.6**
Total	**3,987.6**	**290.1**	**(153.5)**	**21.1**	**(315.9)**	**3,829.4**

In EUR million	As of January 1, 2017	Cash flow variation	Acquisitions/sales of subsidiaries	Impact of exchange rates change	Other movements	As of December 31, 2017
Financial liabilities - Non-current liabilities	2,383.5	322.1	676.9	(64.1)	(483.5)	**2,834.9**
Financial liabilities - Current liabilities	1,270.2	(631.6)	(0.4)	21.5	493.0	**1,152.7**
Total	**3,653.7**	**(309.5)**	**676.5**	**(42.6)**	**9.5**	**3,987.6**

The other movements in 2018 stemmed mainly from the non-cash impact related to the conversions of some of GBL convertible bonds whose settlement was carried out through share deliveries. In 2017, the other movements included classifications of long-term financial debts to short term. The change in cash shown in the table above is reconciled with the consolidated statement of cash flows as follows:

In EUR million	As of December 31, 2018	As of December 31, 2017
Cash flow variation	**290.1**	**(309.5)**
Of which: proceeds from financial liabilities	**909.7**	1,560.9
repayments of financial liabilities	**(619.6)**	(1,870.4)

18. Other current assets

In EUR million	2018	2017
Current financial assets	**26.4**	**26.6**
Dividends to be received	**10.3**	14.9
Derivative financial instruments - Hedging	**7.3**	7.0
Other	**8.8**	4.7
Non-current financial assets	**337.9**	**336.6**
Tax assets other than those related to income taxes	**235.6**	235.9
Deferred expenses	**25.7**	26.5
Other	**76.6**	74.2
Total	**364.3**	**363.2**
Of which: Holding	**30.0**	33.1
Imerys	**306.5**	311.6
Sienna Capital	**27.8**	18.5

19. Share capital and dividends

19.1. Shares issued and outstanding and treasury shares

	Number of issued shares	Of which treasury shares
As of December 31, 2016	161,358,287	(5,924,416)
Change	-	263,934
As of December 31, 2017	161,358,287	(5,660,482)
Change	-	3,017,500
As of December 31, 2018	**161,358,287**	**(2,642,982)**

Treasury shares

As of December 31, 2018, the group held 2,642,982 treasury shares, or 1.6% of the issued capital. Their acquisition cost is deducted from shareholders' equity; 257,590 of which are used to hedge the stock option plans granted between 2007 and 2012 (see note 26).

In 2018, GBL acquired and sold respectively 1,087,582 and 4,105,082 shares (535,184 shares and 799,118 shares, respectively, in 2017) for an overall net amount of EUR 283 million.

Information on acquisitions of treasury shares by GBL or its subsidiaries has been published since July 1, 2009 on the GBL website.

19.2. Dividends

On May 9, 2018, a dividend of EUR 3.00 per share (EUR 2.93 in 2017) was paid to shareholders.

The Board of Directors will propose a gross dividend of EUR 3.07 per share for the distribution relating to 2018, which will be payable on May 3, 2019. The General Shareholders Meeting of April 23, 2019 will vote on the proposed distribution, which is expected to amount to EUR 495 million based on the above-mentioned assumptions and the number of shares entitled to dividends (161,358,287 shares).

20. Provisions

In EUR million	Product guarantees	Environment	Legal, social and regulatory risks	Total
As of December 31, 2016	30.7	202.6	136.1	**369.4**
Additions	4.1	12.5	78.7	**95.3**
Uses	(2.5)	(10.4)	(17.3)	**(30.2)**
Reversals	(2.1)	(7.3)	(48.4)	**(57.8)**
Impact of discounting	-	3.7	0.2	**3.9**
Changes in group structure/Business combinations	0.1	4.5	12.1	**16.7**
Foreign currency translation adjustments	(0.2)	(13.6)	(7.8)	**(21.6)**
Other	0.1	27.0	29.2	**56.3**
As of December 31, 2017	30.2	219.0	182.8	**432.0**
Additions	1.7	34.5	316.4	**352.6**
Uses	(2.1)	(6.9)	(20.0)	**(29.0)**
Reversals	(2.8)	(7.8)	(42.9)	**(53.5)**
Impact of discounting	-	3.9	0.1	**4.0**
Changes in group structure/Business combinations	(22.5)	7.8	5.2	**(9.5)**
Foreign currency translation adjustments	-	0.5	5.7	**6.2**
Other	-	-	0.1	**0.1**
As of December 31, 2018	**4.5**	**251.0**	**447.4**	**702.9**
Of which current provisions	-	14.2	11.9	**26.1**
Of which non-current provisions	4.5	236.8	435.5	**676.8**

The group's provisions totalled EUR 703 million as of December 31, 2018 (EUR 432 million in 2017). They mainly relate to Imerys (EUR 690 million in 2018 and EUR 422 million in 2017).

The probability of settlement and the amount of the obligations are estimated by the group, that generally calls upon in-house company experts to approve the key assumptions, taking into account the anticipated effects, regulatory changes where applicable, and independent counsel regarding material disputes and claims. Independent counsel handles allegations of personal or financial damage implicating the civil liability of Imerys and potential breaches of contractual obligations or regulations on HR, real estate and environmental issues. The provisions set aside for these risks are included in the EUR 447 million of provisions for legal, social and regulatory risks in the table of changes published at the end of the present note. This amount includes in particular a provision for litigation in the US for Imerys regarding claims over the alleged hazards of the use of talc in certain products. The majority of this operational litigation relates to sales made by three entities within the North American Performance Additives division of the Filtration & Performance Additives (F&PA) business group prior to their acquisition by Imerys in 2011.

In the fourth quarter of 2018, following a material increase in the number of claims filed against the three entities and the heightened media coverage of US cosmetic talc-related lawsuits, Executive Management and the entities involved sought the opinion of outside professionals and independent consultants to analyze the various strategic options to tackle the situation. As part of the process, the consultants took into account the estimates made by experts on the Imerys' potential long-term financial exposure, after stripping out the forecast for defense and settlement costs that may be covered by long-standing insurance or contractual guarantees available immediately or as of December 31, 2018. Imerys' Executive Management considered an additional provision of around EUR 250 million would be necessary to reflect the developments that occurred in the fourth quarter of the year and the recommendations made by the independent consultants. At the end of the reporting period, this provision represents a reasonable estimate of the amount required to eliminate the long-standing liabilities related to the ongoing disputes in the US and the potential developments in the future. As part of the estimation for the provision set aside for this risk, Imerys' Executive Management considered the following items in particular: (i) the possibility of transferring to third parties the coverage of insurance or contractual guarantees that currently exist or are potentially accessible by the entities involved, for all or part of the risks; (ii) the potential to appeal and contest the manifestation or amount of all or part of the related risks; and (iii) the specificities of US legal framework applicable to product liability claims (thousands of individual claims in various jurisdictions, high defense costs, unpredictable verdicts issued by trial juries and media coverage of certain court decisions).

Furthermore, the three North American entities whose talc operations are exposed to this litigation have, with the support of the Imerys Board of Directors as expressed at its meeting of December 13, 2018, begun to closely study and prepare for the process and any consequences resulting from a potential decision to file for bankruptcy protection under Chapter 11, a special legal process in US law. The main benefits the process is expected to provide the entities concerned include (i) the immediate suspension of all ongoing talc-related litigation in the US, along with all related defense cost savings; and (ii) a potential resolution by negotiating a plan with representatives of existing and future claimants in ongoing and future claims made against these entities and related to past sales of talc in the US. After having considered the opportunity available to the entities concerned and the potential consequences for the group, Imerys' Board of Directors recommended at its meeting held on February 4, 2019 to prepare for the possibility of these entities seeking the protection of Chapter 11 within the near future (see note 32). At its meeting held on February 13, 2019, Imerys' Board of Directors decided to support the decision taken that same day by the three North American entities involved to file for the protection of Chapter 11 with immediate effect. Imerys' Board of Directors and its Executive Management will continue to closely monitor the developments of the process and its impact on these entities, as well as the negotiation of the plan. It will adjust its best estimate for the amount of related risks.

Imerys' provisions to hedge product guarantees amounted to EUR 5 million and have a probable maturity ranging from 2019 to 2023.

The group (overwhelmingly Imerys) establishes provisions to hedge the environmental risks resulting from its industrial activity and provisions for the rehabilitation of mining sites at the end of their operating lifetimes. These provisions totalled EUR 251 million as of December 31, 2018 (EUR 219 million in 2017). The corresponding bonds are expected to mature between 2019 and 2023 for EUR 65 million, between 2024 and 2033 for EUR 77 million and as from 2034 for EUR 109 million.

21. Retirement benefits

21.1. Defined contribution plans

In this type of retirement plan, whose future level is not guaranteed to the beneficiaries, the employer commits to pay regular contributions to the third parties (retirement funds, insurance companies or financial institutions) on a mandatory basis (statutory or regulatory provisions) or an optional basis (supplementary retirement plan voluntarily provided by the company). These plans are mostly granted to Imerys employees.

The amounts are paid during the year in which they are due. The total amount of contributions paid for defined contribution plans is EUR 30 million in 2018 (EUR 29 million in 2017).

21.2. Defined benefit plans

Characteristics of defined benefit plans

In this type of plan, the group guarantees to the beneficiaries the level of the benefit that will be paid in the future. The beneficiaries of these plans are employees who are acquiring entitlements in exchange for services rendered to the group (active beneficiaries), employees who are no longer acquiring entitlements in exchange for services rendered to the group and former employees outside the group (deferred beneficiaries), as well as former retired employees (retired beneficiaries).

The valuation of retirement benefit obligations is carried out by independent actuaries. These plans may be financed by insurance companies (group insurance), retirement funds or independent entities. Two plans accounted for 65.4% of the group's total commitment as of December 31, 2018. These are the UK plan - the Imerys UK Pension Scheme (Imerys UK) and the US plan - the Imerys USA Retirement Growth Account Plan (Imerys USA). The table below sets out their main characteristics:

	Imerys UK	Imerys USA
Eligibility		
Hiring limit date	12/31/2004	03/31/2010
Retirement age	65	65
Description of the benefits		
Terms of payment	Annuity (1)	Capital (2)
Revaluation based on the consumer price index	Yes	No
End date of cumulated rights	03/31/2015	12/31/2014
Regulatory framework		
Minimum employer funding obligation	Yes (3)	Yes (3)
Minimum beneficiary contribution obligation	Yes	No
Governance		
Trustees representing the employer	Yes	Yes
Trustees representing beneficiaries	Yes	No
Independent trustees	Yes	No
Responsibility of trustees		
Definition of the investment strategy	Yes	Yes
Negotiation of deficit refinancing with the employer	Yes	-
Administrative management of benefit payments	Yes	No

The duration of these two plans is 14 years of Imerys UK and 9 years for Imerys USA (respectively 15 years and 12 years as of December 31, 2017).

Management of risks associated with employees benefits

Description of risks

The main issue related to the financial management of employee benefits is the control of the funding ratio of obligations, i.e. the ratio between the value of plan assets and the value of the obligations. The funding ratio of obligations may be adversely affected by a decorrelation between the evolution (particularly a fall) in plan assets and the variation (particularly a rise) in obligations. The value of the plan assets may be reduced by a deterioration in the investments' fair value. The value of the obligations may be increased, for all of the plans, by a decrease in discount rates and, for benefits paid in the form of annuities, either by a rise in the inflation rates used to revalue the obligation for some of these plans, or the lengthening of the beneficiaries' life expectancies.

(1) Annuity calculated based on number of years of service provided, annual salary on retirement and average of three last salaries
(2) Principal at a guaranteed interest rate (Cash Balance Plan)
(3) The employer is obliged to fund each unit of service provided at 100% on the basis of a funding evaluation

Risk management

The strategy to control the obligation funding level consists firstly of optimising the value of the plan assets. The objective of the investment policies is therefore to deliver a steady return while taking advantage of opportunities presenting limited or moderate levels of risk. The choice of investments is specific to each plan and is determined according to the duration of the plan and the regulatory minimum funding requirements.

In the UK in particular, since 2011 Imerys has applied a strategy of managing its obligation funding level by matching the investment of plan assets with the obligation. This approach, known as LDI (Liability Driven Investment), is aimed at managing the obligation funding ratio by matching the cash inflows and outflows throughout the duration of the obligation. In practice, this strategy involves structuring the portfolio of plan assets so that the cash inflows generated by the return on investments neutralise the cash outflows generated by the payment of benefits. Based on this approach, the policy to cover the risk of an increase in the obligation associated with a fall in discount rate and a rise in inflation is periodically revised.

Funding of employee benefits

The group funds the majority of employee benefits through investments that are unseizable by third-parties in trustee companies or insurance policies that are legally separate from the group. These investments, classified as plan assets, stood at EUR 1,168 million as of December 31, 2018 (EUR 1,252 million as of December 31, 2017). Imerys also has reimbursement rights, in other words investments held directly by the group, which came to EUR 6 million as of December 31, 2018 (EUR 6 million as of December 31, 2017). The obligation funding ratio therefore stood at 79.5% as of December 31, 2018 (79.3% as of December 31, 2017).

A provision of EUR 295 million was recognised as of December 31, 2018 for the funded and unfunded plan deficit (EUR 321 million as of December 31, 2017), as the following table shows:

In EUR million	2018	2017
Obligations funded by plan assets	**(1,295.6)**	(1,386.3)
Obligations funded by reimbursement rights	**(25.8)**	(30.1)
Fair value of plan assets	**1,168.0**	1,252.2
Fair value of reimbursement rights	**5.7**	6.3
Funding surplus (deficit)	**(147.7)**	**(157.9)**
Unfunded obligations	**(147.1)**	(162.9)
Assets/(provision)	**(294.8)**	**(320.8)**
Of which: Non-current liabilities	**(301.4)**	(327.3)
Non-current assets	**6.6**	6.5

Fair value of plan assets

The assets held by the group to fund employee benefits generated real interest of EUR - 14 million in 2018 (EUR 73 million in 2017), as presented in the table below. In accordance with current regulations, only a normative share of this return was credited to profit or loss in 2018, amounting to EUR 31 million (EUR 34 million in 2017), calculated based on the discount rate used on the obligations. The surplus real return above the normative return was credited to shareholders' equity in the amount of EUR - 44 million in 2018 (EUR 39 million in 2017).

In EUR million	2018	2017
Balance as of January 1	**1,252.2**	1,266.3
Employer's contributions	**18.8**	21.5
Participants' contributions	**1.4**	1.4
Benefits paid	**(93.4)**	(70.5)
Foreign currency translation adjustments	**3.1**	(63.0)
Real return on assets	**(13.8)**	72.8
Normative return (profit or loss)	***30.5***	*34.0*
Adjustment to the real return (shareholders' equity)	***(44.3)***	*38.8*
Changes in group structure/Business combinations	**(0.2)**	17.4
Other movements	**(0.1)**	6.3
Balance as of December 31	**1,168.0**	**1,252.2**

Distribution of plan assets

In %	2018	2017
Shares	**14%**	21%
Listed	***14%***	*21%*
Unlisted	**-**	-
Bonds	**77%**	11%
Listed	***77%***	*11%*
Unlisted	**-**	-
Real estate	**2%**	4%
Other	**7%**	64%
Total	**100%**	**100%**

Plan obligations – funded, unfunded and partially funded plans

In EUR million	2018	2017
Balance as of January 1	**1,579.3**	1,569.5
Current service costs for the period	**19.8**	17.9
Interest expense	**36.8**	39.7
Actuarial losses (gains) from:	**(69.2)**	55.7
changes to demographic assumptions	***(25.9)***	*(2.6)*
changes to financial assumptions	***(52.2)***	*63.5*
experience adjustments	***8.9***	*(5.2)*
Benefits paid	**(102.3)**	(78.8)
Changes in group structure/Business combinations	**(6.8)**	52.0
Foreign currency translation adjustments	**6.4**	(75.3)
Other movements	**4.5**	(1.4)
Balance as of December 31	**1,468.5**	**1,579.3**

Amounts relating to the plan recognised in comprehensive income

In EUR million	2018	2017
Current service costs for the period	**19.8**	17.9
Interest expense	**36.8**	39.7
Normative return on the assets of defined benefit plans	**(30.5)**	(34.0)
Other	**(8.2)**	1.0
Amounts recognised in profit or loss	**17.9**	**24.6**
Surplus real return on assets above their normative return	**44.3**	(38.8)
Actuarial losses (gains) from post-employment benefits due to:	**(69.2)**	55.7
changes to demographic assumptions	***(25.9)***	*(2.6)*
changes to financial assumptions	***(52.2)***	*63.5*
experience adjustments	***8.9***	*(5.2)*
Amounts recognised in shareholders' equity - (credit)/debit	**(24.9)**	**16.9**
Total	**(7.0)**	**41.5**

Changes in the statement of financial position

The change in the amounts recognised in the statement of financial position is explained in the following table:

In EUR million	2018	2017
Amounts recognised as of January 1	**320.8**	297.1
Net expense recognised in profit or loss	**17.9**	24.6
Contributions paid	**(27.7)**	(29.8)
Actuarial (gains)/losses and ceiling on assets recognised in shareholders' equity	**(24.9)**	16.9
Changes in group structure/Business combinations/Foreign currency translation adjustments and other	**8.7**	12.0
Amounts recognised as of December 31	**294.8**	**320.8**
Of which: Holding	**6.2**	3.5
Imerys	**283.4**	314.8
Sienna Capital	**5.2**	2.5

During the financial year 2018, a net credit amount of EUR 19 million related to actuarial gains and losses and the ceiling on recognised assets was charged directly to shareholders' equity, i.e. EUR 25 million gross less EUR 6 million in related taxes (a net debit amount of EUR 12 million as of December 31, 2017, i.e. EUR 17 million gross less EUR 5 million in related taxes).

Estimates

The actuarial assumptions used to value the defined benefit plans are presented below:

In %	2018	2017
Discount rate	**1.7% - 4.1%**	1.2% - 3.4%
Average salary increase rate	**0.2% - 5.8%**	2.4% - 5.8%
Inflation rate	**1.8% - 2.2%**	1.8% - 2.1%

More specifically for the two monetary zones where the largest commitments are located (the United Kingdom and the United States), the actuarial assumptions were as follows in 2018:

In %	United Kingdom	United States
Discount rate	2.7%	4.1%
Average salary increase rate	2.6%	0.2%
Inflation rate	2.2%	0.0%

Out of all of these assumptions, a change in the discount rate would have the largest impact on the group's financial statements.

The table below presents the impact of a fall in the discount rate (low simulation) and a rise in the discount rate (high simulation) relative to the assumption used in the financial statements as of December 31, 2018 (actual 2018). The impact of these changes is measured through three aggregates (obligation, accretion, current service costs) in the two monetary zones where the largest commitments are located (the United Kingdom and the United States). The scale of the reasonably possible variation in discount rates is estimated at 50 basis points in view of the weighted-average variation in discount rates in the United Kingdom and the United States over the past five financial years.

In EUR million	Low Simulation	Central/Base scenario	High Simulation
United Kingdom			
Discount rate	2.2%	2.7%	3.2%
Obligation at the reporting date	917.9	852.6	794.3
Net interest in 2019 profit or loss (1)	(1.5)	(0.1)	1.7
Current service costs in 2019 profit or loss (2)	-	-	-
United States			
Discount rate	3.6%	4.1%	4.6%
Obligation at the reporting date	270.9	259.6	247.4
Net interest in 2019 profit or loss (1)	(3.0)	(2.9)	(2.7)
Current service costs in 2019 profit or loss (2)	(0.9)	(1.3)	(0.8)

At constant scope of consolidation and all other things being equal, the amount of the contributions to the various defined retirement benefit plans is estimated at EUR 12 million for 2019.

22. Other non-current liabilities

In EUR million	2018	2017
Non-current financial liabilities	**7.5**	**2.7**
Derivative financial instruments held for trading	**-**	2.7
Derivative financial instruments – Hedging	**0.4**	-
Other	**7.1**	-
Non-current non-financial liabilities	**24.7**	**31.4**
Liabilities related to cash-settled share-based payments	**3.2**	7.7
Other	**21.5**	23.7
Total	**32.2**	**34.1**
Of which: Holding	**3.2**	7.7
Imerys	**18.1**	22.9
Sienna Capital	**10.9**	3.5

23. Other current liabilities

In EUR million	2018	2017
Current financial liabilities	**49.6**	**42.5**
GBL coupons to be paid	**3.7**	3.7
Derivative financial instruments held for trading	**14.2**	24.1
Derivative financial instruments – Hedging	**9.7**	3.9
Other	**22.0**	10.8
Current non-financial liabilities	**419.9**	**470.6**
Social security liabilities	**196.4**	214.5
Deferred income	**15.7**	17.1
Tax liabilities other than those related to income tax	**38.9**	38.6
Other	**168.9**	200.4
Total	**469.5**	**513.1**
Of which: Holding	**36.7**	37.6
Imerys	**368.6**	423.2
Sienna Capital	**64.2**	52.3

(1) Accretion of obligation, net of normative yield on assets
(2) Plan closed-frozen as of April 1, 2015

24. Financial risks management and sensitivity analysis

Considering the specific nature of each of the entities consolidated in the group's financial statements and their widely differing activities (financial for GBL and industrial for Imerys), each entity manages risks independently.

The main financial risks of GBL are foreign exchange, stock market and interest rate risks.

Foreign exchange risk is defined as the risk whereby a cash flow labeled in foreign currency may be subject to a deterioration caused by an unfavorable change in its counterpart in functional currency. GBL is exposed to foreign exchange risk that can have an impact on the value of its portfolio through investments quoted in foreign currencies, as well as through dividend flows it receives. As of December 31, 2018, GBL was primarily exposed to CHF and GBP. A 10% appreciation / depreciation in the euro versus its end-of-year rate for all currencies used by the group would have had an impact of EUR - 258 million and EUR 258 million on shareholder equity (EUR - 331 million and EUR 331 million respectively in 2017) and EUR 41 million and EUR 41 million on the annual income statement (EUR 0 million and EUR 0 million respectively in 2017). These calculations only concern statements of financial position owned by GBL and does not take into account the impact of the appreciation/depreciation of these currencies on the market price of the underlying assets.

Stock exchange risk is defined as the risk whereby the portfolio of GBL (assets available for sale and trading assets) may be influenced by an unfavorable change of market prices. GBL is exposed, due to the very nature of its activities, to market fluctuations of its portfolio. The volatility of the financial markets, moreover, can have an impact on the share price of GBL. As of December 31, 2018, a 10% appreciation / depreciation in the market price of all portfolio investments in listed companies as well as on the derivative instruments (options, exchangeable and convertible bonds) would have an impact of EUR 1,333 million and EUR - 1,333 million on shareholder equity (EUR 1,428 million and EUR - 1,428 million respectively in 2017) and EUR 12 million and EUR - 12 million on the annual income statement (EUR - 20 million and EUR 20 million respectively in 2017).

Interest rate risk is defined as the risk whereby the interest flow related to financial liabilities, on the one hand, and gross cash, on the other hand, may be deteriorated by an unfavorable change of interest rates. Regarding financial liabilities, a modification of interest rates nevertheless has a limited impact on GBL's profit (loss) because the vast majority of its financial liabilities is issued at fixed interest rates. Regarding cash flow, GBL chose, despite negative interest rates imposed by the European Central Bank, to continue to privilege liquidity while limiting the counterpart risk. Cash is henceforth invested in short-term investments in order to remain mobilisable at any time for being able to contribute to the flexibility and the securing of the group in case of investment or materialisation of exogenous risks.

Imerys manages its foreign exchange and transaction risks, interest rate risks and risks related to energy prices. Imerys is not taking any speculative positions. Derivative instruments are centrally negotiated by Imerys, which prohibits its entities from subscribing to derivative instruments directly outside the group. Imerys hedges part of its net investments in foreign operations through loans specifically allocated to their long-term financing and through the proportion of its financial debt held in foreign currencies.

The transactions performed by Imerys' entities are accounted for, wherever possible, in the functional currency of the entity that carries out the transaction. A change in foreign exchange rates impacts underlying items of net financial debt, i.e. before foreign exchange rates derivatives as of December 31, 2018. An increase or decrease by 10% of the EUR compared to foreign currencies would generate a change of EUR 27 million and EUR - 27 million on the net debt. When it is not possible to record a transaction in the functional currency of the entity, the transactional currency risk may be hedged on an individual basis using forwards, swaps or options. These instruments are used to hedge highly probable budget flows and qualify as cash flow hedges.

The interest rate risk is also limited at Imerys' level as most of its debt has fixed interest rates.

Energy price risk is the risk whereby the cash outflow due in relation to energy purchases may be subject to a deterioration by a rise in its market price. Imerys is exposed to the price risk of energy used in the production cycle of its activities, mainly natural gas, electricity and, to a lesser extent, coal. To manage energy price risk, Imerys sources its energy from a variety of geographical locations and sources. The group looks to pass on any energy price increases in the selling price of its products. Energy price risk is hedged using forward and option contracts, instruments that qualify as cash flow hedges.

Borrower's liquidity risk is the risk whereby Imerys would not be in a position to meet the repayment obligations of its financial liabilities. Market liquidity risk is the risk whereby a non-confirmed financial resource (commercial paper, bank facility and accrued interests, or other debt and facilities) would not be renewed. The debt schedule of most of Imerys' debt is presented in note 17.

Conversion of financial statements risk is a form of foreign exchange risk whereby the value in euros of the financial statements of a foreign operation may be subject to a deterioration due to an unfavorable change in the foreign exchange rate of the functional currency of that business. Imerys hedges part of its net investments in foreign operations by granting loans specifically allocated to financing the operations in the long term and by controlling the proportion of its financial debt stated in foreign currencies. The exchange rate differences generated by the loans and borrowings qualified as hedges of net investments in foreign operations are recognized in equity so as to neutralize, to a certain extent, the translation gains or losses on hedged net investments.

More detailed information on Imerys' derivative financial instruments can be found in the company's registration document, which can be consulted on the website www.imerys.com.

25. Derivative financial instruments

25.1. Fair values of short-term and long-term derivative financial instruments

The fair values of the derivative financial instruments held as of December 31, 2018 and 2017 are shown in the following table:

In EUR million	2018	2017
Assets	**26.7**	**29.5**
Of which non-current assets	***19.4***	*22.5*
Of which current assets	***7.3***	*7.0*
Composed of:		
Forwards, futures and currency swaps – Derivative instruments held for trading	-	*7.5*
Forwards, futures and currency swaps – Hedging	***8.2***	*3.6*
Interest rate swaps (IRS) – Derivative instruments held for trading	-	*15.0*
Interest rate swaps (IRS) – Hedging	***16.4***	-
Futures and commodities options – Hedging	***2.1***	*3.4*
Liabilities	**(24.3)**	**(30.7)**
Of which non-current liabilities	***(0.4)***	*(2.7)*
Of which current liabilities	***(23.9)***	*(28.0)*
Composed of:		
Forwards, futures and currency swaps – Derivative instruments held for trading	***0.9***	*(4.8)*
Forwards, futures and currency swaps – Hedging	***(5.4)***	*(3.0)*
Interest rate swaps (IRS) – Hedging	***(0.1)***	-
Futures and commodities options – Hedging	***(4.6)***	*(0.9)*
Call and put options on shares – derivative instruments held for trading	***(15.1)***	*(22.0)*
Net position	**2.4**	**(1.2)**
Forwards, futures and currency swaps	**3.7**	3.3
Interest rate swaps (IRS)	**16.3**	15.0
Futures and commodities options	**(2.5)**	2.5
Call and put options on shares	**(15.1)**	(22.0)

The following table shows the maturity of the cash flow hedge derivatives for the reporting periods ended December 31, 2018 and 2017:

In EUR million	Total	Within the year	2 to 5 years	Over 5 years
Forwards, futures and currency swaps	**2.8**	0.2	2.6	-
Interest rate swaps (IRS)	**16.3**	(0.1)	16.4	-
Futures and commodities options	**(2.5)**	(2.5)	-	-
Total as of December 31, 2018	**16.6**	**(2.4)**	**19.0**	**-**
Forwards, futures and currency swaps	**0.6**	0.6	-	-
Futures and commodities options	**2.5**	2.5	-	-
Total as of December 31, 2017	**3.1**	**3.1**	**-**	**-**

25.2. Change in net financial position

In EUR million	2018	2017
As of January 1 – net derivatives position	**(1.2)**	(2.3)
Increase (decrease) recognised in profit or loss	**11.8**	6.2
Increase (decrease) recognised in shareholders' equity	**(8.2)**	(5.7)
Changes in group structure/Business combinations	**-**	0.6
As of December 31 – net derivatives position	**2.4**	**(1.2)**

25.3. Notional underlying amounts of derivative financial instruments

In EUR million	2018	2017
Assets	**1,266.7**	**643.8**
Composed of:		
Forwards, futures and currency swaps	***1,061.2***	*503.3*
Interest rate swaps (IRS)	***184.0***	*99.9*
Futures and commodities options	***21.5***	*40.6*
Liabilities	**1,929.5**	**1,445.2**
Composed of:		
Forwards, futures and currency swaps	***1,437.2***	*803.5*
Interest rate swaps (IRS)	***184.0***	*99.9*
Futures and commodities options	***21.5***	*40.6*
Call and put options on shares	***286.8***	*501.2*

Last year, the item “Call and put options on shares” included, among other things, the nominal value of bonds convertible into GBL shares (see note 17.2).

25.4. Maturity of notional underlying amounts of derivative financial instruments

In EUR million	Total	Within the year	2 to 5 years	Over 5 years
Forwards, futures and currency swaps	**2,498.4**	2,498.4	-	-
Interest rate swaps (IRS)	**368.0**	-	368.0	-
Futures and commodities options	**43.0**	43.0	-	-
Call and put options on shares	**286.8**	286.8	-	-
Total as of December 31, 2018	**3,196.2**	**2,828.2**	**368.0**	**-**
Forwards, futures and currency swaps	**1,306.8**	1,306.8	-	-
Interest rate swaps (IRS)	**199.8**	103.8	96.0	-
Futures and commodities options	**81.2**	81.2	-	-
Call and put options on shares	**501.2**	501.2	-	-
Total as of December 31, 2017	**2,089.0**	**1,993.0**	**96.0**	**-**

26. Stock options

GBL

Cash-settled plans

GBL issued since 2013 several incentive plans concerning the shares of a sub-subsidiaries of the group. These options were granted to the staff and the Executive Management of GBL. These options give the right to the beneficiary to acquire a share for an exercise price, corresponding with the value of the underlying share at the moment of the granting of the option. These options can be exercised during a period of time. The options will be settled in cash or in shares. These plans are treated as cash-settled plans. The characteristics of these plans are included in the table below:

	FINPAR III S.A.	FINPAR II S.A.	FINPAR S.A.	URDAC S.A.	LTI TWO S.A.	LTI ONE S.A.
Characteristics						
Issue date	May 7, 2018	May 8, 2017	May 3, 2016	May 5, 2015	April 29, 2014	April 29, 2013
Number of options on issuing	337,146	348,424	308,099	257,206	223,256	254,000
Initial exercise price (in EUR)	10.00	10.00	10.00	10.00	10.00	10.00
Vesting date	May 7, 2021	May 8, 2020	May 3, 2019	May 5, 2018	April 29, 2017	April 29, 2016
Expiry date	May 6, 2028	May 7, 2027	May 2, 2026	May 4, 2025	April 28, 2024	April 28, 2023
Valuation assumptions						
Valuation method	Intrisic value	Intrisic value	Intrisic value	Monte Carlo	Monte Carlo	Monte Carlo
Implicit volatility of the underlyings	n.r.	n.r.	n.r.	15.70% - 18.16%	15.84% - 24.09%	16.60% - 28.08%
Fair value per unit (in EUR)	0.00	0.00	8.08	8.29	18.56	16.48
Debt accounted for (in EUR million)	0.0	0.0	2.3	0.9	0.0	0.0

The table of changes is shown below:

	2018		2017	
	Number	**Exercise price** (in EUR)	**Number**	**Exercise price** (en EUR)
As of January 1	**948,140**	**10.00**	**795,761**	**10.00**
Exercised by:				
Executive Management	***(85,120)***	***10.00***	***(88,560)***	***10.00***
Employees	***(99,579)***	***10.00***	***(107,485)***	***10.00***
Granted to:				
Executive Management	***154,800***	***10.00***	***154,800***	***10.00***
Employees	***182,346***	***10.00***	***193,624***	***10.00***
As of December 31	**1,100,587**	**10.00**	**948,140**	**10.00**
Plan LTI One	**1,000**	**10.00**	**4,800**	**10.00**
Plan LTI Two	**3,249**	**10.00**	**29,611**	**10.00**
Plan URDAC	**102,669**	**10.00**	**257,206**	**10.00**
Plan FINPAR	**308,099**	**10.00**	**308,099**	**10.00**
Plan FINPAR II	**348,424**	**10.00**	**348,424**	**10.00**
Plan FINPAR III	**337,146**	**10.00**	**-**	**-**

In 2018, the total cost for the group with respect to the stock option plans was recorded in operating expenses and amounted to EUR - 1 million (EUR 6 million in 2017), of which EUR 0 million for the Executive Management (EUR 2 million in 2017). At the end of 2018, 41% of the options were vested, but only 11% were exercisable.

Equity-settled plans

GBL has issued six incentive plans from 2007 to 2012 based on GBL shares for its Executive Management and staff. These plans are treated as equity-settled plans. The characteristics of the plans outstanding as of December 31, 2018 are shown in the following table:

GBL plan	2012	2011	2010	2009	2008	2007
Characteristics						
Number of options on issuing	116,943	187,093	154,306	238,244	153,984	110,258
Initial exercise price (in EUR)	50.68	65.04	65.82	51.95	77.40	91.90
Vesting date	January 1, 2016	January 1, 2015	January 1, 2014	January 1, 2013	January 1, 2012	January 1, 2011
Expiry date	April 26, 2022	April 14, 2021	April 15, 2020	April 16, 2019	April 9, 2018 April 9, 2023	May 24, 2017 May 24, 2022
Black & Scholes valuation assumptions (according to an independent expert) when the plans are launched						
Expected volatility	21.4%	34.5%	32.7%	34.4%	25.6%	24.0%
Expected dividend growth	2.5%	5.0%	5.0%	5.0%	8.0%	5.0%
Risk-free rate	1.9%	3.6%	3.0%	3.6%	4.9%	4.8%
Fair value per unit (in EUR)	6.82	15.80	14.13	11.31	21.82	29.25

The table of changes is shown below:

		2018		2017
	Number	**Exercise price** (in EUR)	**Number**	**Exercise price** (en EUR)
As of January 1	**288,013**	**75.61**	**551,947**	**72.74**
Exercised by:				
Executive Management	-	-	-	-
Employees	***(30,423)***	***61.28***	***(263,934)***	***69.62***
As of December 31	**257,590**	**77.30**	**288,013**	**75.61**
2007 plan	**110,002**	**91.90**	**110,258**	**91.90**
2008 plan	**43,075**	**77.40**	**43,523**	**77.40**
2009 plan	**7,688**	**51.95**	**17,087**	**51.95**
2010 plan	**36,883**	**65.82**	**42,577**	**65.82**
2011 plan	**42,077**	**65.04**	**56,133**	**65.04**
2012 plan	**17,865**	**50.68**	**18,435**	**50.68**

Imerys

Imerys has put in place an incentive plan for the group's executives and some of the managers and employees that entails the granting of options on Imerys shares. Each option entitles the holder to subscribe shares at a predetermined fixed price. The right to exercise the options is generally acquired (i.e. the options vest) three years after the date of the granting and the options have a maximum life of ten years.

Changes in options granted are shown in the following table:

	Number	**Exercise price** (in EUR)
As of December 31, 2016	865,621	50.68
Granted during the period	-	-
Cancelled during the period	(23,173)	65.61
Exercised during the period	(436,411)	53.25
As of December 31, 2017	**406,037**	**47.06**
Exercisable as of December 31, 2017	406,037	
As of December 31, 2017	406,037	47.06
Granted during the period	-	-
Cancelled during the period	(2,634)	54.19
Exercised during the period	(117,290)	48.86
As of December 31, 2018	**286,113**	**46.26**
Exercisable as of December 31, 2018	286,113	

The number of options on Imerys shares is as follows:

Plan	Maturity	Exercise price (in EUR)	2018 Number	2017 Number
April 2008	2018	54.19	**-**	40,469
August 2009	2019	34.54	**29,263**	36,263
April 2010	2020	46.06	**77,400**	110,450
April 2011	2021	53.05	**88,392**	109,292
April 2012	2022	43.62	**91,058**	109,563
Total			**286,113**	**406,037**

In addition, Imerys grants stock option plans, which, if exercised, result in the subscription of shares newly issued for this as well as free shares acquired in the market. In 2018, Imerys granted 295,200 free performance bonus shares (293,400 in 2017). As of December 31, 2018, the total employee expenses recognised in the Imerys group's financial statements with respect to stock option and bonus share plans for the year amounted to EUR 14 million (EUR 13 million in 2017).

27. Earnings per share

27.1. Consolidated group profit (loss) for the year

In EUR million	2018	2017
Basic		
Consolidated profit or loss for the period (including the discontinued operations)	**658.9**	705.4
Consolidated profit or loss for the period (excluding the discontinued operations)	**233.3**	669.0
Diluted		
Consolidated profit or loss for the period (including the discontinued operations)	**652.5**	726.8
Consolidated profit or loss for the period (excluding the discontinued operations)	**226.9**	690.4

27.2. Number of shares

In EUR million	2018	2017
Issued shares at beginning of year	**161,358,287**	161,358,287
Treasury shares at beginning of year	**(5,660,482)**	(5,924,416)
Weighted changes during the period	**1,981,283**	173,619
Weighted average number of shares used to determine basic earnings per share	**157,679,088**	155,607,490
Impact of financial instruments with a diluting effect:		
Convertible/exchangeable bonds	**-**	5,000,000
Stock options (Note 26)	**104,513**	177,755
Weighted average number of shares used to determine diluted earnings per share	**157,783,601**	160,785,245

27.3. Summary of earnings per share

In EUR million	2018	2017
Basic	**4.18**	**4.53**
Continued activities	**1.48**	4.30
Discontinued activities	**2.70**	0.23
Diluted	**4.14**	**4.52**
Continued activities	**1.44**	4.29
Discontinued activities	**2.70**	0.23

28. Financial instruments

Fair value

To reflect the importance of inputs used when measuring at fair value, the group classifies these valuations according to a hierarchy composed of the following levels:

- level 1: listed prices (non-adjusted) on active markets for identical assets or liabilities;
- level 2: inputs, other than the listed prices included in level 1, that are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- level 3: inputs related to the asset or liability that are not based on observable market data (non-observable inputs).

Analysis of financial instruments by category – consolidated balance sheet

The tables below show a comparison of the book value and the fair value of the financial instruments as of December 31, 2018 (in line with IFRS 9) and as of December 31, 2017 (in line with IAS 39), as well as the fair value hierarchy.

The category, according to IFRS 9, uses the following abbreviations:

- FATOCI: Financial Assets measured at fair value through Other Comprehensive Income
- FATPL: Financial Assets measured at fair value through Profit or Loss
- FLTPL: Financial Liabilities measured at fair value through Profit or Loss
- FAAC: Financial Assets measured at Amortised Cost
- FLAC: Financial Liabilities measured at Amortised Cost
- HeAc: Hedge Accounting

In EUR million	Category according to IFRS 9	Carrying amount	Fair value	Hierarchy of fair values
As of December 31, 2018				
Financial assets				
Non-current assets				
Other equity investments				
Equity investments measured at fair value and with changes recognised in equity	FATOCI	13,329.1	13,329.1	Level 1
Equity investments measured at fair value and with changes recognised in profit or loss	FATPL	699.5	699.5	Level 3
Other non-current assets				
Derivative instruments	HeAc	19.4	19.4	Level 2
Other financial assets	FAAC	75.5	75.5	-
Current assets				
Trade receivables	FAAC	739.7	739.7	-
Trading financial assets	FATPL	341.4	341.4	Level 1
Cash and cash equivalents	FAAC	1,013.6	1,013.6	-
Other current assets				
Derivative instruments - hedging	HeAc	7.3	7.3	Level 2
Other financial assets	FAAC	19.1	19.1	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Derivative instruments - hedging	HeAc	16.2	16.2	Level 2
Derivative instruments - other	FLTPL	(0.1)	(0.1)	Level 2
Other financial liabilities	FLAC	3,607.7	3,640.7	-
Other non current liabilities				
Derivative instruments - other	HeAc	0.4	0.4	Level 2
Other non current liabilities	FLAC	7.1	7.1	-
Current liabilities				
Financial liabilities				
Derivative instruments	FLTPL	0.4	0.4	Level 2
Other financial liabilities	FLAC	205.2	205.2	-
Trade payables	FLAC	597.8	597.8	-
Other current liabilities				
Derivative instruments - hedging	HeAc	9.7	9.7	Level 2
Derivative instruments - other	FLTPL	14.2	14.2	Level 2
Other current liabilities	FLAC	25.7	25.7	-

As of December 31, 2017, the category according to IAS 39 uses the following abbreviations:

- AFS: Available-for-sale financial assets
- HTM: Financial assets held-to-maturity
- LaR: Loans and receivables
- FVTPL: Financial assets/liabilities at fair value through profit and loss
- OFL: Other financial liabilities
- HeAc: Hedge accounting

In EUR million	Category according to IAS 39	Carrying amount	Fair value	Hierarchy of fair values
As of December 31, 2017				
Financial assets				
Non-current assets				
Available-for-sale investments				
Listed companies	AFS	14,280.9	14,280.9	Level 1
Other companies	AFS	504.2	504.2	Level 3
Other non-current assets				
Derivative instruments	FVTPL	22.5	22.5	Level 2
Other financial assets	LaR	87.0	87.0	-
Current assets				
Trade receivables	LaR	728.0	728.0	-
Trading financial assets	FVTPL	524.3	524.3	Level 1
Cash and cash equivalents	LaR	491.9	491.9	-
Other current assets				
Derivative instruments	HeAc	7.0	7.0	Level 2
Other financial assets	LaR	19.6	19.6	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Derivative instruments - hedging	HeAc	14.9	14.9	Level 2
Derivative instruments - other	FVTPL	(0.2)	(0.2)	Level 2
Other financial liabilities	OFL	2,820.2	2,967.0	-
Other non-current liabilities				
Derivative instruments - other	FVTPL	2.7	2.7	Level 2
Current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	(3.0)	(3.0)	Level 2
Other financial liabilities	OFL	1,155.7	1,202.9	-
Trade payables	OFL	540.0	540.0	-
Other current liabilities				
Derivative instruments - hedging	HeAc	3.9	3.9	Level 2
Derivative instruments - other	FVTPL	24.1	24.1	Level 2
Other current liabilities	OFL	14.5	14.5	-

Measurement techniques

The group's financial instruments very largely belong to classification levels 1 and 2. The financial assets measured at level 3 fair value are not significant compared to the other asset classes.

The techniques used to measure the fair value of level 2 financial instruments are as follows:

Exchangeable or convertible bonds

The exchangeable or convertible bonds issued by the group are considered to be hybrid instruments. At the date of issue, the fair value of the bond component is estimated based on the prevailing market interest rate for similar non-exchangeable or non-convertible bonds, taking into account the risk associated with GBL (credit spread). At each reporting date, the value of the bond component is recalculated, taking into account the change in the risk-free rate and GBL's credit spread, and the difference in relation to the price of the exchangeable or convertible bond observed on the Luxembourg Stock Exchange's Euro MTF market is taken as the new value of the derivative component. The change in this value in relation to the previous reporting date is recognised in profit or loss.

Derivative instruments not associated with exchangeable or convertible bonds

The fair value of derivative instruments not associated with exchangeable or convertible bonds is taken from a model that uses observable data, in other words the quotes on the reporting date provided by third-parties operating on the financial markets. These valuations are adjusted for the counterparties' credit risk and the credit risk specific to Imerys or GBL. Accordingly, if the market value of the derivative is positive (derivative asset), its fair value incorporates the likelihood of the counterparty defaulting (Credit Value Adjustment or CVA). If the derivative's market value is negative (derivative liability), its fair value factors in the likelihood of Imerys or GBL defaulting (Debit Value Adjustment or DVA).

These adjustments are measured based on the spreads of the bonds in circulation on the secondary market, as issued by Imerys, GBL and their counterparties.

There were no significant transfers between the different levels during 2018 and 2017.

Analysis of financial instruments by category – consolidated income statement

The table below presents the income and expenses before income taxes recognized in the income statement by categories of financial instruments. This table analyzes the product and expense lines containing financial instruments according to categories presented in columns. These distinguish, on the one hand, the categories applied by default to any item excluding hedge accounting and, on the other hand, the categories applied to any item falling within the scope of hedge accounting.

The IFRS 9 categories of amortized cost and fair value through profit or loss apply to the majority of non-hedge accounting items. Hedge accounting items are classified according to their fair value or cash flow hedging qualifications, distinguishing the values of hedged items and hedging instruments in columns and the types of risks hedged in rows.

In addition, in order to ensure reconciliation between IFRS 9 classes and financial statements, this table includes a column containing the following non-IFRS 9 items: share-based payments (IFRS 2), mining assets (IFRS 6), inventories (IAS 2), income tax assets and liabilities (IAS 12), property, plant and equipment (IAS 16), finance lease liabilities (IAS 17), defined benefit and short-term employee benefits assets and liabilities (IAS 19) , grants (IAS 20), provisions (IAS 37), intangible assets and prepaid expenses (IAS 38), stripping assets (IFRIC 20) and duties and taxes (IFRIC 21). The logic of classification of financial instruments in assets and liabilities is applied in transversally to their changes in income statement. For example, revenue is included in the amortized cost category, as its counterparties in trade receivables or cash and cash equivalents fall under this category on the asset side.

	Non-hedge accounting			Hedge accounting				
	IFRS 9 Categories			Fair Value		Cash flows		
In EUR million	Amortised cost	Fair value through profit or loss	Out of IFRS 9 scope	Hedged item	Hedging instrument	Hedged item	Hedging instrument	Total
Share of profit (loss) of associates	-	-	25.6	-	-	-	-	25.6
Net dividends from investments	350.4	-	-	-	-	-	-	350.4
Other operating income (expenses) from investing activities	(43.3)	-	4.2	-	-	-	-	(39.1)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	(1.3)	-	5.5	-	-	-	-	4.2
Financial income (expenses) from investing activities	(20.6)	32.4	-	-	-	-	-	11.8
Of which: Financial income	*11.8*	*83.5*	-	-	-	-	-	*95.3*
Financial expenses	*(32.4)*	*(51.1)*	-	-	-	-	-	*(83.5)*
Profit (loss) from investing activities - continued activities	**285.2**	**32.4**	**35.3**	**-**	**-**	**-**	**-**	**352.9**
Turnover	4,838.9	-	-	-	-	369.0	(6.6)	5,201.3
Raw materials and consumables	(1,768.4)	-	129.0	-	-	(85.7)	9.4	(1,715.7)
Employee expenses	(1,206.7)	-	5.2	-	-	-	-	(1,201.5)
Depreciation of tangible and intangible assets	-	-	(313.3)	-	-	-	-	(313.3)
Other operating income (expenses) from operating activities	(1,800.5)	-	(1.5)	-	-	-	-	(1,802.0)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	-	(215.2)	-	-	-	-	(215.2)
Financial income (expenses) from operating activities	(88.2)	5.8	(13.3)	(1.3)	1.3	-	-	(95.7)
Of which: Financial income	*5.7*	*6.1*	*32.8*	-	*1.3*	-	-	*45.9*
Financial expenses	*(93.9)*	*(0.3)*	*(46.1)*	*(1.3)*	-	-	-	*(141.6)*
Profit (loss) from consolidated operating activities - continued activities	**(24.9)**	**5.8**	**(409.1)**	**(1.3)**	**1.3**	**283.3**	**2.8**	**(142.1)**

29. Subsidiaries in which GBL holds significant non-controlling interests

The tables below present concise financial information about each of the subsidiaries in which GBL holds significant non-controlling interests, without taking intragroup eliminations into account.

In EUR million	Imerys	Subsidiaries that are not individually material	2018
Ownership percentage held by non-controlling interests	46.1%		
Voting rights held by non-controlling interests	32.3%		
Non-current assets	4,908.3		
Current assets	2,685.6		
Non-current liabilities	3,095.5		
Current liabilities	1,244.8		
Non-controlling interests (including those of the subsidiary)	36.4		
Equity (group's share)	3,217.2		
Non-controlling interests (including those of the subsidiary)	**1,515.6**	195.3	**1,710.9**
Turnover	4,590.0		
Net result of the period attributable to the shareholders of GBL (group's share)	302.3		
Net result of the period attributable to the non-controlling interests	**247.1**	(1.9)	**245.2**
Net result of the period (including non-controlling interests)	549.4		
Other comprehensive income attributable to the shareholders of GBL (group's share)	(13.2)		
Other comprehensive income attributable to the non-controlling interests	**(11.3)**	-	**(11.3)**
Total of other comprehensive income (including non-controlling interests)	(24.5)		
Total comprehensive income attributable to the shareholders of GBL (group's share)	289.1		
Total comprehensive income attributable to the non-controlling interests	**235.8**	(1.9)	**233.9**
Total comprehensive income (including non-controlling interests)	524.9		
Dividends paid to the non-controlling interests	(79.1)		
Net cash flows from operating activities	598.2		
Net cash flows from investing activities	395.9		
Net cash flows from financing activities	(520.5)		
Impact of exchange differences on funds held and impact of changes in scope of consolidation	(6.7)		
Increase/decrease of cash and cash equivalents	466.9		

In EUR million	Imerys	Subsidiaries that are not individually material	2017
Ownership percentage held by non-controlling interests	45.7%		
Voting rights held by non-controlling interests	32.5%		
Non-current assets	5,251.5		
Current assets	2,216.5		
Non-current liabilities	2,859.8		
Current liabilities	1,730.0		
Non-controlling interests (including those of the subsidiary)	50.6		
Equity (group's share)	2,827.6		
Non-controlling interests (including those of the subsidiary)	**1,343.9**	87.5	**1,431.4**
Turnover	4,598.4		
Net result of the period attributable to the shareholders of GBL (group's share)	199.8		
Net result of the period attributable to the non-controlling interests	**169.3**	16.4	**185.7**
Net result of the period (including non-controlling interests)	369.1		
Other comprehensive income attributable to the shareholders of GBL (group's share)	(145.2)		
Other comprehensive income attributable to the non-controlling interests	**(125.2)**	(0.5)	**(125.7)**
Total of other comprehensive income (including non-controlling interests)	(270.4)		
Total comprehensive income attributable to the shareholders of GBL (group's share)	54.6		
Total comprehensive income attributable to the non-controlling interests	**44.1**	15.9	**60.0**
Total comprehensive income (including non-controlling interests)	98.7		
Dividends paid to the non-controlling interests	69.1		
Net cash flows from operating activities	611.4		
Net cash flows from investing activities	(629.6)		
Net cash flows from financing activities	(388.4)		
Impact of exchange differences on funds held and impact of changes in scope of consolidation	(21.0)		
Increase/decrease of cash and cash equivalents	(427.6)		

30. Contingent assets and liabilities, rights and commitments

In relation to GBL

Investment/subscription commitments

Following GBL's Sienna Capital investment, the uncalled subscribed capital totalled EUR 528 million as of December 31, 2018 (EUR 733 million at end 2017).

Foreign dividends/double international taxation

The group has taken certain measures in order to preserve its interests in matters of double taxation on its foreign dividends.

Rhodia dispute

At the start of 2004, non-controlling shareholders of Rhodia initiated proceedings against GBL and two of its Directors in the Paris Commercial Court, calling into question their responsibility as Directors of Rhodia. At the same time, criminal legal proceedings were initiated against persons unknown.

On January 27, 2006, the Court of Paris decided to suspend the civil proceedings until a decision is made in the criminal legal proceedings. Since then, very little headway has been made with this dispute: it is still adjourned pending the outcome of the criminal proceedings.

GBL's consolidated subsidiaries

Operating lease commitments

Operating lease commitments correspond to future lease payment commitments in the context of contracts concluded by GBL's consolidated subsidiaries for the lease of real estate, equipment or vehicles. These commitments amounted to EUR 364 million aas of December 31, 2018, of which EUR 63 million for 2019, EUR 176 million for the 2020-2023 period and EUR 125 million beyond that period.

Other commitments given and received

These commitments given and received solely concern Imerys and Sienna Capital.

Other commitments given primarily relate to:

- site rehabilitation, in the amount of EUR 58 million (EUR 45 million in 2017);
- operating activities, i.e. firm purchase commitments given by Imerys within the framework of contracts for the purchase of goods, services, energy or transport (EUR 241 million compared with EUR 237 million in 2017);
- cash, i.e. corresponding to letters of credit and guarantees, mortgages and pledges obtained by Imerys from financial institutions to guarantee operating cash flow needs for its clients (EUR 146 million compared with EUR 63 million in 2017); and
- other obligations (EUR 127 million compared with EUR 31 million in 2017).

Commitments received totalled EUR 144 million as of December 31, 2018 (EUR 214 million at as of December 31, 2017).

31. Transactions with related parties

External related parties to GBL

GBL's related parties are the Canadian group Power Corporation of Canada and the Belgian group Frère. These groups are for GBL the ultimate group heads. Through their joint venture Parjointco, they exercise joint control over the Swiss group Pargesa Holding S.A. which controls GBL. Pargesa Holding S.A. is as such a related party of GBL. There is no contract between GBL and Pargesa Holding S.A.

As of December 31, 2018 and 2017, no transaction with Pargesa Holding S.A. were recognised on the balance sheet.

Directors' remunerations

The remunerations paid to the directors are shown in the table below:

In EUR million	2018	2017
Remunerations, charges and short-term benefits	**4.0**	4.9
Post-employment benefits	**1.0**	1.0
Costs related to cash-settled share-based payments	**-**	2.3
Insurances	**0.1**	0.1
Total	**5.1**	**8.3**

32. Events after the reporting period

Imerys

After evaluating a range of possible options, Imerys North American talc subsidiaries – Imerys Talc America, Imerys Talc Vermont, and Imerys Talc Canada – have voluntarily sought the protection of Chapter 11, a special legal process under U.S. law. Although significant, the impact of the decision of the North American talc subsidiaries taken on February 13, 2019 and the anticipated terms of their plan of reorganization is not expected to materially affect Imerys's overall financial situation, profitability, and cash generative business profile.

For the year ended December 31, 2018, these subsidiaries, which will no longer be included within Imerys's scope of consolidation, recorded EUR 143 million in revenue, EUR 25 million in EBITDA and EUR 16 million in current operating income, which represented approximately 3% of the same consolidated figures of Imerys. The estimated net financial impact of the overall process initiated on February 13, 2019 amounts to EUR 250 million has been provisioned in Imerys's full-year 2018 consolidated financial statements, in addition to EUR 17 million of costs incurred during the year by Imerys.

For more information regarding this subsequent event, please refer to the press release of Imerys group dated February 13, 2019 (available on the following link: https://www.imerys.com/Scopi/Group/ImerysCom/imeryscom.nsf/pagesref/REBA-B9CMTF/$File/Imerys_PR_2018%20Results_VA.pdf).

Treasury share buyback

Between January 1 and March 8, 2019, GBL has acquired, directly and through its subsidiaries, 204,526 GBL shares, representing 0.1% of the issued capital and valued at EUR 17 million as of March 8, 2019.

33. Statutory Auditor's fees

GBL's consolidated and statutory financial statements for the last two years have been audited and approved without qualifications by the Statutory Auditor Deloitte. The full text of the reports relating to the audits of the financial statements mentioned above is available in the corresponding Annual Report.

In accordance with Article 134 of the Companies Code, the fees for the services provided by the Statutory Auditor Deloitte and its network were as follows:

En EUR	2018	2017
Audit assignment	**4,201,500**	3,485,530
of which GBL	***75,000***	*75,000*
Other attest assignments	**334,650**	76,495
Other assignments not related to the audit assignment	**354,350**	2,119,536
Total	**4,890,500**	**5,681,561**
Of which: Holding	360,700	332,008
Imerys	3,988,600	4,685,463
Sienna Capital	541,200	664,090

Statutory Auditor's report

Deloitte.

Groupe Bruxelles Lambert SA/NV

Statutory auditor's report to the shareholders' meeting for the year ended 31 December 2018 - Consolidated financial statements

The original text of this report is in Dutch / French

Statutory auditor's report to the shareholders' meeting of Groupe Bruxelles Lambert SA/NV for the year ended 31 December 2018 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Groupe Bruxelles Lambert SA/NV ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders' meeting of 26 April 2016, in accordance with the proposal of the board of directors issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2018. We have performed the statutory audit of the consolidated financial statements of Groupe Bruxelles Lambert SA/NV for 27 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated statement balance sheet as at 31 December 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 23 890,2 million EUR and the consolidated income statement shows a profit for the year then ended of 904,1 million EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2018 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the statutory auditor for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Groupe Bruxelles Lambert SA/NV | 31 December 2018

Key audit matters	How our audit addressed the key audit matters
The classification and accounting treatment of the different investment lines (holding activities)	
Groupe Bruxelles Lambert holds a stake of 17.69% in Umicore, a 16.60% stake in SGS and furthermore a 19.98% stake in Ontex. Conform IFRS 9, Management considers these investments as other equity investments. As indicated in the accounting policies (section accounting policy changes, errors and changes in estimates / judgments) summarizing the accounting principles of the company, GBL analyzed the accounting treatment to be reserved for these three investments and in particular the classification in (i) investments in associated companies (IAS 28), or in (ii) other equity investments (IFRS 9). Taking into account an ownership of less than 20% of each of the investments and the fact that: • The representation of GBL on the Board of Directors is not sufficient to demonstrate the existence of a notable influence. In addition, the representation in the Board of Directors is limited to the duration of directors' terms and does not result from a contractual or legal right, but from a resolution of the general meeting of shareholders; • The other criteria are generally considered to prove that there is no significant influence. GBL has concluded that there is no significant influence demonstrated and, accordingly, these three investments are accounted as other equity investments. As part of our audit, we have identified the classification of the investments in Umicore, SGS and Ontex as a key audit matter and this mainly for the following reasons: • The proximity of the ownership rate to the threshold of 20%; • The significant importance of these investments; • The important level of judgment in the analysis of significant influence indicators, as defined by IAS 28.	We reviewed the management's arguments and the facts supporting the classification of the investments in Umicore, SGS and Ontex as other equity investments. Based on this information, we have been able to address the key audit matter related to the accounting treatment of the investments in Umicore, SGS and Ontex.

Key audit matters	How our audit addressed the key audit matters
Valuation of the provision related to Talc litigations in the US (Notes 20 and 32)	
As described in Notes 20 and 32 to the consolidated financial statements, certain subsidiaries of the Imerys group, which operate its Talc business in North America, are among the defendants in the claims based on the alleged hazards related to the use of talc in certain products. Most of this litigation relates to sales made prior to Imerys' 2011 acquisition of its Talc business. Over the fourth quarter 2018, these entities faced a growing increase in the number and intensity of claims. As a result, the Imerys group and these subsidiaries have requested their respective external legal advisors, assisted by independent consultants, to analyze possible strategic options to mitigate their exposure to this situation and related risks. At December 31, 2018, an additional provision of around 250.0 million EUR was recorded in the consolidated financial statements, corresponding to Imerys Management's most reasonable estimate of the amounts necessary to settle such historical liabilities and the possible future outlook for the entities and the Imerys group. In February 2019, the North American subsidiaries exposed in such litigation sought protection under Chapter 11 of the US Bankruptcy Act. As part of these specific proceedings, the Imerys group legally remains the owner of the entities. However, the analysis of their placement under the legal control of the court of the State of Delaware (United States) mandated to negotiate a reorganization plan resulted in their removal from the Imerys group's consolidation scope as from February 13, 2019, since the Imerys group had effectively lost the control that it had previously exercised over them (Note 32 - Subsequent events). The decision to recognize a provision involves certain assumptions to be made by Imerys Management with respect to the outcome of the litigation and its resolution under Chapter 11 and the estimate of the amounts to be provided in this respect.	The Imerys auditors have assessed the reasonableness of the provision recorded with respect to: • Internal analyses prepared by local management of the exposed entities, including the acceleration of events in 2018 justifying the recognition of such provisions; • Reports on the litigation and assessment of current and future claims of the relevant entities and their possible resolution under Chapter 11, prepared by external legal advisors, assisted by independent consultants, for the attention of the Imerys group's management; • Extracts of the minutes of different meetings of the Company's Board of Directors and Audit Committee, transcribing the discussions relating to this situation. The Imerys auditors obtained confirmation from external legal advisors representing the Imerys group in the Chapter 11 proceedings to assess the reasonableness of the provision recognized in the Imerys group's consolidated financial statements with regard to estimates of exposure determined by external advisors. We have also assessed the disclosures in the notes to the consolidated financial statements related to these litigations.

Groupe Bruxelles Lambert SA/NV | 31 December 2018

Key audit matters	How our audit addressed the key audit matters
Based on the magnitude of the potential financial impact of the litigation and its resolution as part of the proceedings initiated by the Management of the North American entities and supported by the Imerys group, and in accordance with the decisions of their respective governing bodies, we consider the valuation of the provision related to Talc litigations in the US to be a key audit matter.	
Impairment of assets (Note 10)	
The carrying value of goodwill coming from Imerys group on the balance sheet amounts to 2,143.3 million EUR as of December 31, 2018. Such goodwill is allocated to 13 Cash-Generating Units (CGU). An impairment test is carried out every 12 months at the end of the period in all 13 CGUs. During the year, Imerys Management reviews any indicators of impairment for CGUs or non-current individual assets. As soon as facts indicating that a CGU or an individual non-current asset may be impaired, Imerys Management performs an impairment test at an interim date. An impairment test consists in comparing the carrying value of the CGUs tested, including the goodwill which is allocated to them, or an individual non-current asset in the scope of IAS 36 with its recoverable amount, corresponding to the highest amount between its value in use, estimated based on discounted future cash flows and its fair value less cost to sell. We consider impairment of assets to be a key audit matter for the following reasons: • The determination of the parameters used to perform impairment tests requires Imerys Management to make important judgments and estimates, such as expected levels of organic growth, perpetual growth rates and discount rates which are by their very nature dependent on the economic environment; • The amount of goodwill is material in the consolidated financial statements;	The Imerys auditors held meetings with Imerys Management to identify possible indications of impairment loss and have, if necessary, analyzed their compliance with IAS 36 – Impairment of Assets. The Imerys auditors have analyzed the compliance with IAS 36 and the method used by Imerys Management to determine the recoverable amount of the CGUs and the individual non-current assets within the CGUs showing an impairment loss. The Imerys auditors have also, with the assistance of their valuation experts, carried out a critical review of the implementation terms of this methodology and analyzed in particular: • The reasonableness of the cash flow projections relating to each CGU compared to the economic and financial context in which they operate; • The consistency of these cash flow projections with the most recent Management estimates that were presented to the Imerys Board of Directors as part of the budget process; • The consistency of the growth rate adopted for the projected cash flows with market analysis and the consensus of the main players; • The calculation of the discount rates applied to future cash flows.

Groupe Bruxelles Lambert SA/NV | 31 December 2018

Key audit matters	How our audit addressed the key audit matters
• The amount of impairment losses recognized on individual non-current assets in compliance with IAS 36 as of December 31, 2018 is material.	The Imerys auditors have also: • Verified the sensitivity calculations performed by Imerys Management, in particular, for forecast cash flows, discount rates and perpetual growth rates, in order to determine the amount from which an impairment loss should be recognized; • Verified arithmetical calculations.
Valuation of the provisions for mining sites restoration and dismantling (Note 20)	
Imerys is subject to different regulatory requirements relating to the restoration and dismantling, at the end of their operations, of the mining and industrial sites that the Imerys group operates. Provisions have been recognized on the balance sheet for this purpose, for an amount of 242.5 million EUR as of December 31, 2018 (137.3 million EUR for mining sites restoration and 105.2 million EUR for dismantling). The calculation of these provisions requires Imerys Management to make assumptions to estimate the useful life of the mining sites and industrial sites as well as to determine the costs related to these requirements and the implementation timetable with regard to the specificities of each site, the time frame considered and local regulatory requirements. The determination of the discount rates for forecast costs is also an important assumption. Imerys Management relies on in-house experts to determine the main assumptions, by taking into account the expected impacts, where applicable, of regulatory changes. The valuation of provisions for restoration of mining sites and dismantling are therefore considered to be a key audit matter.	The Imerys auditors familiarized themselves with the procedures set up by Imerys Management to determine these provisions and have performed certain specific tests on a sampling of operating entities. As part of their tests: • The Imerys auditors have examined the competence and objectivity of the in-house experts contacted by the Imerys Imerys group; • The Imerys auditors have assessed the pertinence of the method adopted and analyzed the reasonableness of the cost estimates with respect to applicable legal or contractual requirements; • The Imerys auditors have analyzed the method for determining discount rates and reconciled the component parameters with market data. For the other entities, the Imerys auditors have analyzed the changes in provisions to identify any possible inconsistencies with respect to their understanding of the relevant mining site restoration or dismantling programs.

Key audit matters	How our audit addressed the key audit matters
Accounting for the acquisition of Kerneos group	
On July 17, 2017, Imerys acquired 100% of Kerneos. This transaction resulted in the recognition of a goodwill of 463 million EUR after recognition of the acquired assets and liabilities assumed of the target. The purchase price allocation was finalized within 12 months following the takeover date. Recognition of the Kerneos acquisition is considered to be a key audit matter with respect to the materiality of this acquisition and because Imerys Management exercised a certain number of judgments and estimates that lead to the identification and valuation of assets acquired and liabilities assumed.	The procedures performed by the Imerys auditors primarily consisted in: • Familiarizing themselves with the process implemented by Imerus Management to recognize this transaction; • Analyzing the acquisition agreements; • Analyzing the work carried out by Imerys Management as part of the purchase price allocation; • Assessing, with the support of our valuation experts, the pertinence of the main assumptions adopted and conclusions reached by Imerys in terms of allocation of the purchase price to assets and liabilities.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Imerys group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Imerys group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium.

Groupe Bruxelles Lambert SA/NV | 31 December 2018

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Imerys group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Imerys group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Imerys group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Imerys group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Imerys group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements,

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary (revised in 2018) to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 119 of the Companies Code.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

The non-financial information as required by article 119, § 2 of the Companies Code, has been disclosed in a separate report that is part of section "Environmental, social and governance (ESG) responsibility" of the annual report. This statement on non-financial information includes all the information required by article 119, § 2 of the Companies Code and is in accordance with the consolidated financial statements for the financial year then ended. The non-financial information has been established by the company in accordance with the internationally recognised frameworks. In accordance with article 144, § 1, 6° of the Companies Code we do not express any opinion on the question whether this non-financial information has been established in accordance with the internationally recognised frameworks mentioned in the directors' report on the consolidated financial statements.

Statements regarding independence

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the Imerys group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 134 of the Companies Code, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Groupe Bruxelles Lambert SA/NV | 31 December 2018

Other statements

- This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Zaventem, 15 March 2019

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Corine Magnin

Deloitte.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises
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Member of Deloitte Touche Tohmatsu Limited

Condensed statutory balance sheet and income statement

In accordance with Article 105 of the Company Code, the non-consolidated accounts are presented hereafter in a summary version of the annual accounts, which does not include all the attachments required by law, nor the Statutory Auditor's report. The complete version of the annual accounts, to be deposited with the National Bank of Belgium, will be available on request from the company's registered office; they are also available on the website (www.gbl.be). The capital structure (as mentioned in the appendix of these accounts) is detailed on page 188.

The Statutory Auditor's report on the annual accounts was unqualified.

Condensed statutory balance sheet as of December 31 (after appropriation)

Assets

In EUR million	2018	2017
Start-up costs	**3.8**	**2.2**
Fixed assets	**14,128.1**	**12,497.7**
Tangible assets	**1.5**	1.7
Financial assets	**14,126.6**	12,496.0
Current assets	**1,563.9**	**2,420.7**
Amounts receivable after more than one year	**-**	-
Amounts receivable within one year	**1,447.3**	2,401.1
Short-term investments	**31.3**	8.1
Cash at the bank and in hand	**85.0**	11.0
Deferred charges and accrued income	**0.3**	0.5
Total assets	**15,695.8**	**14,920.6**

Liabilities

In EUR million	2018	2017
Capital and reserves	**12,656.9**	**11,520.1**
Capital	**653.1**	653.1
Share premium account	**3,519.6**	3,519.6
Reserves	**318.8**	318.8
Profit carried forward	**8,165.4**	7,028.6
Provisions and deferred taxation	**9.3**	**13.1**
Provisions for liabilities and charges	**9.3**	13.1
Creditors	**3,029.6**	**3,387.4**
Amounts payable after more than one year	**995.4**	498.5
Amounts payable within one year	**2,011.8**	2,880.1
Accrued charges and deferred income	**22.4**	8.8
Total liabilities	**15,695.8**	**14,920.6**

Income statement as of December 31

In EUR million	2018	2017
Sales and services	**4.7**	**3.4**
Turnover	**2.6**	2.3
Other operating income	**2.1**	1.1
Operating charges	**25.6**	**30.3**
Miscellaneous goods and services	**17.7**	14.7
Remuneration, social security and pensions	**14.7**	9.6
Depreciation and amounts written off on start-up costs, intangible and tangible assets	**0.9**	0.7
Amounts written off inventories, contracts in progress and trade debtors	**-**	-
Provisions for liabilities and charges	**(7.8)**	5.2
Other operating expenses	**0.1**	0.1
Loss of operating activities	**(20.9)**	**(26.9)**
Financial income	**3,457.4**	**698.4**
Recurring financial income	**216.1**	194.7
Income from financial assets	***195.7***	*174.6*
Income from current assets	***8.8***	*0.6*
Other financial income	***11.7***	*19.5*
Non-recurring financial income	**3,241.3**	503.7
Financial expenses	**1,804.4**	**33.4**
Recurring financial expenses	**39.1**	33.4
Debt expenses	***16.0***	*28.4*
Amount written off current assets	***8.7***	*(0.5)*
Other financial expenses	***14.4***	*5.5*
Non-recurring financial expenses	**1,765.3**	-
Profit (loss) for the year before income taxes	**1,632.1**	**638.1**
Income taxes on result	**0.0**	**0.0**
Taxes	**0.0**	0.0
Adjustment of taxes and release of tax provisions	**-**	-
Profit for the year	**1,632.1**	**638.1**

Dividend policy

The profit appropriation policy proposed by the Board of Directors aims at maintaining a balance between an attractive dividend yield for shareholders and growth in GBL's share price. The dividend payout level is supported by the cash earnings.

Appropriation of profit

Taking into account the profit carried forward of EUR 7,028,648,311.35 and the profit for the year of EUR 1,632,111,272.83, the amount available for appropriation is EUR 8,660,759,584.18. The Board of Directors will propose the following appropriation to the General Meeting on April 23, 2019:

In EUR	
Dividend on 161,358,287 shares	495,369,941.09
To be carried forward	8,165,389,643.09

Appropriation of profit by Groupe Bruxelles Lambert (non-consolidated accounts)

In EUR million	2018	2017
Profit available for appropriation	**8,660.8**	**7,512.7**
Profit for the year available for appropriation	**1,632.1**	638.1
Profit carried forward from the previous year	**7,028.6**	6,874.6
Profit to be carried forward	**8,165.4**	**7,028.6**
Profit to be carried forward	**8,165.4**	7,028.6
Profit to be distributed	**495.4**	**484.1**
Dividends	**495.4**	484.1

Dividend per share

In EUR		2018		2017
	Gross	**Net** (1)	**Gross**	**Net** (1)
Share	**3.07**	**2.149**	**3.00**	**2.100**

(1) Dividend excluding a 30% withholding tax

Consolidated figures IFRS over 10 years

In EUR million	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Balance sheet										
Non-current assets	**20,529.3**	21,098.5	17,945.3	17,124.1	15,707.4	15,730.9	14,488.0	15,778.2	14,723.1	14,694.7
Current assets	**3,360.9**	2,960.1	3,927.5	3,281.5	3,977.4	3,226.8	2,933.8	2,361.2	818.7	632.2
Total assets	**23,890.2**	**24,058.6**	**21,872.8**	**20,405.6**	**19,684.8**	**18,957.7**	**17,421.8**	**18,139.4**	**15,541.8**	**15,326.9**
Shareholders' equity – Group's share	**15,918.7**	16,505.0	14,867.0	13,245.6	13,172.7	12,665.2	12,391.1	12,658.3	14,740.6	14,828.8
Non-controlling interests	**1,710.9**	1,431.4	1,507.2	1,297.9	1,111.5	1,025.6	1,000.6	972.3	9.5	-
Non-current liabilities	**4,832.6**	3,773.9	3,226.5	4,379.6	4,236.9	4,266.9	2,996.7	3,076.6	685.0	428.4
Current liabilities	**1,428.0**	2,348.3	2,272.1	1,482.5	1,163.7	1,000.0	1,033.4	1,432.2	106.7	69.7
Total liabilities and shareholders' equity	**23,890.2**	**24,058.6**	**21,872.8**	**20,405.6**	**19,684.8**	**18,957.7**	**17,421.8**	**18,139.4**	**15,541.8**	**15,326.9**
Income statement										
Share of profit (loss) of associates	**25.6**	23.9	24.2	(82.8)	72.5	135.8	69.5	135.9	262.2	161.1
Net dividends from investments	**350.4**	340.7	338.4	323.5	316.5	368.0	436.4	500.3	450.7	550.3
Other operating income (expenses) from investing activities	**(39.1)**	(59.4)	(48.2)	(52.4)	(37.2)	(37.7)	(27.9)	(34.4)	(27.9)	(24.3)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	**4.2**	245.7	(968.0)	749.8	495.8	192.2	(323.9)	(604.8)	(18.8)	391.3
Financial income (expenses) from investing activities	**11.8**	(17.4)	37.5	52.4	(123.6)	(169.5)	(46.6)	(43.8)	(24.4)	(21.8)
Profit (loss) before tax from investing activities - continued operations	**352.9**	**533.5**	**(616.1)**	**990.5**	**724.0**	**488.8**	**107.5**	**(46.8)**	**641.8**	**1,056.6**
Turnover	**5,201.3**	4,626.3	4,531.7	4,392.4	3,918.8	3,904.5	4,077.8	2,951.0	-	-
Raw materials and consumables	**(1,715.7)**	(1,434.0)	(1,434.2)	(1,416.1)	(1,283.6)	(1,355.7)	(1,463.2)	(1,039.3)	-	-
Employee expenses	**(1,201.5)**	(1,064.7)	(982.2)	(948.9)	(806.2)	(807.1)	(839.3)	(573.6)	-	-
Depreciation/amortisation of property, plant, equipment and intangible assets	**(313.3)**	(280.6)	(261.8)	(256.0)	(233.2)	(229.6)	(236.4)	(167.7)	-	-
Other operating income (expenses) from operating activities	**(1,802.0)**	(1,331.6)	(1,299.5)	(1,302.5)	(1,166.3)	(1,111.3)	(1,073.9)	(818.7)	(4.3)	-
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	**(215.2)**	(6.6)	(25.2)	(268.9)	11.9	-	-	-	-	-
Financial income (expenses) from operating activities	**(95.7)**	(97.1)	(73.9)	(69.2)	(51.0)	(60.0)	(78.0)	(54.7)	-	-
Profit (loss) before tax from consolidated operating activities - continued operations	**(142.1)**	**411.7**	**454.9**	**130.8**	**390.4**	**340.8**	**387.0**	**302.0**	**(4.3)**	**-**
Income taxes	**(94.7)**	(121.4)	(149.7)	(65.4)	(121.3)	(104.9)	(119.0)	(88.5)	0.9	1.1
Profit (loss) from continued activities	**116.1**	**823.8**	**(310.9)**	**1,055.9**	**993.1**	**724.7**	**375.5**	**166.7**	**638.4**	**1,057.7**
Profit (loss) from consolidated operating activities - discontinued operations	**788.0**	**67.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-controlling interests	**(245.2)**	(185.7)	(146.8)	(29.5)	(117.8)	(104.1)	(119.9)	(90.6)	2.4	-
Consolidated profit (loss) for the year – Group's share	**658.9**	**705.4**	**(457.7)**	**1,026.4**	**875.3**	**620.6**	**255.6**	**71.1**	**640.8**	**1,057.7**
Gross dividend (in EUR)	**3.07**	3.00	2.93	2.86	2.79	2.72	2.65	2.60	2.54	2.42
Coupon number for dividend	**21**	20	19	18	17	16	15	14	13	12
Adjusted net assets per share (in EUR)	**100.35**	117.06	105.31	94.13	94.58	92.45	82.10	71.65	88.77	94.40
Share price (in EUR)	**76.08**	89.99	79.72	78.83	70.75	66.73	60.14	51.51	62.93	66.05
Number of shares in issue	**161,358,287**	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287	161,358,287
Number of treasury shares	**2,642,982**	5,660,482	5,924,416	6,079,926	6,147,123	6,308,090	6,134,514	6,099,444	6,099,444	6,054,739

Corporate Governance

Corporate Governance Statement

Groupe Bruxelles Lambert ("GBL" or the "Company") ensures to respect all corporate governance regulations. It notably complies with the provisions of the 2009 Belgian Corporate Governance Code (the "2009 Code"), which is its reference code, in accordance with the Royal Decree of June 6, 2010, and which may be consulted at www.corporategovernancecommittee.be.

The rules of conduct for the members of GBL's Board of Directors and of its specialised Committees, as well as the rules governing the functioning of these bodies, are laid out in the Corporate Governance Charter (the "Charter"). This document also includes the Dealing Code, which defines the rules applicable to transactions in GBL shares. The Charter was published for the first time at the end of 2005. Since then, the Board of Directors has ensured that this document remains in line with the 2009 Code and the various legal developments in the field of corporate governance. The document thus amended is available on the Company's website (www.gbl.be).

This Corporate Governance Statement describes the composition and functioning of GBL's administrative bodies and of their committees. It comments on the practical application of GBL's governance rules during the financial year ended on December 31, 2018 and the period between this financial year and the Board of Directors' meeting on March 14, 2019. It also lists the Company's deviations from certain provisions of the 2009 Code and explains the reasons behind them. It includes a remuneration report and describes the principal characteristics of the Company's internal control and risk management systems. Finally, pursuant to the Law of September 3, 2017 on the disclosure of non-financial information and diversity information by certain companies and groups, this chapter includes a description of the diversity policy of the Board of Directors and the Executive Management.

1. Board of Directors

1.1. Composition at December 31, 2018

	Current term of office	Participation in Board Committees and/or in the Executive Management
Chairman of the Board of Directors		
Baron Frère (Gérald)	2015-2019	Member of the Standing Committee
Vice-Chairmen, Directors		
Paul Desmarais, Jr.	2015-2019	Member of the Standing Committee
Thierry de Rudder	2016-2020	Chairman of the Standing Committee
CEOs		
Ian Gallienne	2016-2020	Member of the Standing Committee Member of the Executive Management
Gérard Lamarche	2015-2019	Member of the Standing Committee Member of the Executive Management
Directors		
Victor Delloye	2017-2021	Member of the Standing Committee
Paul Desmarais III	2018-2022	Member of the Standing Committee
Baron Cedric Frère	2015-2019	Member of the Standing Committee
Ségolène Gallienne	2015-2019	Member of the Standing Committee
Jocelyn Lefebvre	2017-2021	Member of the Standing Committee
Gilles Samyn	2015-2019	Member of the Standing Committee, the Audit Committee and the Nomination and Remuneration Committee
Amaury de Seze	2017-2021	Member of the Standing Committee and Chairman of the Nomination and Remuneration Committee
Arnaud Vial	2017-2021	Member of the Standing Committee and the Audit Committee
Independent Directors		
Countess Antoinette d'Aspremont Lynden	2015-2019	Chairwoman of the Audit Committee
Laurence Danon Arnaud	2017-2021	Member of the Nomination and Remuneration Committee
Marie Polet	2015-2019	Member of the Audit Committee and the Nomination and Remuneration Committee
Agnès Touraine	2018-2021 (1)	Member of the Nomination and Remuneration Committee
Martine Verluyten	2017-2021	Member of the Audit Committee
Honorary Chairman Baron Frère (Albert) †		
Honorary Managing Directors Jacques Moulaert and Emile Quevrin		
Honorary Directors Count Baudouin du Chastel de la Howarderie, Jacques-Henri Gougenheim, Count Jean-Jacques de Launoit and Aldo Vastapane		

(1) Since October 31, 2018, date of her cooptation by the Board of Directors to replace Christine Morin-Postel, who died on July 21, 2018

1.1.1. Composition of the Board of Directors

The composition of GBL's Board of Directors reflects the Company's controlling shareholder structure. Specifically, GBL is controlled by Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., a Swiss law company, is itself controlled by Parjointco N.V., a Dutch law company and equally controlled by the Frère and Power Corporation of Canada groups, under an agreement concluded by the two groups in 1990.

This agreement aims to establish and maintain equal control between the Power Corporation of Canada group and the Frère group in Pargesa Holding S.A., GBL and their respective designated subsidiaries. It was extended on December 18, 2012 and will expire in 2029 if not renewed.

As of December 31, 2018, out of a total of eighteen members GBL's Board included ten representatives put forward by the controlling shareholder, Pargesa Holding S.A.

The shareholding structure explains the composition of the Board of Directors, which departs from the 2009 Code that recommends a Board composition such that no individual or group of Directors should dominate the decision-making.

This control situation also justifies the presence, on December 31, 2018, of representatives proposed by the controlling shareholder, Pargesa Holding S.A., on the Standing Committee (ten members out of thirteen), the Audit Committee (two members out of five) and the Nomination and Remuneration Committee (two members out of five).

It is in this context that GBL has developed a diversity policy for its Board of Directors in accordance with the Law of September 3, 2017 on the disclosure of non-financial information and diversity information by certain companies and groups (for more details, see ESG section on pages 54 to 67 of this annual report). The Company also ensures the presence and contribution of a sufficient number and level of independent Directors, thereby ensuring that the interests of all the Company's shareholders are respected. It has also gradually increased the number of women on its Board and its Committees, as required by the law of July 28, 2011 aimed at guaranteeing the presence of women on the Board of Directors of listed companies. GBL's Board of Directors has five independent Directors and has six female Directors out of a total of eighteen members.

1.1.2. Changes in governance

On December 10, 2018, the Company announced governance changes that will take effect at the end of the General Shareholders' Meeting of April 23, 2019:

- Paul Desmarais, Jr. will become Chairman of the Board of Directors and will thus succeed Gérald Frère, who will be appointed Vice-Chairman of the Board and Chairman of the Standing Committee, to replace Thierry de Rudder.
- Amaury de Seze will remain Chairman of the Nomination and Remuneration Committee and will become Vice-Chairman of the Standing Committee.

In addition, Arnaud Vial informed the Chairman of the Company's Board of Directors that he wishes to step down from his role as a Director at the end of the Ordinary General Shareholders' Meeting for health reasons.

1.1.3. Appointments proposed to the 2019 Ordinary General Shareholders' Meeting

The term of office of Antoinette d'Aspremont Lynden, Paul Desmarais, Jr., Gérald Frère, Cedric Frère, Ségolène Gallienne, Gérard Lamarche, Marie Polet and Gilles Samyn will end after the Ordinary General Shareholder's Meeting of April 23, 2019. Since Gilles Samyn is not seeking the renewal of his term of office, the Ordinary General Shareholders' Meeting will be asked to renew the term of office of the other Directors for a four-year term, *i.e.,* until the end of the 2023 General Shareholders' Meeting called to approve the accounts for the 2022 financial year.

The General Shareholders' Meeting will also be asked to ratify the cooptation of Agnès Touraine as a Director as decided by the Board of Directors on October 31, 2018, for a term of office running until the 2021 General Shareholders' Meeting, a period corresponding to the remaining term of office of Christine Morin-Postel, who died on July 21, 2018.

The General Shareholders' Meeting will also be requested to appoint Xavier Le Clef and Claude Généreux as Directors. The term of office of Xavier Le Clef would last four years, until the end of the 2023 General Shareholders' Meeting called to approve the accounts for the 2022 financial year. Claude Généreux's term of office would expire at the 2021 General Shareholders' Meeting, i.e. the remaining term of the position left vacant by Arnaud Vial.

Xavier Le Clef

Born on August 4, 1976, in Wilrijk, Belgium, Belgian nationality
Xavier Le Clef has a Bachelor's degree in Business Economics from the Solvay Brussels School of Economics & Management (ULB) and holds an MBA from the Vlerick Business School.

He began his career at the consulting firm Arthur D. Little and, in 2006, joined Compagnie Nationale à Portefeuille (CNP), where he was responsible for monitoring various industrial matters. He became its CEO in 2015. In the same year, he was appointed as a Director of Frère-Bourgeois, of which he has been the Co-CEO since 2018. He is the Chairman, Director and/or committee member of several companies in the CNP group's portfolio (Caffitaly, International Duty Free, APG, AOT Energy (AOT Holding)).

Claude Généreux

Born on April 10, 1962 in Montreal, Canada, Canadian nationality
Claude Généreux has a Bachelor's degree in Engineering from McGill University and in Political Economy from Oxford University (Rhodes Scholar). Since 2015 he has been Vice-Chairman of Power Corporation of Canada and Power Financial. He sits on the Board of Directors of Great-West Lifeco, IGM Financial and of a number of subsidiaries. He is also a Senior Partner Emeritus of McKinsey & Company, a global leader in management consulting. During his 28-year career at McKinsey, he served major companies operating in the financial services, energy and resources sectors, and took up various global leadership roles (energy sector, global recruitment, evaluation and partner elections). Claude Généreux helped launch the McKinsey office in Montreal in 1991 and also worked at its offices in Paris, Toronto and Stockholm. He sits on the Boards of McGill University (Vice-Chairman of the Board of Governors), the Jeanne Sauvé and Michaëlle Jean Foundations, as well as on the Board of the Canadian Rhodes Scholars Foundation.

Finally, the General Shareholders' Meeting will be asked to recognise the independent status of Antoinette d'Aspremont Lynden, Marie Polet and Agnès Touraine. In accordance with the Charter, to qualify for independent status, a Director must meet the criteria listed in Article 526ter of the Companies Code. The Board of Directors believes that Antoinette d'Aspremont Lynden, Marie Polet and Agnès Touraine meet the independence criteria set by the Companies Code. The latter also confirmed their independence in writing on January 17, 2019, February 13, 2019 and October 25, 2018 respectively.

1.2. Information on the Directors [1]

1.2.1. Main activity and other offices held by the members of the Board of Directors

The full list of offices held by the members of the Board of Directors during the last five years can be found on page 190 of this report. The list of offices held in listed companies during the 2018 financial year is given in point 1.2.4.

Gérald Frère

Chairman of the Board of Directors

Born on May 17, 1951, in Charleroi, Belgium, Belgian nationality.

After being educated in Switzerland, Gérald Frère joined the family company, Frère-Bourgeois group (Belgium), where he took up the duties of CEO. He was also Chairman of the Board of Directors of Loverval Finance S.A. until December 28, 2017. He was also a Regent of the National Bank of Belgium until May 2018.

He was appointed to the Board of Directors of Groupe Bruxelles Lambert in 1982. In 1993 he was named CEO and Chairman of the Standing Committee, duties he held until he retired at the end of 2011. He has been Chairman of the Board of Directors since January 1, 2012.

Number of GBL shares held at December 31, 2018: 301,292

Contact address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Paul Desmarais, Jr.

Vice-Chairman of the Board of Directors

Born on July 3, 1954 in Sudbury, Ontario, Canada, Canadian nationality.

Paul Desmarais, Jr. obtained a Bachelor's degree in Business from McGill University in Montreal and an MBA from INSEAD in Fontainebleau.

He joined Power Corporation of Canada in 1981 and took up the position of Vice-President the following year. In 1984, he guided the creation of Power Financial Corporation to consolidate Power's major financial holdings, as well as those of Pargesa Holding S.A., under a single corporate entity. Paul Desmarais, Jr. served as Vice-President of Power Financial Corporation from 1984 to 1986, as President and Chief Operating Officer from 1986 to 1989, as Executive Vice-Chairman of the Board from 1989 to 1990, as Executive Chairman of the Board from 1990 to 2005, as Chairman of the Executive Committee from 2006 to 2008, and has been Executive Co-Chairman of the Board since 2008. He also served as Vice-Chairman of Power Corporation from 1991 to 1996. He was named Chairman of the Board and Co-CEO of Power Corporation in 1996.

He has been a Director of Groupe Bruxelles Lambert since 1990.

Number of GBL shares held at December 31, 2018: 0

Contact address
Power Corporation of Canada
751, Victoria Square
Montreal, Quebec H2Y 2J3 (Canada)

Thierry de Rudder

Vice-Chairman of the Board of Directors

Born on September 3, 1949, in Paris, France, Belgian and French nationality.

Thierry de Rudder obtained a degree in Mathematics from the University of Geneva and the Université Libre de Bruxelles. He holds an MBA from the Wharton School in Philadelphia.

He began his career in the United States and joined Citibank in 1975, where he held various positions in New York and then in Europe.

He is currently Vice-Chairman of the Board of Directors and Chairman of the Standing Committee of Groupe Bruxelles Lambert, which he joined in 1986 and where he held the position of CEO until December 2011.

Number of GBL shares held at December 31, 2018: 85,000

Contact address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

(1) As communicated individually to the Company by each member of the Board of Directors

Ian Gallienne
Co-CEO

Born on January 23, 1971, in Boulogne-Billancourt, France, French nationality.

Ian Gallienne holds an MBA from INSEAD in Fontainebleau.

He began his career in Spain, in 1992, as co-founder of a commercial company. From 1995 to 1997 he was a director at a consulting firm specialised in turning around struggling businesses in France. From 1998 to 2005 he was Manager at the private equity funds Rhone Capital LLC in New York and London. In 2005 he created the private equity fund Ergon Capital in Brussels and was its CEO until 2012.

In 2012 he became Co-CEO of Groupe Bruxelles Lambert, which he had been a Director of since 2009.

Number of GBL shares held at December 31, 2018: 20,000

Contact address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Gérard Lamarche
Co-CEO

Born on July 15, 1961, in Huy, Belgium, Belgian nationality.

Gérard Lamarche graduated in Economics from the University of Louvain-La-Neuve and the INSEAD Management Institute (Advanced Management Program for Suez Group Executives). He also trained at the Wharton International Forum in 1998-1999 (Global Leadership Series).

He began his career at Deloitte Haskins & Sells in Belgium in 1983 and in the Netherlands in 1987. In 1988 Gérard Lamarche joined Société Générale de Belgique as Investment Manager and was Controller from 1989 to 1991, before becoming an advisor on strategic operations from 1992 to 1995.

He joined Compagnie Financière de Suez as Advisor to the Chairman and Secretary to the Executive Committee (1995-1997) before being appointed Deputy Director in charge of Planning, Control and Accounting.

In 2000 Gérard Lamarche pursued his career in the industrial sector by joining NALCO (a US subsidiary of the Suez group, world leader in industrial waste water treatment) as CEO. In January 2003 he was appointed CFO of the Suez group.

He has been a Director of Groupe Bruxelles Lambert since 2011 and Co-CEO since January 1, 2012

Number of GBL shares held at December 31, 2018: 6,300

Contact address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Antoinette d'Aspremont Lynden
Director

Born on October 24, 1949, in London, United Kingdom, Belgian nationality.

Antoinette d'Aspremont Lynden holds a Master of Science degree from the School of Engineering of Stanford University in California and a PhD in Applied Economics from the Catholic University of Louvain (UCL). She began her career in the area of quantitative methods consulting in Palo Alto, California. Between 1973 and 1990 she held several positions at Banque Bruxelles Lambert in Brussels. She was then a Management professor for twenty years at Charles-de-Gaulle University (Lille 3). Moreover, she is a visiting professor of Accounting and Financial Analysis at the Political Science Institute (Sciences Po) in Lille. She is also active in the non-profit sector as President of the Royal Philanthropic Society in Brussels, Treasurer of St Michael and St Gudula's Cathedral in Brussels, Member of the French-speaking jury for the Queen Paola Prize for education (President from 2002 to 2012), a Member of the Organising Authority of the Maredsous Private School (Belgium) and Director of the Royal Trust (Belgium).

She has been a Director of Groupe Bruxelles Lambert since 2011.

Number of GBL shares held at December 31, 2018: 0

Contact address
23, avenue du Général de Gaulle
1050 Brussels (Belgium)

Laurence Danon Arnaud

Director

Born on January 6, 1956, in Bordeaux (Gironde), France, French nationality.

Laurence Danon Arnaud is a former student of the Ecole Normale Supérieure Paris (1977), qualified in physical sciences (1980) and an Engineer of the Corps des Mines (1981-1984).

After five years at the Ministry of Industry and at the Hydrocarbons Directorate, Laurence Danon Arnaud joined ELF group in 1989. She held various positions in the Chemistry branch of TOTAL FINA ELF group, including in particular, between 1996 and 2001, that of CEO of BOSTIK, the global number two in adhesives.

In 2001 she was appointed CEO of Printemps and member of the Executive Board of PPR (KERING). After the repositioning of Printemps and the successful sale in 2007, she joined the world of finance, from 2007 to 2013 as Chairwoman of the Management Board of Edmond de Rothschild Corporate Finance and from 2013 as Chairwoman of the merchant bank Leonardo & Co. Following the sale of the latter to NATIXIS in 2015, she devoted herself to her family office, PRIMEROSE SAS.

Laurence Danon Arnaud has been a Director of Gecina since 2017, as well as a Director of Amundi since 2015 and of TF1 since 2010. She has been a member of other Boards of Directors: Diageo (2006-2015), Plastic Omnium (2003-2010), Experian Plc. (2007-2010), Rhodia (2008-2011) and of the Supervisory Board of BPCE (2009-2013).

Since 2015 Laurence Danon Arnaud has also been a Member of the Académie Française des Technologies.

She has been a Director of Groupe Bruxelles Lambert since 2017.

Number of GBL shares held at December 31, 2018: 100

Contact address
30, boulevard Victor Hugo
92200 Neuilly-sur-Seine (France)

Victor Delloye

Director

Born on September 27, 1953, Belgian nationality.

Victor Delloye has a Bachelor's degree in law from the Catholic University of Louvain (UCL) and a Master's degree in Taxation from the ICHEC Brussels Management School. Since the start of the 1989-1990 academic year, he has been a lecturer at the Solvay Brussels School of Economics & Management (ULB) in the Executive Master's programme in Tax Planning.

He joined the Frère-Bourgeois group in 1987 and is Director and General Secretary of Frère-Bourgeois and its subsidiary, Compagnie Nationale à Portefeuille (CNP). He is also Vice-Chairman of the Association Belge des Sociétés Cotées ASBL.

He has been a Director of Groupe Bruxelles Lambert since 1999.

Number of GBL shares held at December 31, 2018: 0

Contact address
Frère-Bourgeois
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Paul Desmarais III

Director

Born on June 8, 1982, in Montreal, Quebec, Canada, Canadian nationality.

Paul Desmarais III obtained a Bachelor's degree in Economics from Harvard University and holds an MBA from INSEAD in Fontainebleau.

He began his career in 2004 at Goldman Sachs in the United States. In 2010 he went to work for Imerys in France as a project manager and, in 2012 joined Great-West Lifeco (Canada) as Assistant Vice-President of Risk Management. In May 2014, he was appointed Vice-Chairman of Power Corporation of Canada and Power Financial Corporation.

He has been a Director of Groupe Bruxelles Lambert since 2014.

Number of GBL shares held at December 31, 2018: 0

Contact address
Power Corporation of Canada
751, Victoria Square
Montreal, Quebec H2Y 2J3 (Canada)

Cedric Frère

Director

Born on April 13, 1984, in Charleroi, Belgium, Belgian and French nationality.

Cedric Frère joined Compagnie Nationale à Portefeuille in Belgium (Frère-Bourgeois group), of which he is a Director, in 2010. He began his career in 2007 in the banking sector, where he held several positions, notably in Paris, London and Brussels. He holds a Bachelor of Arts in Business and Economics from Vesalius College in Brussels, Vrije Universiteit Brussel (VUB).

He is a CEO of Frère-Bourgeois S.A. and Financière de la Sambre S.A., as well as Director of various companies including Compagnie Nationale à Portefeuille S.A., Société Civile du Château Cheval Blanc, Pargesa Holding S.A. and Caffitaly S.p.A. He is the Chairman of the Board of Directors of Cheval Blanc Finance SAS. He is also a Regent at the National Bank of Belgium since May 2018.

He has been a Director of Groupe Bruxelles Lambert since 2015.

Number of GBL shares held at December 31, 2018: 0

Contact address
Frère-Bourgeois
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Ségolène Gallienne

Director

Born on June 7, 1977, in Uccle, Belgium, Belgian nationality.

Ségolène Gallienne holds a Bachelor of Arts in Business and Economics from Vesalius College in Brussels, Vrije Universiteit Brussel (VUB). Previous positions include Head of Public Relations at Belgacom (which became Proximus) and Head of Communication at Dior Fine Jewellery. She is currently a Director of various French and international companies (including Christian Dior S.E., Société Civile du Château Cheval Blanc, Frère-Bourgeois and Pargesa Holding S.A.) and Chairwoman of the Board of Directors of Diane S.A., a company specialised in the trading of works of art.

She has been a Director of Groupe Bruxelles Lambert since 2015.

Number of GBL shares held at December 31, 2018: 0

Contact address
Frère-Bourgeois
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Jocelyn Lefebvre

Director

Born on December 22, 1957, in Quebec, Canada, Canadian and French nationality.

Jocelyn Lefebvre holds a degree from the Ecole des Hautes Etudes Commerciales de Montréal and is also a member of the Quebec Order of Chartered Accountants.

He began his career in 1980 at Arthur Andersen, first in Montreal and then in Brussels. In 1986 he joined the Canadian industrial group M.I.L. Inc., where he was successively Deputy to the CEO, Vice-President of Administration and of Special Projects, and then of Corporate Affairs while holding the position of Chairman of Vickers Inc., one of its main subsidiaries, until 1991. In 1992 Jocelyn Lefebvre joined the Power Corporation of Canada group, where he has held various positions in Europe. In this context, he sat on the Boards of Directors of group companies (Imerys, Parfinance, RTL, Suez-Tractebel, Kartesia, AFE, Orior Food). Today he is Chairman of Sagard Private Equity and is also CEO of Parjointco N.V. and of Power Financial Europe B.V.

He has been a Director of Groupe Bruxelles Lambert since 2017.

Number of GBL shares held at December 31, 2018: 0

Contact address
Power Corporation of Canada
751, Victoria Square
Montreal, Quebec H2Y 2J3 (Canada)

Marie Polet
Director

Born on December 5, 1954 in Eupen, Belgium, Belgian nationality.

After obtaining a Bachelor's degree in Economics, Marie Polet joined British American Tobacco plc (BAT), the world's second-largest tobacco company.

She worked in marketing before being promoted to Corporate Management positions. She was a CEO of British American Tobacco Belgium until July 2008. She also spent a lot of time abroad for the BAT group, in the US, Germany and the Netherlands, before being appointed Head of Marketing for Europe in London. After she successfully oversaw the merger between BAT and STC (cigars) in Belgium, the multinational tasked her with managing the takeover of the Scandinavian tobacco market leader. She was as such made General Manager Denmark, working in Copenhagen until January 2010. She was then promoted to Group Head of Strategy & Planning at the group's head office in London. From October 1, 2011 to January 16, 2015 she served as Chairwoman & CEO of Imperial Tobacco Canada, which has its head office in Montreal. Until January 2019 she was Group Director Strategy, Planning and Insights in London.

She has been a Director of Groupe Bruxelles Lambert since 2015.

Number of GBL shares held at December 31, 2018: 0

Contact address
24, avenue Marnix
1000 Brussels (Belgium)

Gilles Samyn
Director

Born on January 2, 1950, in Cannes, France, Belgian and French nationality.

Gilles Samyn holds a Commercial Engineering degree from the Solvay Business School (ULB), where he has held research and teaching positions since 1970.

He began his career at Mouvement Coopératif Belge in 1972, then moved to Groupe Bruxelles Lambert at the end of 1974. After spending a year in self-employment he started working for the Frère-Bourgeois group in 1983 and is now one of its Directors, as well as Chairman of the Board of Directors of CNP.

He has been a Director of Groupe Bruxelles Lambert since 1987.

Number of GBL shares held at December 31, 2018: 0

Contact address
Compagnie Nationale à Portefeuille S.A.
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Amaury de Seze
Director

Born on May 7, 1946, French nationality.

Amaury de Seze holds a degree from the Centre de Perfectionnement dans l'Administration des Affaires and from the Stanford Graduate School of Business.

His career began at Bull General Electric. From 1978 to 1993 he worked for Volvo group as Chairman of Volvo Europe and Member of the group's Executive Committee. In 1993 he joined Paribas group as a Member of the Executive Board in charge of industrial affairs. He is currently Vice-Chairman of Power Financial Corporation and is a former Chairman of PAI Partners.

He has been a Director of Groupe Bruxelles Lambert since 1994.

Number of GBL shares held at December 31, 2018: 0

Contact address
24, avenue Marnix
1000 Brussels (Belgium)

Agnès Touraine
Director

Born on February 18, 1955, in Neuilly-sur-Seine, France, French nationality.

Agnès Touraine has a law degree from the Political Science Institute (Sciences Po) in Paris and holds an MBA from Columbia University.

She is the Chairwoman of the Institut Français des Administrateurs (French Institute of Directors, IFA) and founding President of Act III Consultants, a consulting firm dedicated to digital transformation. She was previously CEO of Vivendi Universal Publishing, after spending ten years with the group Lagardère and five years at McKinsey. She sits on the Board of Directors of Proximus (formerly Belgacom) and Rexel, as well as on the Supervisory Board of Tarkett. She was previously a Director of Cable&Wireless plc., Neopost and Darty plc. She also sits on the Board of Directors of various non-profit organisations such as IDATE (Institute audiovisual media and telecommunications in Europe) and the French American Foundation.

She has been a Director of Groupe Bruxelles Lambert since 2018.

Number of GBL shares held at 31 December 2018: 0

Contact address
5, rue Budé
75004 Paris (France)

Martine Verluyten
Director

Born on April 14, 1951, in Leuven, Belgium, Belgian nationality.

Martine Verluyten has a degree in applied economics from the Catholic University of Leuven. She started her career at the audit firm Peat, Marwick, Mitchell, which later became KPMG. After being promoted to senior auditor she joined the Californian company Raychem, which specialises in heat-shrinkable polymeric products, where she held a number of financial positions in Belgium and the United States.

In 2000 she joined Mobistar, Belgium's second-largest mobile network operator, and quickly became CFO. She ended her career as CFO at Umicore (2006-2011).

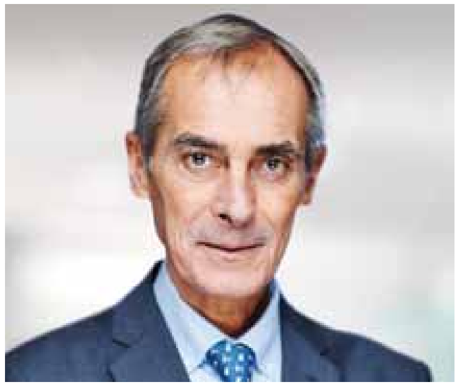
Martine Verluyten is currently a non-executive Director on the Boards of STMicroelectronics N.V. and Thomas Cook Group plc. She chairs the Audit Committees of STMicroelectronics N.V. and Thomas Cook Group plc, where she also sits on the Nomination Committee.

She has been a Director of Groupe Bruxelles Lambert since 2013.

Number of GBL shares held at December 31, 2018: 3,430

Contact address
24/33, avenue Van Becelaere
1170 Brussels (Belgium)

Arnaud Vial
Director



Born on January 3, 1953, in Paris, France, French and Canadian nationality.

After graduating from the Ecole Supérieure d'Electricité, Arnaud Vial began his career in 1977 with Banque Paribas (Paris). He joined Pargesa Holding S.A. in 1988. Until June 1, 2018 he was First Vice-Chairman of Power Corporation of Canada and Power Financial Corporation.

He has been a Director of Pargesa Holding S.A. since 2010 and a Director of Groupe Bruxelles Lambert since 2004.

Number of GBL shares held at December 31, 2018: 0

Contact address
Power Corporation of Canada
751, Victoria Square
Montreal, Quebec H2Y 2J3 (Canada)

1.2.2. Designation and appointment of Directors

Directors are designated and appointed on the basis of procedures and selection criteria that are described in the Charter in Chapter III, point A. 2. and comply with the 2009 Code, as well as in the Company's Diversity & Inclusion Policy (see page 56 of this annual report).
Gérald Frère, in his capacity as non-executive Director and Chairman of the Board of Directors, is responsible for the Director selection process.

1.2.3. Professional development

New Directors receive appropriate information enabling them to contribute rapidly to the work of the Board of Directors. If the Director sits on a Board Committee as well, the information transmitted also includes a description of the Committee's duties, and all other information related to its tasks. New Directors are also given the opportunity to discuss any questions about the execution of their mandate with the Company's Executive Management. As the selection of new Directors is primarily based on the level of professional experience and competence with respect to the activities of a holding company, no other formal training is currently provided.

Throughout their term of office, Directors update their skills and develop their knowledge of the Company in order to carry out their responsibilities in the Board of Directors and in the Committees.

1.2.4. Offices held by Directors in listed companies

The following table shows the offices held in listed companies by each of the Directors as of December 31, 2018, both in Belgium and abroad.

Two figures are indicated for the number of offices: the first figure represents the total number of offices held; the second smaller or equal figure is obtained by consolidating all the offices held within the same group as its representative within the various companies in which it owns a shareholding.

The specific nature of a holding company is to own shares whose performance must be monitored by the company's managers. In this context, Directors may legitimately hold more than five offices as their main professional activity, which explains why the Charter deviates from the provisions of the 2009 Code in this respect.

	Number of offices	Name of the listed company
Gérald Frère	3/2	Power Financial Corporation (CDN) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Paul Desmarais, Jr.	8/1	Power Corporation of Canada (CDN) Power Financial Corporation (CDN) Great-West Lifeco Inc. (CDN) IGM Financial Inc. (CDN) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) LafargeHolcim (CH) SGS S.A. (CH)
Thierry de Rudder	1/1	Groupe Bruxelles Lambert (B)
Ian Gallienne	5/1	Groupe Bruxelles Lambert (B) adidas AG (D) Imerys (F) Pernod Ricard (F) SGS S.A. (CH)
Gérard Lamarche	5/1	Groupe Bruxelles Lambert (B) LafargeHolcim (CH) SGS S.A. (CH) Total S.A. (F) Umicore (B)
Antoinette d'Aspremont Lynden	2/2	BNP Paribas Fortis (B) Groupe Bruxelles Lambert (B)
Laurence Danon Arnaud	4/4	Amundi (F) Gecina (F) Groupe Bruxelles Lambert (B) TF1 (F)
Victor Delloye	2/1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Paul Desmarais III	3/1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) Imerys (F)
Cedric Frère	3/2	National Bank of Belgium (B) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Ségolène Gallienne	3/2	Christian Dior S.E. (F) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Jocelyn Lefebvre	2/1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Marie Polet	1/1	Groupe Bruxelles Lambert (B)
Gilles Samyn	4/1	Métropole Télévision (M6) (F) (1) Pargesa Holding S.A. (CH) (1) Groupe Bruxelles Lambert (B) Pernod Ricard (F)
Amaury de Seze	2/1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Agnès Touraine	4/4	Groupe Bruxelles Lambert (B) Proximus (B) Rexel (B) Tarkett S.A. (F)
Martine Verluyten	3/3	Groupe Bruxelles Lambert (B) STMicroelectronics N.V. (NL) Thomas Cook Group plc. (UK)
Arnaud Vial	2/1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)

(1) Offices exercised within Frère-Bourgeois group

1.2.5. Family ties between members of the Board of Directors

- Gérald Frère is the brother-in-law of Thierry de Rudder and Ian Gallienne.
- Gérald Frère is the father of Cedric Frère and the brother of Ségolène Gallienne.
- Ian Gallienne is married to Ségolène Gallienne.
- Thierry de Rudder is the uncle of Cedric Frère.
- Paul Desmarais, Jr. is the father of Paul Desmarais III.

1.2.6. Management expertise and experience of members of the Board of Directors

Among the criteria laid down for the selection of Directors is their expertise and experience in management and finance as provided for in GBL's Diversity & Inclusion Policy.

The activity exercised and offices held by each of the Directors reflect their individual expertise and experience.

1.2.7. No conviction for fraud and incrimination and/or public sanction

For the last five years, there has been no conviction for fraud, incrimination and/or public sanction issued against any of the Directors by statutory or regulatory authorities.

Likewise, for the last five years, no Director has been prohibited by a court from being a member of a management, executive or supervision body or from being involved in the management or conduct of an issuer's activities.

1.2.8. Bankruptcy, receivership or liquidation of companies in which a Director has been involved as an executive for the last five years

No Directors have been involved in any bankruptcy, receivership or liquidation in the last five years, except for Arnaud Vial in the dissolution of SiHMM (Luxembourg). That dissolution took place after SiHMM had sold its assets and distributed the corresponding income to its shareholders.

1.2.9. Potential conflicts of interests between members of the Board of Directors

The following theoretical potential conflicts of interests have been identified:

- Gérald Frère is First Vice-Chairman of Pargesa Holding S.A., Director of Power Financial Corporation, Chairman of the Board of Directors of Frère-Bourgeois and holds various directorships in the Frère-Bourgeois group.
- Cedric Frère is a Director of Pargesa Holding S.A. and holds various executive directorships in the Frère-Bourgeois group.
- Ségolène Gallienne is a Director of Pargesa Holding S.A. and holds various directorships in the Frère-Bourgeois group.
- Gilles Samyn is a Director of Pargesa Holding S.A., Frère-Bourgeois and of other companies in the Frère-Bourgeois group.
- Victor Delloye is a Director of Pargesa Holding S.A. and also holds various executive directorships in the Frère-Bourgeois group.
- Paul Desmarais, Jr., Paul Desmarais III, Jocelyn Lefebvre and Arnaud Vial are Directors of Pargesa Holding S.A. and hold various directorships in the Power Corporation of Canada group.
- Amaury de Seze is a Director of Pargesa Holding S.A., Vice-Chairman of Power Financial Corporation as well as a Director of Compagnie Nationale à Portefeuille S.A.

1.2.10. Arrangements or agreements concluded with the main shareholders

The Company has not concluded with its main shareholders any arrangements or agreements by virtue of which the Directors would have been selected as members of the Board of Directors.

1.2.11. Restriction on the transfer of GBL shares

To the Company's knowledge, there are no restrictions on the disposal by a Director of the GBL shares that he/she owns, except for the stipulations regarding lock-up periods and closed periods.

1.3. Executive Management

1.3.1. Composition

At December 31, 2018, GBL's day-to-day management was entrusted to Ian Gallienne and Gérard Lamarche, CEOs who form the Company's Executive Management.

1.3.2. Changes in governance

On December 10, 2018, the Company announced that at the end of the General Shareholders' Meeting of April 23, 2019 Ian Gallienne will assume sole responsibility for the operational management of the Company as CEO.

After seven years in the group Gérard Lamarche has decided not to seek the renewal of his term of office as co-CEO and thus give his career a new direction. He will nevertheless remain involved in GBL's future: he will become Senior Advisor and will remain a Director, as well as a member of the Standing Committee.

1.3.3. Powers and functioning of the Executive Management

The Executive Management ensures the group's day-to-day management on a collective basis. It enjoys a large degree of autonomy: its powers are not limited to the implementation of the Board of Directors' decisions but also include all of the acts necessary to ensure that the Company and its subsidiaries operate normally and to successfully implement the Company's strategy (see Charter, Chapter III, points B. 1. and 2.).

It is in this context that GBL has developed a Diversity & Inclusion Policy for the Executive Management in accordance with the Law of September 3, 2017 on the disclosure of non-financial information and diversity information by certain companies and groups (see ESG section on pages 54-67 of this annual report).

1.3.4. Assessment of the Executive Management

The Charter does not stipulate any specific procedures for assessing the performance of the Executive Management, as provided for by the 2009 Code. This assessment occurs on an ongoing and informal basis within the framework of meetings of the Board and its Committees, and more formally through the triennial assessment of the Board of Directors' performance (see Charter, Chapter III, point A. 4.2.5. and Chapter III, point B. 4.).

Furthermore, the non-executive Directors meet annually, in the absence of the Executive Management, to review the interaction between the non-executive Directors and the Executive Management. The meeting on the 2018 financial year was held on October 31, 2018 (for more details, see "Effectiveness and assessment of the Board" on page 172 of this annual report).

1.4. Powers and functioning of the Board of Directors

The powers and functioning of the Board of Directors are described in the Charter, Chapter III, points A. 4.1. and 4.2.

1.5. Board meetings held in 2018 and Directors' attendance

The Board of Directors met seven times in 2018, with a weighted average attendance rate by Directors of 91.94% for all the meetings. Some members sometimes attended these meetings by phone.

The Directors' individual attendance rates for these meetings were as follows:

Directors	Attendance rate
Gérald Frère	100.00%
Paul Desmarais, Jr.	85.71%
Thierry de Rudder	100.00%
Ian Gallienne	100.00%
Gérard Lamarche	100.00%
Antoinette d'Aspremont Lynden	100.00%
Laurence Danon Arnaud	100.00%
Victor Delloye	100.00%
Paul Desmarais III	71.43%
Cedric Frère	100.00%
Ségolène Gallienne	100.00%
Jocelyn Lefebvre	100.00%
Christine Morin-Postel (1)	100.00%
Marie Polet	85.71%
Gilles Samyn	71.43%
Amaury de Seze	100.00%
Agnès Touraine (2)	100.00%
Martine Verluyten	85.71%
Arnaud Vial	57.14%
Total	**91.94%** (3)

(1) Until July 21, 2018, the date of her passing
(2) Since October 31, 2018, the date of her cooptation by the Board of Directors
(3) Attendance rate calculated based on the weighted attendance of all members during their directorship

The Board meetings in March and July traditionally have on their agenda the approval of the consolidated financial statements and accounts for the periods ended December 31 and June 30. The May and November meetings focus on the quarterly results. The projected year-end results are reviewed at each of these meetings. The investment portfolio is generally included on the agenda of all the meetings. Throughout the year, the Board focused its work on following the strategy involving various investment and divestment projects (including Burberry). The Board Meeting of March 15, 2018 approved the principle of an institutional bond issue by GBL and the agenda of the Ordinary General Shareholders' Meeting. On a recommendation from the Nomination and Remuneration Committee, the same Board Meeting set out the principle and the conditions for the long-term variable remuneration to be paid to the Executive Management in 2018. On October 31, 2018, the Board of Directors coopted Agnès Touraine as an independent Director following the passing of Christine Morin-Postel and appointed her as a member of the Nomination and Remuneration Committee. Finally, the meeting of December 10, 2018 focused on the changes in governance within the Company.

1.6. Effectiveness and assessment of the Board

In accordance with its internal rules and regulations (see Charter, Chapter III, point A. 4.2.5.), the Board of Directors assesses its own performance every three years based on an individual questionnaire. This assessment tool concerns the size, composition and collective performance of the Board of Directors, as well as the actual contribution of each Director and the Board of Directors' interaction with the Executive Management. In addition to this assessment procedure, the non-executive Directors meet annually, in the absence of the Executive Management, to review the interaction between the non-executive Directors and the Executive Management. Since March 2014, the scope of this assessment has been extended to the Audit Committee and the Nomination and Remuneration Committee.

The first assessment of the Board of Directors was conducted in 2007. The latest assessment of the functioning of the Board of Directors and the interaction between the Board and the Executive Management was begun in the second quarter of 2016. The results were reported to the Board at its meeting of November 4, 2016 and were satisfactory. A new assessment will take place in 2019.

The meeting of the non-executive Directors, in the absence of the Executive Management, covering the 2018 financial year, was held on October 31, 2018.

The following issues were dealt with:

- the quality of the relations between the Executive Management and the Board of Directors;
- the information provided by the Executive Management;
- the assessment by the Board of Directors of the Executive Management;
- the delimitation of tasks between the Executive Management and the Board of Directors;
- the possibility for Directors of meeting the Executive Management outside of Board meetings.

These matters were globally deemed satisfactory.

There is no pre-established procedure for assessing the contribution and effectiveness of Directors whose re-election is proposed. The actual contribution of each Director is assessed as part of the periodic evaluation of the Board of Directors. Furthermore, the proposal for renewal of directorships implicitly confirms the contribution and effectiveness of the Director as regards the work of the Board of Directors

2. Board Committees

The Board of Directors is assisted by the Standing Committee, the Nomination and Remuneration Committee and the Audit Committee, which carry out their activities under its responsibility. The internal rules and regulations for each of these Committees can be found in Appendix 1 to the Charter.

2.1. Standing Committee

2.1.1. Composition

On December 31, 2018, the Standing Committee had thirteen members, ten of whom were representatives of the controlling shareholder. The Committee is chaired by Thierry de Rudder.

The end of the term of office of the Committee's members corresponds to that of their term of office as Director.

Members of the Standing Committee	Current terms of office	Attendance rate
Thierry de Rudder, Chairman	2016-2020	100.00%
Paul Desmarais, Jr.	2015-2019	100.00%
Gérald Frère	2015-2019	100.00%
Ian Gallienne	2016-2020	100.00%
Ségolène Gallienne	2016-2019	100.00%
Gérard Lamarche	2015-2019	100.00%
Jocelyn Lefebvre	2017-2021	100.00%
Victor Delloye	2017-2021	100.00%
Paul Desmarais III	2018-2022	83.33%
Cedric Frère	2015-2019	100.00%
Gilles Samyn	2015-2019	100.00%
Amaury de Seze	2017-2021	83.33%
Arnaud Vial	2017-2021	66.67%
Total		**94.87%** (1)

(1) Attendance rate calculated based on the weighted attendance of all members during their term as Committee members

As indicated in point 1.1.2 above, the Company has announced governance changes that will take effect at the end of the General Shareholders' Meeting of April 23, 2019:

- Gérald Frère will be appointed Chairman of the Standing Committee, replacing Thierry de Rudder.
- Amaury de Seze will become Vice-Chairman of the Standing Committee.

In addition, at its meeting of March 14, 2019, the Board of Directors decided to reappoint Gérald Frère, Paul Desmarais, Jr., Cedric Frère, Ségolène Gallienne and Gérard Lamarche as members of the Standing Committee, subject to the approval of the renewal of their terms of office.

It also decided to appoint Xavier Le Clef and Claude Généreux as members of the Standing Committee, replacing Gilles Samyn and Arnaud Vial, respectively, subject to their appointment as Directors by the Ordinary General Shareholders' Meeting of April 23, 2019.

2.1.2. Frequency of meetings and deliberations

The Standing Committee met six times in 2018. As shown in the table above, there was a 94.87% weighted average attendance rate for Directors for all the meetings in 2018.

At its various meetings, the Standing Committee addressed the main subjects to be deliberated upon by the Board, namely:

- GBL's strategic and financial direction and the continuation of the action plan;
- the review of the valuation of GBL and its participations;
- cash earnings forecasts and proposed dividend;
- the group's cash and investment capacity;
- the issue of an institutional bond by GBL.

2.2. Nomination and Remuneration Committee

2.2.1. Composition

On December 31, 2018, the Committee had five members. The Committee is chaired by Amaury de Seze.

The term of office of the Committee's members corresponds to their term of office as Director

Members of the Nomination and Remuneration Committee	Current terms of office	Attendance rate
Amaury de Seze, Chairman	2017-2021	100.00%
Laurence Danon Arnaud	2017-2021	100.00%
Christine Morin-Postel (1)	2017-2018	100.00%
Marie Polet	2015-2019	100.00%
Gilles Samyn	2015-2019	66.67%
Agnès Touraine (2)	2018-2021	100.00%
Total		**92.90%** (3)

(1) Until July 21, 2018, the date of her passing
(2) Since October 31, 2018, the date of her cooptation by the Board of Directors
(3) Attendance rated calculated based on the weighted attendance of all members during their term as Committee members

At its meeting of March 14, 2019, the Board of Directors decided to appoint Xavier Le Clef as a member of the Nomination and Remuneration Committee subject to his appointment by the General Shareholders' Meeting of April 23, 2019 to replace Gilles Samyn.

All the members of the Nomination and Remuneration Committee are non-executive Directors, three of whom are independent. They have the necessary expertise in the area of governance and remuneration policy.

2.2.2. Frequency of meetings and deliberations

The Nomination and Remuneration Committee met three times in 2018. As shown in the table above, the Committee's members attended all the meetings, in person or by telephone.

At these meetings, the Committee mainly focused on the following issues:

- proposal for a new option plan to be granted in 2018 to the Executive Management and setting of the exercise parameters and conditions;
- drafting of the remuneration report and reviewing of the other corporate governance documents concerning the appointment and remuneration of executives, to be published in the 2017 annual report;
- drafting of the report of the Chairman of the Nomination and Remuneration Committee to the Ordinary General Shareholders' Meeting of April 24, 2018;
- preparation of the annual assessment of the interaction between the Executive Management and the non-executive Directors;
- changes in the Company's governance as referred to in points 1.1.2. and 1.3.2. above.

It also reviewed, in 2019, the principles governing the composition and functioning of the Board and Committees. It believes that the governance of the Company complies with the regulations in force, the 2009 Code and best practices taking into account the shareholding structure.

Moreover, it has prepared the remuneration report to be published in the 2018 annual report as well as the report of the Chairman of the Committee to the Ordinary General Shareholders' Meeting of April 23, 2019 as prescribed by the Companies Code.

The Committee also considered (i) the renewal of the term of office as Director of Antoinette d'Aspremont Lynden, Gérald Frère, Paul Desmarais, Jr., Gérard Lamarche, Cedric Frère, Ségolène Gallienne and Marie Polet, (ii) the ratification of the cooptation of Agnès Touraine and (iii) the appointment of Xavier Le Clef and Claude Généreux as Director. Lastly, it reviewed the remuneration of non-executive Director and of the CEO following the governance changes announced by the Company on December 10, 2018 and described in points 1.1.2. and 1.3.2. above.

2.3. Audit Committee

2.3.1. Composition

On December 31, 2018, the Audit Committee had five members, three of whom are independent within the meaning of Article 526ter of the Companies Code. They are Antoinette d'Aspremont Lynden, Chairwoman of the Committee, Marie Polet and Martine Verluyten. The two other members, namely Gilles Samyn and Arnaud Vial, are representatives of the controlling shareholder.

The term of office of the Committee's members corresponds to their term of office as Director.

Members of the Audit Committee	Current terms of office	Attendance rate
Antoinette d'Aspremont Lynden, Chairwoman	2015-2019	100.00%
Marie Polet	2016-2019	100.00%
Gilles Samyn	2015-2019	75.00%
Martine Verluyten	2017-2021	100.00%
Arnaud Vial	2017-2021	75.00%
Total		**90.00%** (1)

(1) Attendance rate calculated based on the weighted attendance of all members during their term as Committee members

At its meeting of March 14, 2019, the Board of Directors decided to appoint Xavier Le Clef (subject to his appointment by the General Shareholder's Meeting) and Jocelyn Lefebvre as members of the Audit Committee at the end of the General Shareholders' Meeting of April 23, 2019, to replace Gilles Samyn and Arnaud Vial, respectively.

All the Committee's members are non-executive Directors and have accounting and auditing expertise further to their education or experience. Furthermore, the members have collective expertise in the Company's fields of activity.

2.3.2. Frequency of meetings and deliberations

The Audit Committee met four times in 2018, with a weighted average attendance rate by its members of 90.00% for all the meetings, as shown in the table above.

One member of the Executive Management, the Chief Financial Officer and the Company's Statutory Auditor attended all the meetings.

At these meetings, the Audit Committee examined the true and fair presentation of GBL's accounts and consolidated financial statements and fulfilled its monitoring responsibilities in respect of control in the broadest sense, in particular the quality of internal control and of information provided to shareholders and markets.

In 2018, the Committee in particular looked at the following issues:

- review of the Company's annual and half-yearly consolidated financial statements and consolidated quarterly results;
- review of the Company's annual and half-yearly financial statements;
- review of the draft press releases to be published, annual report and half-yearly report;
- review of the projections for the short and medium terms;
- analysis of the financial position, review of the market and monitoring of the investment capacity;
- review of the accounting treatments and book value of investments;
- specific review of the consequences of the entry into force of IFRS 9 on January 1, 2018;
- analysis and monitoring of the accounting impacts of the acquisition of significant influence in Parques Reunidos;
- discussion on the accounting treatment for the early conversions of the convertible bond into GBL shares;
- monitoring of the development of Sienna Capital, recognition of new investments and review of the underlying activities;
- monitoring of yield enhancement activities and in particular the management of derivatives;
- review of the risks and assessment by the Statutory Auditor of the operational effectiveness of the internal control systems;
- review and follow-up of the independence of the Statutory Auditor, analysis of the regulatory changes relating to statutory audit;
- follow-up of the main pending legal actions;
- review of the impacts of Belgian tax reform.

2.4. Assessment of the functioning and performance of the Board of Directors' Committees

According to the changes in and effectiveness of their work, the various Committees may, at any time, propose changes to their respective internal rules and regulations. The Charter therefore does not establish a regular procedure for review of the Committees' internal rules and regulations.

The functioning and performance of each Committee are measured and analysed as part of the triennial assessment of the performance of the Board of Directors. Part of this individual assessment questionnaire is reserved for this purpose for members of the respective Committees.

Since March 2014, the interaction between the Executive Management and the non-executive Directors is also assessed at the level of the Audit Committee and of the Nomination and Remuneration Committee.

3. Remuneration report

3.1. Procedure for establishing the remuneration policy and setting remuneration

The remuneration policy and the remuneration level for the non-executive Directors and the CEO are determined by the Board of Directors on the basis of proposals from the Nomination and Remuneration Committee, which uses an external consultant.

Non-executive Directors

The fees paid to non-executive Directors are set by the Board of Directors based on a proposal from the Nomination and Remuneration Committee, subject to a ceiling submitted for approval to the General Shareholders' Meeting.

Executive Management

The remuneration policy for the Executive Management is inspired by the characteristics of the business of a portfolio company, the performance of which is evaluated over the long term. This explains the choice of fixed remuneration, with no variable remuneration in cash.

With a view to building the loyalty of the Executive Management and aligning its interests with those of the shareholders, there are long-term incentive plans linked to the Company's performance. These are determined by the Board of Directors on a proposal from the Nomination and Remuneration Committee. These plans and their maximum value are subject to the shareholders' approval.

3.2. Remuneration policy

This chapter describes the remuneration policy for non-executive Directors and for the Executive Management for the 2018 financial year and for the following two financial years.

3.2.1. Non-executive Directors

Non-executive Directors receive fixed remuneration and attendance fees. They do not receive any variable remuneration.

The maximum envelope for the fees payable to non-executive Directors is set at EUR 1,600,000, allocated as follows until the Ordinary General Shareholder's Meeting of April 23, 2019:

In EUR	Per meeting	Member	Vice-Chairman	Chairman
Board of Directors	3,000	27,500	27,500	200,000
Standing Committee	3,000	15,000	-	15,000
Other Committees	3,000	12,500	-	12.500

The Board of Directors' meeting of March 14, 2019 decided that after the Ordinary General Shareholders' Meeting of April 23, 2019, no remuneration will be attached to the mandate of Vice-Chairman of the Board and Committees and that the remuneration of the Chairman of the Board of Directors will be EUR 150,000.

The members of the Executive Management receive no remuneration for their directorships as such.

Non-executive Directors are covered by Directors' and Officers' liability insurance (D&O).

3.2.2. Executive Management

Remuneration

1. Fixed	Base salary	The fixed remuneration of the CEO is paid, in part, by certain companies in the portfolio due to the directorships in them, and the balance is paid by GBL. Given the various tax regimes applicable to those fees, and in order to preserve the fairness of the remuneration of the CEO, the fixed remuneration is defined net. The base salary of the CEO is reviewed every three years, based on economic circumstances or specific events. The amount of the fixed remuneration of the CEO is determined based on market practices (regularly assessed by the Nomination and Remuneration Committee assisted by an independent consultant).
	Pension and other benefits	The CEO benefits from a defined-contribution pension plan, into which 21% of his net remuneration is paid by GBL on a yearly basis, a disability and life insurance plan, Directors' and Officers' liability insurance (D&O) applicable to all Directors, as well as a company vehicle.
2. Variable		GBL is a holding company whose performance is difficult to evaluate over the short term. The CEO does not therefore receive annual variable remuneration.
3. Long term		The CEO benefits from a stock option plan relating to a GBL subsidiary, invested primarily in GBL shares, acquired through equity and bank financing. The debt of that subsidiary is guaranteed by GBL. The interest is financed by the dividends received. The underlying value of the assets of the subsidiary on which the options granted to a CEO represents 225% of his fixed gross reference remuneration (itself defined as two times the fixed net remuneration). The options are exercisable as of the third anniversary of their granting, for a period of seven years, provided that the performance condition set out below is met. Specifically, the options are only exercisable each calendar year between the 4th and 10th year of the plan if the TSR is at least 5% per year on average over the period since granting. When the performance condition is not met in one year, the options are not exercisable until the next anniversary date. The Nomination and Remuneration Committee is responsible for verifying whether the performance condition is met.
4. Rights of recovery		Since the awarding of long-term remuneration to the CEO is not linked to an internal financial criterion, no mechanism exists for the recovery of variable remuneration in the case of erroneous financial information.
5. Severance benefits		The CEO may claim compensation equivalent to eighteen months of fixed remuneration if he is removed from office without serious grounds. The amount of this compensation was set on the recommendation of the Nomination and Remuneration Committee.

3.3. Remuneration in 2018

3.3.1. Non-executive Directors

In EUR	Member of the Board	Member of the Standing Committee	Member of the Audit Committee	Member of the Nomination and Remuneration Committee	Sub-total	Other (1)	Total
Antoinette d'Aspremont Lynden	48,500	0	37,000 (2)	0	85,500	0	**85,500**
Laurence Danon Arnaud	48,500	0	0	21,500	70,000	0	**70,000**
Victor Delloye	48,500	33,000	0	0	81,500	80,000 (8)	**161,500**
Paul Desmarais, Jr. (3)	73,000 (4)	33,000	0	0	106,000	363,320 (9)	**469,320**
Paul Desmarais III	42,500	30,000	0	0	72,500	122,193 (10)	**194,693**
Gérald Frère	248,500 (5)	33,000	0	0	281,500	19,266 (11)	**300,766**
Cedric Frère	48,500	33,000	0	0	81,500	0	**81,500**
Ségolène Gallienne	48,500	33,000	0	0	81,500	0	**81,500**
Jocelyn Lefebvre	48,500	33,000	0	0	81,500	0	**81,500**
Christine Morin-Postel (6)	25,042	0	0	10,292	35,334	0	**35,334**
Marie Polet	45,500	0	24,500	21,500	91,500	0	**91,500**
Thierry de Rudder	76,000 (4)	48,000 (2)	0	0	124,000	45,563 (12)	**169,563**
Gilles Samyn	42,500	33,000	21,500	18,500	115,500	184,250 (13)	**299,750**
Amaury de Seze	48,500	30,000	0	34,000 (2)	112,500	31,250 (14)	**143,750**
Agnès Touraine (7)	10,583	0	0	5,083	15,666	0	**15,666**
Martine Verluyten	45,500	0	24,500	0	70,000	0	**70,000**
Arnaud Vial	39,500	27,000	21,500	0	88,000	12,441 (15)	**100,441**
Total	**988,125**	**366,000**	**129,000**	**110,875**	**1,594,000**	**858,283**	**2,452,283**

(1) Other remuneration in cash or in kind attached to the offices held within the group
(2) Chairman of a Committee (two times the fixed fees of a Member)
(3) Of which CHF 100,000 received in the form of LafargeHolcim shares during the 2018 financial year for the 2017 financial year
(4) Vice-Chairman of the Board (two times the fixed fees of a Director)
(5) Chairman of the Board (EUR 200,000)
(6) Until July 21, 2018, the date of her passing
(7) As of October 31, 2018, the date of her cooptation
(8) Of which EUR 40,000 paid to Frère-Bourgeois, of which the Director is the permanent representative, and EUR 40,000 paid to the Director for a position held within a wholly-owned subsidiary of the group
(9) Fees received by the Director for his positions at LafargeHolcim, Total and SGS
(10) Fees received by the Director in respect of his position at Imerys
(11) Benefit in kind relating to a company car
(12) Of which EUR 31,250 in fees received by the Director in respect of his position at Sienna Capital and benefit in kind of EUR 14,313 relating to a company car
(13) Of which EUR 80,000 paid to Frère-Bourgeois, of which the Director is the permanent representative, for a position held within a wholly-owned subsidiary of the group, EUR 31,250 in fees in respect of his position at Sienna Capital, and EUR 73,000 in respect of his position at Pernod Ricard
(14) Fees received by the Director in respect of his position at Sienna Capital
(15) Fees received by the Director in respect of his position at Imerys

There are no service contracts between non-executive members of the Board of Directors and the Company or any of its subsidiaries providing for the awarding of benefits at the end of their term of office. Furthermore, none of the non-executive Directors have entered into any loan agreements with the Company or with any of its subsidiaries.

As indicated in point 1.3.2. above, Gérard Lamarche will become Senior Advisor after the 2019 General Shareholders' Meeting. The conditions of this office are described in point 7.3. below.

3.3.2. Executive Management

The amount of remuneration received directly and indirectly by members of the Executive Management includes remuneration for offices held in companies in which they represent GBL. The remuneration paid to the CEOs in 2018 is summarised below:

Amounts paid in 2018	**Ian Gallienne**	**Gérard Lamarche**
Status	Self-employed (1)	Self-employed (1)
Fixed remuneration (net)	EUR 860,000	EUR 860,000
Fixed remuneration (gross) (2)	*EUR 1,488,565*	*EUR 1,406,928*
Exceptional variable remuneration (net)	EUR 200,000	EUR 200,000
Exceptional variable remuneration (gross)	*EUR 431,318*	*EUR 408,494*
Pension and life insurance	EUR 214,834	EUR 241,015
Other benefits	EUR 86,876	EUR 101,744
Benefits in kind relating to the use of a company car, driver, mobile phone, computer	*EUR 20,756*	*EUR 25,676*
Insurance (hospitalisation, health and disability)	*EUR 66,120*	*EUR 76,068*

(1) A self-employed person carries out a gainful professional activity without being tied to an employer through an employment contract
(2) This figure includes the Director's fees collected through attendance

None of the Executive Directors have entered into any loan agreements with the Company or with any of its subsidiaries. Moreover, no shares were awarded to the Executive Management during the 2018 financial year.

Net remuneration

In 2018, the net remuneration of each member of the Executive Management amounted to EUR 860,000.

As Ian Gallienne will be exercising the duties of CEO by himself after the Ordinary General Shareholders' Meeting of April 23, 2019, the Board of Directors of March 14, 2019 decided to set his annual net remuneration at EUR 960,000.

Variable remuneration

The General Shareholders' Meeting of April 26, 2016 had approved, after the LafargeHolcim merger, the granting of a one-off and exceptional bonus to the CEOs of a net amount of EUR 800,000, staggered in three instalments. The third and final instalment of a net amount of EUR 200,000 was paid after the 2018 General Shareholders' Meeting as the 2017 synergies objectives had been achieved and confirmed by LafargeHolcim.

The usual remuneration policy for the Executive Management (with the exception of the one-off bonus linked to the LafargeHolcim merger) excludes any variable remuneration in cash.

Incentive plan of the CEO

At its meeting of March 14, 2019, the Board decided to award to Ian Gallienne stock options on a GBL subsidiary. The underlying value of the assets of the subsidiary on which the options will be granted amounts to 225% of his gross reference remuneration (two times the annual fixed net remuneration). The principle and the maximum value of the underlying assets, i.e. EUR 4.32 million, are subject to the approval of the General Shareholders' Meeting of April 23, 2019.

Stock options granted to the Executive Management during the 2018 financial year

Decision	Board of Directors' meeting of March 15, 2018 Ordinary General Shareholders' Meeting of April 24, 2018	
Stock option characteristic	Options to purchase shares of a GBL subsidiary (see page 175 - section 3 'Long term')	
Exercise price	EUR 10	
Vesting date	05/06/2021	
Expiry date	05/06/2028 (duration of the plan: 10 years)	
Exercise period	At any time from 05/07/2021 until 05/06/2028 (inclusive)	
Performance condition	Each calendar year between the 4th and 10th year of the plan, the options are only exercisable if the TSR is at least 5% per year on average over the period since granting	
	Ian Gallienne	**Gérard Lamarche**
Number of options granted	77,400	77,400
Carrying amount of the award as at December 31, 2018 (IFRS)	EUR 0.00	EUR 0,00

Number and key characteristics of the stock options exercised, sold or expired during the 2018 financial year

	Ian Gallienne	**Gérard Lamarche**
Type of plan	Stock options on shares of a sub-subsidiary (see page 136)	
Year of granting of options sold	2015	2015
Number of options sold	37,560	47,560
Sale price (average)	EUR 17.40	EUR 17.27

No options held by the Executive Management expired during the 2018 financial year.

4. Auditing of the financial statements

The Ordinary General Shareholders' Meeting of April 26, 2016 appointed:
Deloitte Reviseurs d'Entreprises
SC s.f.d. SCRL
Gateway building
Luchthaven Nationaal 1 J
1930 Zaventem

represented by Corine Magnin, as Statutory Auditor for a period of three years and set its fees for this audit assignment at EUR 75,000, exclusive of VAT.

In the exercising of his or her duties, the Statutory Auditor maintains close relations with the Executive Management and has free access to the Board of Directors via the Audit Committee. Furthermore, he or she may address directly and with no restrictions the Chairman of the Audit Committee and the Chairman of the Board of Directors.

At group level (GBL and its wholly-owned subsidiaries, identified under the heading "Holding" in note 1, page 106), the overall fees paid to Deloitte for its audit of the 2018 financial statements total EUR 4,201,500. Details regarding the fees paid to Deloitte may be found in note 33, page 145.

The Statutory Auditor's mandate expires at the end of the Ordinary General Shareholders' Meeting of April 23, 2019. It is proposed to renew it for a period of three years and to fix its annual remuneration at EUR 76,500 per year excluding VAT. If the General Shareholders' Meeting approves this proposal, the Statutory Auditor will be represented by Corine Magnin.

From left to right: Xavier Likin, Ian Gallienne, Priscilla Maters, Gérard Lamarche and Colin Hall

5. Staff and organisation

5.1. Management

Colin Hall

Born on November 18, 1970, US nationality.

Colin Hall has an MBA from the Stanford University Graduate School of Business. He began his career in 1995 as a financial analyst at Morgan Stanley in private equity in New York. In 1997 he joined the Rhône Capital group, a private equity fund, where he held several positions over 10 years, in New York and then London. In 2009 he co-founded a hedge fund, sponsored by Tiger Management (New York), where he worked until 2011.

In 2012, he joined Sienna Capital, a wholly-owned subsidiary of GBL grouping together its alternative investments (private equity, debt funds and funds with specific themes) as CEO. In 2016, he was appointed Head of Investments at GBL.

Xavier Likin

Born on June 24, 1968, Belgian nationality.

Xavier Likin is a Commercial Engineer and holds certificates in taxation from the Solvay Brussels School of Economics & Management (ULB).

He began his career in Central Africa in the car distribution sector, in which he held a number of administrative and financial positions at MIC. He joined PwC in 1997, where he became a senior manager and was appointed as a Statutory Auditor (CPA) by the Institut des Réviseurs d'Entreprises.

In 2007, he joined Ergon Capital Partners as Chief Financial Officer. Then, in June 2012, he was appointed Group Controller at GBL. He has been Chief Financial Officer there since August 1, 2017.

Priscilla Maters

Born on April 26, 1978, Belgian nationality.

Priscilla Maters has a law degree from Université Libre de Bruxelles and the London School of Economics (LLM). She began her career in 2001 with law firms in Brussels and London (including at Linklaters), where she specialised in mergers-acquisitions, capital markets, financing and business law.

In 2012 she joined GBL and currently holds the positions of Chief Legal Officer and General Secretary.

5.2. Organisation

Investments

1. Louis Declercq
2. Marc Muller
3. Martin Doyen
4. Laurent Raets
5. Jérôme Derycke
6. Colin Hall
7. Jonathan Rubinstein
8. Michael Bredael

Other employee
Dominique Stroeykens

Finance

1. Guglielmo Scodrani
2. Hans D'Haese
3. Céline Donnet
4. Céline Loi
5. Xavier Likin
6. Geoffroy Hallard
7. Anne-Claire Jedrzejczak
8. Pascal Reynaerts
9. Serge Saussoy
10. Sophie Gallaire
11. Philippe Tacquenier

Other employees
Philippe Debelle
Noëline Dumbi
Bénédicte Gervy
Philippe Lorette
Viviane Veevaete

Legal and administrative affairs

1. Priscilla Maters
2. Pierre-Guillaume le Hodey
3. Yves Croonenberghs
4. Pierre de Donnea

Other employees
Carine Dumasy
Isabelle Meert
José de la Orden
Aymeric de Talhouët
Eddy Vanhollebeke
Robert Watrin

Assistants to the CEOs
Micheline Bertrand
Valérie Huyghe
Christelle Iurman

5.3. Incentive plans

Since March 2007, each year the Board of Directors has launched an incentive plan for its Executive Management in accordance with the provisions of the law of March 26, 1999 relating to the 1998 Belgian Employment Action Plan and including various provisions. In accordance with the 2009 Code, the Company's General Shareholders' Meeting each year approved the principle of the issuing of options on GBL shares and set the maximum value of the shares underlying the options to be issued during the year in progress.

5.3.1. 2007 - 2012 incentive plan

Initially, this plan took the form of an option plan concerning existing GBL shares.

Between 2007 and 2012, the Company has issued six instalments as part of this plan, the characteristics of which are summarised below:

Year granted	2007	2008	2009	2010	2011	2012
Exercise period (1)	from 1/01/2011 to 24/05/2017	from 1/01/2012 to 9/04/2018	from 1/01/2013 to 16/04/2019	from 1/01/2014 to 15/04/2020	from 1/01/2015 to 14/04/2021	from 1/01/2016 to 26/04/2022
Extended (partly) (2)	until 24/05/2022	until 9/04/2023	-	-	-	-
Exercise price	**EUR 91.90**	**EUR 77.40**	**EUR 51.95**	**EUR 65.82**	**EUR 65.04**	**EUR 50.68**

(1) Given the undertakings by the beneficiaries within the framework of the law of March 26, 1999
(2) Within the framework of the Economic Recovery Law of March 27, 2009

For more details about these plans, also see note 26 on the consolidated financial statements, page 136.

5.3.2. 2013 - 2018 incentive plan

Since 2013, the Board of Directors has set up option plans for the Executive Management that involve the existing shares of a GBL (sub-)subsidiary primarily holding GBL shares. A more detailed description of these plans can be found on page 136.

Year granted	2013	2014	2015	2016	2017	2018
Maximum value of the underlying shares for the Executive Management	EUR 5.25 million	EUR 4.4 million	EUR 4.75 million	EUR 7.38 million	EUR 7.74 million	EUR 7.74 million
Exercise or disposal period	from 29/04/2016 to 28/04/2023 (inclusive)	from 29/04/2017 to 28/04/2024 (inclusive)	from 05/05/2018 to 04/05/2025 (inclusive)	from 03/05/2019 to 02/05/2026 (inclusive)	from 07/05/2020 to 06/05/2027 (inclusive)	from 07/05/2021 to 06/05/2028 (inclusive)

Three years after they have been granted and under the conditions established by the plan, options may, within the windows provided for by the plan, be exercised (exercise price: EUR 10 per option) or sold to the credit institution responsible for ensuring their liquidity.

The Board of Directors' Meeting of March 15, 2018 approved the principle of granting options involving the existing shares of a GBL subsidiary primarily holding GBL shares and that may only be exercised. It set the quantum of options to be granted to CEOs at 225% of the gross reference remuneration (two times the annual fixed net remuneration). The exercise of the options is subject to the fulfilment of a condition: the TSR must be at least 5% per year on average over the period since granting. When the performance condition is not met in one year, the options are not exercisable until the next anniversary date. The options are issued in line with the requirements of the law of March 26, 1999 relating to the 1998 Belgian Employment Action Plan and setting out various clauses, as amended by the subsequent laws.

5.3.3. Stock options granted to the members of the Board of Directors and to the Executive Management

Gérald Frère and Thierry de Rudder received the options noted below in their capacity as members of the Executive Management. In accordance with Belgian Company law, they have not received any options since January 1, 2012, when they were replaced by Ian Gallienne and Gérard Lamarche as CEOs.

Options plan	Type of plan	Number of options granted			
		Gérald Frère	Thierry de Rudder	Ian Gallienne	Gérard Lamarche
2007	GBL stock options (1)	18,935	18,935	0	0
2008	GBL stock options (1)	25,548	25,548	0	0
2009	GBL stock options (1)	38,065	38,065	0	0
2010	GBL stock options (1)	25,237	25,237	0	0
2011	GBL stock options (1)	29,428	29,428	0	0
2012	GBL stock options (1)	0	0	31,570	31,570
2013	LTI One stock options (2)	0	0	52,480	52,480
2014	LTI Two stock options (3)	0	0	44,280	44,280
2015	URDAC stock options (4)	0	0	47,560	47,560
2016	FINPAR stock options (5)	0	0	73,800	73,800
2017	FINPAR II stock options (6)	0	0	77,400	77,400
2018	FINPAR III stock options (7)	0	0	77,400	77,400

(1) One option confers the right to acquire one GBL share
(2) One option confers the right to acquire one LTI One share, a GBL sub-subsidiary the portfolio of which is mainly composed of GBL shares
(3) One option confers the right to acquire one LTI Two share, a GBL sub-subsidiary the portfolio of which is mainly composed of GBL shares
(4) One option confers the right to acquire one URDAC share, a GBL sub-subsidiary the portfolio of which is mainly composed of GBL shares
(5) One option confers the right to acquire one FINPAR share, a GBL sub-subsidiary the portfolio of which is mainly composed of GBL shares
(6) One option confers the right to acquire one FINPAR II share, a GBL subsidiary the portfolio of which is mainly composed of GBL shares
(7) One option confers the right to acquire one FINPAR III share, a GBL subsidiary the portfolio of which is mainly composed of GBL shares

The other members of the Board of Directors are not affected by these option plans.

6. Risk management and internal control

GBL's Board of Directors is responsible for assessing the risks inherent to the GBL group and the effectiveness of the internal control system. With regard to risk management and internal control, the Belgian legislative framework consists of the law of December 17, 2008 (transposition of European Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts) and the law of April 6, 2010 (the so-called "Corporate Governance" Law). The 2009 Belgian Corporate Governance Code also includes provisions on that topic. Likewise, IFRS 7 defines additional requirements for the management of risks related to financial instruments. In 2006, GBL formalised its internal control and risk management system based on the COSO model [1].

The COSO methodology revolves around five axes: the control environment, risk assessment, control activities, information and communication, and supervision and monitoring.

(1) The COSO (Committee of Sponsoring Organisations of the Treadway Commission) is a recognised private, international, non-governmental organisation that works in the areas of governance, internal control, risk management and financial reporting

6.1. Control environment

6.1.1. The Company's objective

GBL's primary objective is to create value for its shareholders over the long term. GBL strives to develop a quality portfolio focused on a specific number of companies that are leaders in their market and in which it can play an active role of long-term professional shareholder. The portfolio is intended to evolve over time while remaining balanced in terms of sector and geographic diversification. GBL invests and divests depending on companies' development and market opportunities in order to achieve its value creation objective, while maintaining a solid financial structure.

Internal control at GBL helps to ensure the safeguarding of assets and the control of operations as well as their optimisation. It aims to provide reasonable assurance about achievement of the objectives of compliance with laws and regulations and the reliability of accounting information and financial reporting. Like any control system, it can provide only reasonable assurance that the risks of errors or fraud are totally controlled or eliminated.

6.1.2. Role of the management bodies

GBL has a Board of Directors, a Standing Committee, a Nomination and Remuneration Committee and an Audit Committee. Their respective modes of operation are described from page 171 to page 175. The Audit Committee is in charge in particular of checking the effectiveness of the company's internal control and risk management systems. It monitors the proper application of a whistle blowing procedure. The majority of its members, all of whom are appointed by the Board, are independent Directors. The Chairman of the Audit Committee is appointed by the members of the Committee and may not be the Chairman of the Board of Directors.

6.1.3. Risk culture

GBL aims at investing in companies that offer potential for value creation in the long term. New opportunities and portfolio management are continuously monitored at the highest level (see "Portfolio risk", page 72 of the Risk Management section). The divestment policy (as set out on page 16 of the Strategy section) aims to dispose of investments that no longer meet the group's investment criteria.

6.1.4. Professional ethics

GBL has adopted a Corporate Governance Charter and Code of Conduct that are regularly updated and aim to ensure conduct that is honest, ethical and complies with the laws, regulations and principles of good governance, on the part of the group's Directors and staff in carrying out their duties. Pierre de Donnea performs the role of Compliance Officer.

6.1.5. Appropriate measures to ensure adequate skills

The Nomination and Remuneration Committee reviews candidacies and seeks to ensure that a satisfactory balance is maintained within the Board of Directors in terms of its members' skills, knowledge and experience, particularly in the fields of finance, accounting and investment. The Board of Directors conducts on a regular basis, at intervals of no more than three years, evaluations of itself and its Committees to assess size, composition and performance. It also examines regularly in this context the interaction between non-executive Directors and the Executive Management. Furthermore, a recruitment process suited to the profiles sought, appropriate training and a remuneration and evaluation policy based on the achievement of targets enable to ensure the competence of GBL's staff.

6.2. Risk analysis

The Audit Committee carries out a thorough exercise for the identification of risks faced by GBL and their ranking every three years. The risks identified during the last assessment carried out in 2018 are presented on pages 71 to 75, in the Risk management section.

Furthermore, the risks and their level of control are reviewed annually, notably based on changes in the portfolio, economic parameters or the control environment.

The Audit Committee reviews the analysis and assessment of the risks performed by the Management, and validates the operational effectiveness of the internal control systems. When necessary, it ensures that the Executive Management implements a corrective action plan.

The current level of control of these risks (see "Control activities" below) appears sufficient and no additional measures are required to be implemented.

6.3. Control activities

Control activities encompass all measures taken by GBL to ensure that the key risks identified are appropriately controlled.

Risk prioritisation has been carried out based on impact (financial, reputational, legal or operational) and occurrence criteria.

This analysis revealed that GBL is exposed simultaneously to:
- exogenous risks, the materialisation of which depends on factors outside its control but the group aims at limiting their impact;
- endogenous risks that arise from its own environment.

The specific risks related to the participations are identified and addressed by the companies themselves within the framework of their own risk management and internal control. The table on page 69. mentions links to the websites where these companies' analyses to identify risks and implement internal control can be found.

6.4. Information and communication

GBL has developed a standardised information flow process in order to communicate reliable financial information to shareholders in a timely manner. GBL has been applying IFRS requirements since 2000.

Its assessment rules and its accounting principles are published every year in its annual report. Standardised financial reporting is used both upstream and downstream within GBL Group in order to ensure the consistency of data and to detect potential anomalies.

A financial calendar for this reporting is established every year in consultation with the controlling shareholder, the subsidiaries and the associated companies based on the publication dates.

The Investor Relations department ensures that significant transactions and important changes within the group are communicated in an appropriate and timely manner.

6.5. Supervision and monitoring

Supervision is exercised by the Board of Directors through the Audit Committee. Given the structure and nature of GBL's activities, there is no internal auditor's function. This situation is assessed on a yearly basis and has so far been deemed appropriate.

The Statutory Auditor (Deloitte Reviseurs d'Entreprises) also reviews on a yearly basis the internal control on the risks related to GBL's financial statements. This review of internal control forms part of the assignment of certifying GBL's statutory and consolidated financial statements in compliance with audit standards applicable in Belgium.

More specifically, the Statutory Auditor tests, on the basis of a triennial rotation plan, the operational effectiveness of internal control with regard to risks that are deemed critical in relation to the financial statements. Its work consists of discussions with members of the organisation while testing a given number of transactions.

The conclusions of this work are presented in a report submitted to GBL and they do not reveal any major deficiencies in the internal control. The report is submitted to the members of the Audit Committee.

7. Policy on conflicts of interest

Chapter III, point A. 4.2.2. of the Charter describes the Company's policy on transactions or other contractual relations between the Company, including affiliated companies, and Directors, in cases where these transactions or other contractual relations are not covered by legal provisions on conflicts of interests. It also provides for the application of specific procedures laid down in Articles 523 and 524 of the Companies Code.

Conflict of interest situations, as defined by Article 523 of the Companies Code, were brought to the attention of the Board of Directors at a meetings in 2018 and were addressed in accordance with the procedure provided for in this Article. As can be seen from one of the extracts below, some Directors, to whom the legal conflict of interests rules were nevertheless not applicable, abstained in accordance with the policy set out in the Charter.

The Statutory Auditor was informed of these situations and an extract from the minutes relating to these resolutions is reproduced in its entirety below:

7.1. Board of Directors' meeting of March 15, 2018

"… Remuneration of Co-CEOs

Since this item concerned the remuneration of Ian Gallienne and Gérard Lamarche, they stated that there was a conflict of interests on their part. Article 523 of the Companies Code was therefore applicable, and the company's Statutory Auditor had already been informed of this situation. They momentarily left the meeting with Colin Hall and Xavier Likin.

Gérald Frère, Cedric Frère and Ségolène Gallienne did not wish to take part in the vote for professional ethics reasons, due to their family ties.

It was proposed that, in 2018, co-CEOs be granted long-term variable remuneration similar to that of last year, and to therefore set it at 225% of the gross annual reference remuneration, equivalent to twice the annual fixed net remuneration. The amount of the value of the shares underlying the options to be granted in 2018 would therefore be EUR 3.87 million, i.e. 77,400 options for each of the Co-CEOs.

The options would have exactly the same characteristics as those granted in 2017.

Therefore, they could only be exercised after three years from when they were granted, within the windows provided for by the plan and provided that on that date the 3-year TSR is at least 5% on average per year. This condition must also be met each subsequent year on the anniversary date to enable the exercising of options during the twelve months following it, with in each case the TSR covering the period since granting.

As regards the 2018 employee option plan, the Committee had been informed of the Executive Management's decision to grant to the GBL group' staff in 2018 options with underlying shares of a maximum value of EUR 10.8 million.

The plan for employees and the Executive Management, as in 2017, would take the form of an annual stock option plan on existing shares of a GBL sub-subsidiary, which would mainly hold GBL shares to be financed through equity and bank financing, guaranteed by GBL at the market rate.

In the context of this guarantee, the Board was invited to take note of the report to be drawn up in accordance with Article 629 of the Companies Code and to authorise the Co-CEOs, jointly or with another Director with the option of substitution, to implement the incentive plan, and particularly to:

- *create the GBL subsidiary (FINPAR III);*
- *negotiate the credit agreement with a financial institution and the pledge and guarantee agreements for a maximum amount of EUR 14.9 million;*
- *organise the management of the option plan, including the options' liquidity;*
- *complete and fulfil, within this framework and in GBL's name, all the other formalities required by the incentive plan.*

The principle behind the plan and the maximum value of the shares underlying the options to be granted in 2018 to the Executive Management, amounting to EUR 3.87 million per CEO, and the security to be granted by GBL for the credit of a maximum amount of EUR 14.9 million, would be subject to the approval of the Ordinary General Shareholders' Meeting of April 24, 2018.

The members of the Board approved the proposals as formulated by the Committee."

7.2. Board of Directors' meeting of May 3, 2018

" … Indemnity undertaking for the persons representing GBL in the portfolio companies

Statement relating to Article 523 of the Companies Code

For the reasons set out below, GBL's Directors, excluding the independent Directors, declared a conflict of interest within the meaning of Article 523 of the Companies Code concerning the proposed indemnity undertaking. GBL's Statutory Auditor was also informed.

Therefore, only GBL's independent Directors participated in the Board of Directors' deliberations and the vote on this item.

The entire section of the minutes relating to this item will be published in GBL's annual report for the 2018 financial year, in accordance with Article 523 of the Companies Code.

Deliberation

GBL aims to hold significant stakes so it can play an active role in its portfolio investments. GBL's objective is to draw on its experience, expertise, among others in M&A, and its network to manage its investments, fully leveraging value creation and entirely fulfilling its role as a professional shareholder. Its strategy is to adopt a friendly approach so as to build long-term relationships and play an active role within governance bodies, particularly in the context of strategic decision-making by the companies.

It is therefore essential for GBL to be able to propose high-quality candidates for the position of Director in the portfolio companies with the experience and skills required to best represent GBL. However, the liability of Directors of large companies has become increasingly important and the insurance market only makes it possible to partially cover this liability. GBL must therefore be able to provide a sufficient comfort level to the persons representing it in the exercise of such directorships. It is necessary that this applies not only to the future, but also to the present and the past, in order to continue to benefit from the contribution of people of the highest level, including those who already represent GBL within the portfolio companies.

It is therefore proposed that GBL undertake to indemnify all the persons representing it within the governance bodies of its portfolio companies in all cases where they have acted in good faith and in a way that they thought was in the best interest of GBL or the company concerned. This indemnity will not apply to criminal penalties or amounts to be paid pursuant to a criminal settlement relating to a criminal offence or when this liability is covered by an insurance policy (taken out by GBL or by the portfolio company) benefiting this person, as specified below.

It must be noted that in addition to other persons (for example GBL employees), the various members of GBL's Board of Directors are likely to sit on the governance bodies of the investments, with the exception of the independent Directors. The proposed indemnity is therefore likely to generate a conflict of interest within the meaning of Article 523 of the Companies Code with regard to all Directors except for independent Directors. The procedure of Article 523 has therefore been applied as indicated above.

In view of the above, the independent Directors noted that the proposed indemnity undertaking is in GBL's best interest. Specifically, in order to be able to implement its strategy, the company must be able to retain and appoint high-quality representatives within the governance bodies of its investments and thus benefit from their experience and contribution. Such an undertaking is therefore fully understandable given the specific nature of GBL's activities.

The independent Directors also noted that there would be no financial consequences for the company as a result of the indemnity undertaking other than a payment by the company in execution of said undertaking.

Decision

The independent Directors therefore unanimously decided that GBL will indemnify the persons representing GBL in the portfolio companies, to the greatest extent permitted by law, for any liability and for any damages, expenses and other amounts reasonably incurred or borne by them in connection with any proceedings, request or claim initiated or made by any third party and directed against them in their capacity as a member of any governing body of any portfolio company, regarding any decision, action or omission taken or occurring (or allegedly taken or occurring) before, on the date, or after the date of this meeting. In the event of the passing of the person in question, the indemnity undertaking will benefit his/her heirs as provided for by the applicable law to inheritance, for all facts relating to such person.

This indemnity undertaking will apply only if the person concerned acted in good faith and in a way that he/she thought was in the best interest of GBL or the portfolio company. The undertaking will not apply:

(i) to criminal penalties and sums payable pursuant to a criminal settlement by the person concerned;

(ii) if the proceeding, request or claim against the Director representing GBL within the governance bodies of its portfolio companies is initiated or made by or on behalf of GBL itself; or

(iii) if, and to the extent that, this liability and these damages, expenses or other amounts are covered by an insurance policy (taken out by GBL or by the portfolio company), which benefits such person.

With regard to liability and damages, expenses or other amounts resulting from wilful misconduct or an intentional criminal or administrative offence, GBL will determine whether or not to cover them, depending on the circumstances of the case, it being understood that point (i) above may never be covered.

GBL will always advance the defence costs of the person concerned, except in the cases referred to in points (ii) and (iii) above. If the person in question is convicted, GBL will determine whether or not to request reimbursement of these costs, depending on the circumstances of the case."

7.3. Board of Directors' meeting of December 10, 2018

"… Senior Advisor agreement for Gérard Lamarche

This decision requires the application of the procedure provided for by Article 523 of the Companies Code, since Gérard Lamarche has a conflict of interest. He temporarily left the meeting. The company's Statutory Auditor was informed of this situation.

The Chairman of the Nomination and Remuneration Committee presented to the Board the main amendments proposed by the Committee for Gérard Lamarche's position following his desire to step down from his position as Co-CEO.

He would remain a Director of GBL and a Member of the Standing Committee. He would represent GBL on the Boards of certain of its portfolio companies and could be given ad hoc advisory assignments by GBL as Senior Advisor.

These arrangements would take effect at the end of the General Shareholders' Meeting of April 23, 2019. They would be contractually agreed for a period of two years, tacitly renewable for a further two-year period, unless one of the parties gives notice. Gérard Lamarche would be subject to a non-compete undertaking.

For all these mandates and assignments, Gérard Lamarche would receive gross annual remuneration of EUR 700,000 (including remuneration and attendance fees received from the portfolio companies).

Following an exchange of views, the Board of Directors unanimously approved the proposals made by the Nomination and Remuneration Committee."

Finally, no transactions requiring the application of Article 524 of the Companies Code (transactions with affiliates) were submitted to the Board of Directors in 2018.

8. Policy relating to transactions in GBL securities

The rules relating to transactions in GBL securities are reproduced in the "Dealing Code", which is presented in Appendix 2 to the Charter. The Dealing Code lays down the Company's internal policy on the prevention of market abuse. More specifically, it establishes the rules designed to prevent the illegal use of inside information by Directors, members of the Management and other employees of the Company and the GBL group. Under these rules, it defines the windows during which these people are prohibited from buying or selling, or trying to purchase or sell, for their own account or for the account of a third party, either directly or indirectly, GBL securities ("closed periods").

A calendar of the closed periods, as defined in the Charter, is also transmitted to the Executive Management, other Directors and staff.

Notice is also sent to the persons in possession of inside information or presumably in possession of such information to announce the start and end of the closed period.

In addition, the Directors and other potential insiders, whose names are included on a list kept by the Company, must inform the General Secretary before carrying out any transaction in GBL securities.

Finally, GBL's Directors and persons closely connected to them, are also legally obliged to notify the Belgian Financial Services and Markets Authority (FSMA) of any transactions in GBL securities performed on their own behalf.

The General Secretary ensures the application of all the legal measures relating to market abuse and the measures laid down by the Charter. She is available to provide the members of the Board of Directors and staff with any information on this subject.

9. Shareholders

9.1. Compliance with the provisions of the 2009 Code concerning shareholders

The Company complies with all of the provisions of the 2009 Code concerning shareholders.

Accordingly, one or more shareholders who collectively own at least 3% of the Company's share capital may request the adding of an item to the agenda of the General Shareholders' Meeting, and may also submit proposals for decisions concerning the items to be discussed or to be placed on the agenda. The threshold as from which one or more shareholders may request the calling of a General Shareholders' Meeting is set at 20% of the share capital.

The Company publishes the results of votes and the minutes of the General Shareholders' Meeting on its website as soon as possible and no later than fifteen days following the Meeting.

9.2. Relations with the controlling shareholder

The Company's shareholding is characterised by the presence of a controlling shareholder, Pargesa Holding S.A. (through its wholly-owned subsidiary Pargesa Netherlands B.V.). Pargesa Holding S.A., a Swiss law company, is itself controlled by Parjointco N.V., a Dutch law company and equally controlled by the Frère and Power Corporation of Canada groups, under an agreement concluded by the two groups in 1990.

This agreement aims to establish and maintain equal control between the Power Corporation of Canada group and the Frère group in Pargesa Holding S.A., GBL and their respective designated subsidiaries.

Each group has agreed not to acquire, hold or sell interests in these companies, either directly or indirectly, except with the agreement of the other party, and has granted the other group a right of pre-emption, subject to certain restrictions, on shares in Pargesa Holding S.A. and GBL in the event of the disposal of such shares during a five-year period following expiry of the agreement.

This agreement was extended in 1996 until 2014 if not renewed. On December 18, 2012, it was extended until 2029. The new agreement includes the possibility of extending it beyond 2029.

9.3. Information on shareholding structure

9.3.1. Notification in accordance with legislation on takeover bids

On February 21, 2008, the Company received a notification from its controlling shareholders concerning their interest in GBL at September 1, 2007.

This notification was transmitted in accordance with Article 74 § 7 of the law of April 1, 2007 on takeover bids. Under this law, shareholders who own more than 30% of the capital of a listed company are exempted from the obligation to launch a public takeover bid on this company provided that they have notified the FSMA of their shareholding by the time of the law's entry into force (i.e. September 1, 2007) and the company concerned by February 21, 2008 at the latest.

Also pursuant to this law, these shareholders are obliged to report any change in their controlling interest to the FSMA and to the company each year. They therefore sent GBL an update of the controlling shareholding structure as at September 3, 2018, which is reproduced below:

- **Number and percentage of shares with voting rights held by the declaring parties**

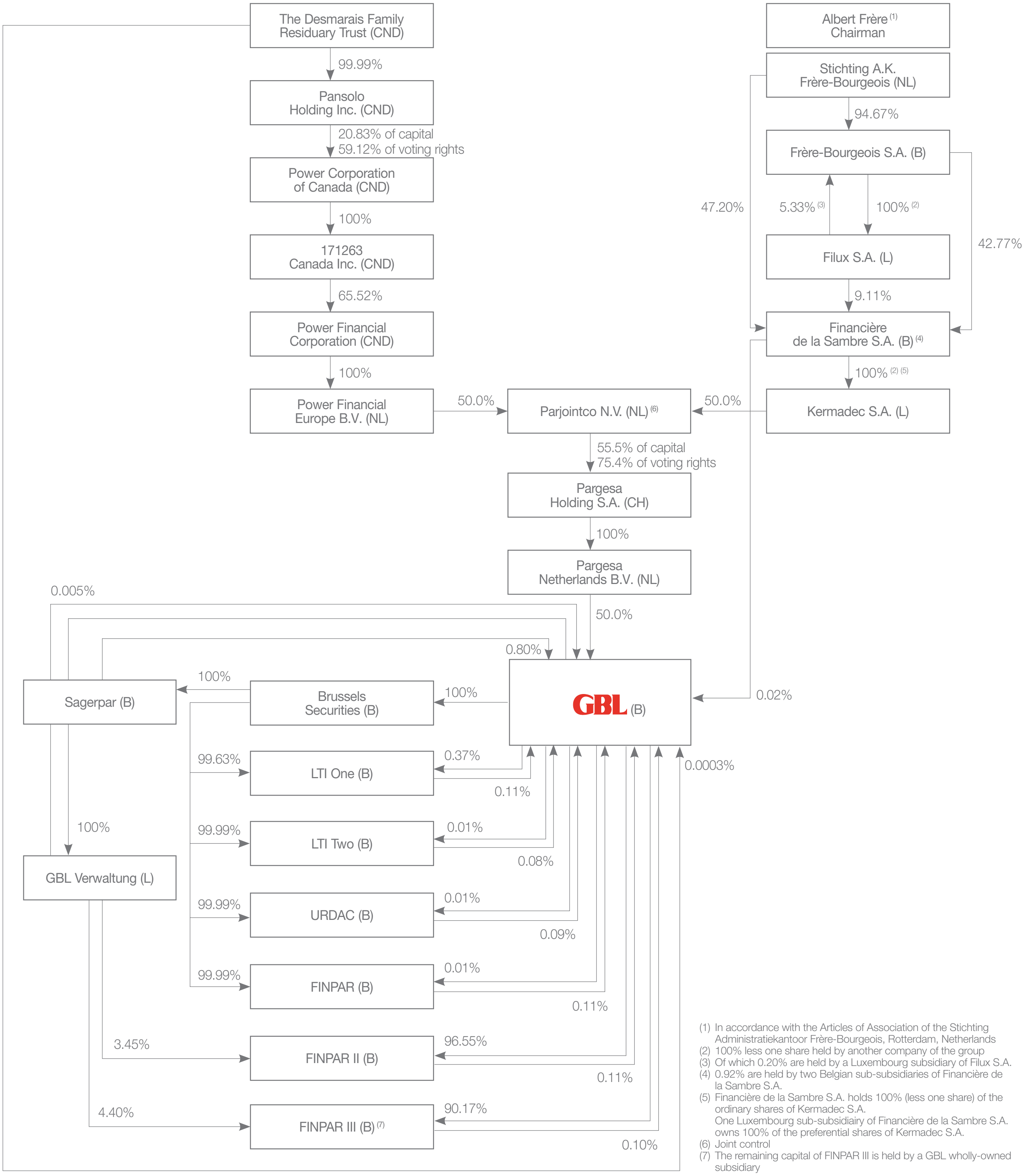
Shareholders	Number of shares with voting rights	%
Pargesa Netherlands B.V.	80,680,729	50.00
Sagerpar (1)	1,290,339	0.80
GBL Verwaltung (1)	7,500	p.m.
LTI One (1)	185,185	0.11
LTI Two (1)	129,770	0.08
URDAC (1)	141,108	0.09
FINPAR (1)	180,640	0.11
FINPAR II (1)	171,678	0.11
FINPAR III (1)	161,956	0.10
Financière de la Sambre S.A.	38,500	0.02
The Desmarais Family Residuary Trust (2) (3)	500	p.m.
Total	**82,987,905**	**51.43**

(1) Shares with suspended voting rights
(2) Formerly called Trust Familial Desmarais
(3) As stated on page 172 of GBL's 2017 annual report, Jacqueline Desmarais, a member of the trustees board of the Desmarais Family Residuary Trust, passed on March 3, 2018. Paul Desmarais, Jr. and André Desmarais continue to act jointly as trustees of this trust

- **Natural and/or legal person(s) ultimately controlling the declaring legal persons**

  The Desmarais Family Residuary Trust and Albert Frère, bound by an acting-in-concert agreement.

Chain of control as at August 31, 2018



(1) In accordance with the Articles of Association of the Stichting Administratiekantoor Frère-Bourgeois, Rotterdam, Netherlands
(2) 100% less one share held by another company of the group
(3) Of which 0.20% are held by a Luxembourg subsidiary of Filux S.A.
(4) 0.92% are held by two Belgian sub-subsidiaries of Financière de la Sambre S.A.
(5) Financière de la Sambre S.A. holds 100% (less one share) of the ordinary shares of Kermadec S.A.
One Luxembourg sub-subsidiairy of Financière de la Sambre S.A. owns 100% of the preferential shares of Kermadec S.A.
(6) Joint control
(7) The remaining capital of FINPAR III is held by a GBL wholly-owned subsidiary

9.3.2. Notification of major holdings in 2018

In accordance with Belgian legal requirements on transparency, all GBL shareholders have to disclose whenever their voting rights either exceed or fall below the 5%, 10%, 15% (and other multiples of 5%) of total voting rights.

GBL's Articles of Association do not lay down a disclosure threshold lower than 5% or 10%.

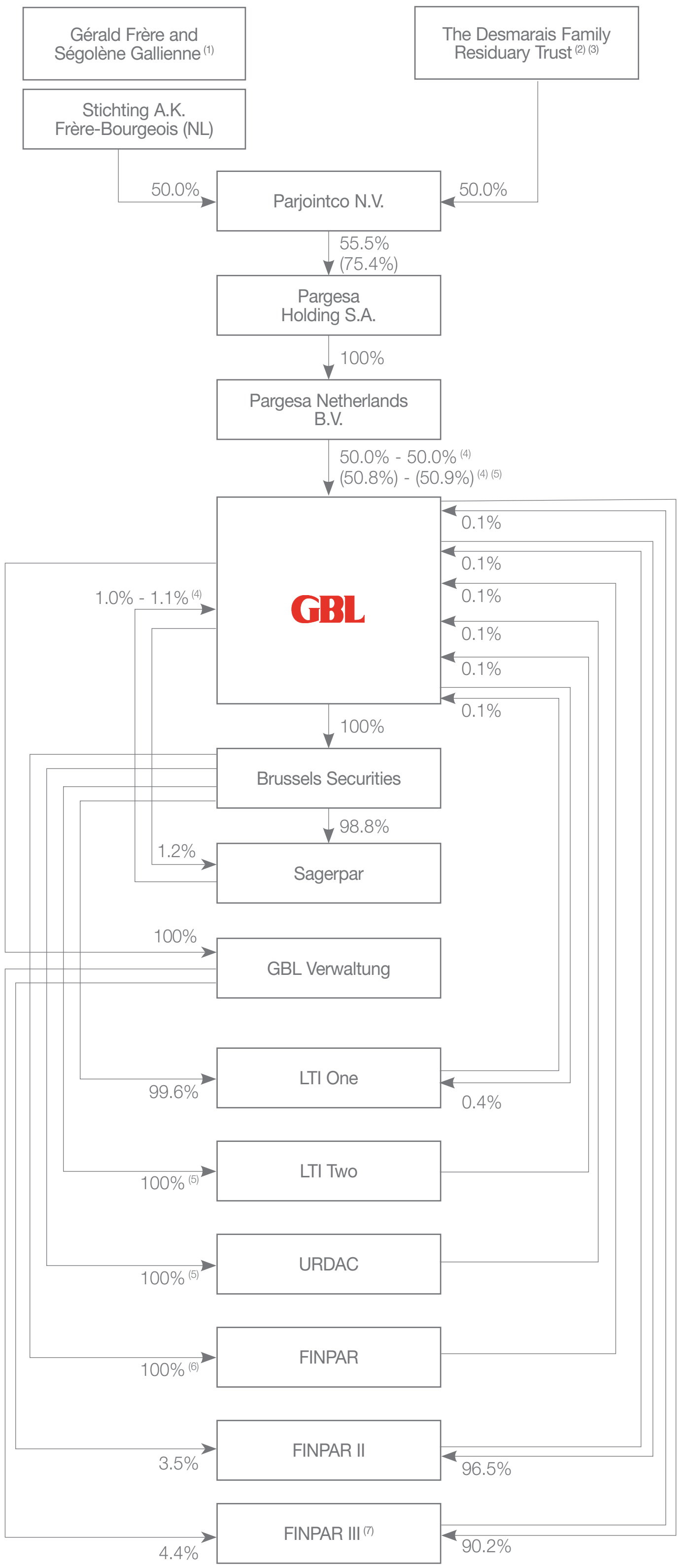
In 2018, GBL received two transparency notifications:

- On March 22, 2018, Artisan Partners Asset Management Inc. and Artisan Partners Limited Partnership notified GBL that they had crossed the threshold of 5% of the Company's voting rights.
- On December 6, 2018, Gérald Frère, Ségolène Gallienne, Stichting Administratiekantoor Frère-Bourgeois, The Desmarais Family Residuary Trust and Pargesa Netherlands B.V. informed the Company that they held 51.63% of GBL's shares and voting rights. GBL was informed of (i) the transfer of Albert Frère's control over Frère-Bourgeois and its subsidiaries to his two children, Gérald Frère - Stichting Administratiekantoor Bierlaire - and Ségolène Gallienne - Stichting Administratiekantoor Peupleraie and (ii) the maintenance of the action in concert previously notified with the Power group, controlled by The Desmarais Family Residuary Trust. Note that, on October 30, 2008, Paul G. Desmarais, Albert Frère and Pargesa Netherlands B.V. declared that they were acting in concert pursuant to an agreement on the exercising of their voting rights in order to adopt a lasting common policy and to obtain control, frustrate a bid or maintain control.

9.3.3. Shareholding structure as at December 31, 2018

Shareholders	Number of voting rights		% of voting rights		Threshold crossing date
	Linked to securities	Not linked to securities	Linked to securities	Not linked to securities	
Gérald Frère, Ségolène Gallienne, Stichting Administratiekantoor Frère-Bourgeois, The Desmarais Family Residuary Trust and Pargesa Netherlands B.V.	83,313,547	-	51.63%	-	December 3, 2018
Artisan Partners Asset Management Inc. and Artisan Partners Limited Partnership	-	8,084,082	-	5.01%	March 14, 2018

9.3.4. Simplified control chart of GBL at December 31, 2018 updated on March 14, 2019



( ) Voting rights
(1) Pursuant to the articles of association of Stichting Administratiekantoor Frère-Bourgeois (Rotterdam - Netherlands), these two persons exercise joint control over the voting rights attached to certified securities
(2) Trustees of a trust established following the passing away of Paul G. Desmarais, for the benefit of certain members of the Desmarais family
(3) Jacqueline Desmarais passed away on March 3, 2019
(4) Updated on March 14, 2019
(5) Taking into account the suspended voting rights relating to treasury shares
(6) Including 10 shares held by GBL
(7) The remaining capital of FINPAR III is held by a GBL 100% subsidiary

10. Other information relating to the Company

10.1. History and development

The Company was founded as the result of the merger in April 2001 between GBL S.A. and Electrafina, in which GBL S.A. held a stake of more than 80%.

Over the years, Electrafina became the “energy arm” of the group, holding its interests in the oil and electricity industries. Later, it also invested in media. GBL S.A. on the other hand held direct interests in fields such as financial services, real estate and trade. Over time, the differences between the assets of the parent company and its subsidiary became less pronounced and these assets were brought together into a single entity.

This merger also fit in with the group’s strategy of keeping its assets internationally positioned in a context of concentration and increasing competition, which resulted in the divestment of the financial services and the sale of interests that had become marginal.

Since then, the group’s portfolio has been composed of industrial and services companies with an international footprint, that are leaders in their market and for whom GBL plays its role of professional shareholder.

10.2. Name

Groupe Bruxelles Lambert
Groep Brussel Lambert
in abbreviated form “GBL”

The French and Dutch registered names may be used together or separately.

10.3. Registered office

24, avenue Marnix - 1000 Brussels

The registered office may be transferred to any other address in Belgium by decision of the Board of Directors.

10.4. Legal form, incorporation and statutory publications

The Company was incorporated on January 4, 1902 as a limited liability company under Belgian law, by deed executed by Edouard Van Halteren, Notary in Brussels, published in the Appendices to the Belgian Official Gazette of January 10, 1902, reference number 176. The Articles of Association have been amended on a number of occasions, most recently by a deed dated April 26, 2016 published in the Appendices to the Belgian Official Gazette of June 7, 2016, reference numbers 16077518 and 16077519.

10.5. Legislation governing its activities

The Company is governed by existing and future laws and regulations applicable to public limited companies and by its Articles of Association.

10.6. Register of Legal Entities

The Company is registered in the Register of Legal Entities (RLE) under the business number 0407.040.209.

10.7. Term

The Company is incorporated for an unlimited period.

10.8. Corporate purpose

The Company's purpose is to:

- conduct, on its own behalf or on behalf of third parties, any real estate, financial and portfolio management transactions; to this effect, it may create companies or bodies, acquire shares therein, and conduct any financing, payment, lending, security or deposit operations;
- carry out any studies and provide technical, legal, accounting, financial, commercial, administrative or management assistance, on behalf of companies or bodies in which it directly or indirectly owns shares, or on behalf of third parties;
- provide, on its own behalf or on behalf of third parties, any transport or transit operations.

The Company may have an interest, through a contribution or merger, in any companies or bodies already created or to be created whose purpose is similar, related to its own or is of such a nature as to confer an advantage in the pursuit of its corporate purpose.

10.9. Share capital

10.9.1. Issued capital

At December 31, 2018, the fully paid-up share capital amounted to EUR 653,136,356.46. It is represented by 161,358,287 shares without nominal value.

All of the shares making up the share capital have the same rights.

In accordance with Article 27 of the Articles of Association, each share entitles its holder to one vote. GBL has not issued any other class of shares, such as non-voting or preferential shares.

In accordance with the law of December 14, 2005 on the elimination of bearer shares, holders of bearer shares had to convert them into registered or dematerialised shares by December 31, 2013 at the latest. The bearer shares that had not yet been converted into registered or dematerialised shares at January 1, 2014 were automatically converted into dematerialised shares registered in a securities account in GBL's name.

Since January 1, 2014, the exercising of bearer share rights has been suspended in accordance with the law.

The law also provides that, as from January 1, 2015, issuers must put any unclaimed bearer shares up for sale on the stock market and announce this mandatory sale in good time in line with the applicable regulations. Once the unclaimed bearer shares have been sold, the net proceeds of this sale (in other words the proceeds less any custodian costs) must be transferred to the Caisse des Dépôts et Consignations within fifteen days.

In accordance with this obligation two notices, which among other things stated the maximum number of securities liable to be put up for sale and the depositing deadline and location for bearer shares, were published by GBL and Euronext on their websites. An initial notice was published on December 5, 2014 and concerned 69,082 unclaimed bearer shares, while a second notice was published on October 2, 2015 relating to 32,656 bearer shares from share exchange reserves. These notices were also inserted in the Belgian Official Gazette of December 11, 2014 and October 6, 2015 respectively. Following the publication of these notices, the shares in question were sold on the stock exchange on January 21, 2015 (69,082 shares) and November 16, 2015 (32,656 shares). The proceeds from these sales were transferred on January 23, 2015 and November 18, 2015 to the Caisse des Dépôts et Consignations.

Since December 31, 2015 the owners of these old bearer shares have been entitled to demand payment of the corresponding proceeds from the Caisse des Dépôts et Consignations, subject to these owners being able to provide proof of ownership. However, the law of December 14, 2005 provides that, as from January 1, 2016, such a repayment will be subject to a fine of 10% of the proceeds from the sale of the underlying bearer shares, calculated by year of delay commenced. GBL is therefore no longer involved in this process.

10.9.2. Authorised capital

The Extraordinary General Shareholders' Meeting of April 26, 2016 renewed, for a period of five years, the authorisation given to the Board of Directors to:

- increase the share capital, on one or more occasions, by up to EUR 125 million;
- decide to issue, on one or more occasions, convertible bonds or bonds redeemable in shares, subscription rights or other financial instruments, whether or not they are attached to bonds or other securities and that may in time give rise to capital increases of a maximum amount such that the amount of the capital increases that may result from the exercising of these conversion or subscription rights, whether or not they are attached to such securities, does not exceed the authorised amount remaining as defined by the above-mentioned limits.

In both cases, the Board of Directors may, in the interests of the Company, limit or cancel the preferential subscription rights of the existing shareholders according to the conditions provided for by law.

This authorisation, initially granted in 1987, was renewed on May 25, 1993, May 28, 1996, May 25, 1999, April 27, 2004, April 24, 2007, April 12, 2011 and most recently on April 26, 2016. It is valid for a five-year period from June 7, 2016, i.e. until June 2021.

At December 31, 2018, the authorised capital amounted to EUR 125 million. Based on this amount, a maximum of 30,881,431 new shares may be created.

10.9.3. Treasury shares

The Extraordinary General Shareholders' Meeting of April 26, 2016 renewed the authorisation given to the Company's Board of Directors, for a period of five years, to buy a maximum of 32,271,657 GBL shares, in accordance with the legal provisions. The unit price may not be more than 10% lower than the lowest price in the 12 months preceding the transaction, or more than 10% higher than the highest share price out of the last 20 quotes.

This authorisation also covers acquisitions by GBL's direct and indirect subsidiaries.

The same Extraordinary General Shareholders' Meeting also renewed the Board of Directors' authorisation to acquire and dispose of its treasury shares when such an acquisition or disposal is necessary to prevent serious and imminent harm to the Company. This authorisation is valid for three years from June 7, 2016, i.e. until June 2019.

Under the Company's Articles of Association, the Board of Directors may also dispose of GBL shares on or off the stock market without the prior intervention of the General Shareholders' Meeting and with unlimited effect.

Within this context, the Company has set up a liquidity agreement with a third-party to improve the market liquidity of the GBL share. This agreement is executed on a discretionary basis by a third-party on behalf of GBL within the limits of the authorisation granted by the April 26, 2016 General Meeting as well as in compliance with the applicable laws.

In 2018, GBL's Board of Directors also authorised the Company, if appropriate and depending on market conditions, to buy back treasury shares amounting to EUR 250 million. This authorisation is valid until April 26, 2021.

The acquisitions and disposals of treasury shares in 2017 and 2018 are presented in detail on page 127 of this annual report.

10.9.4. Exchangeable and convertible bonds

On October 9, 2018, Sagerpar S.A., a wholly-owned subsidiary of GBL, repaid in cash (an amount of EUR 84 million) the balance of the convertible bonds issued on September 27, 2013. This issue is presented in detail on page 125 of this annual report.

10.10. Voting rights

There are no statutory restrictions on the exercise of voting rights, without prejudice to general rules on admission to the General Shareholders' Meeting.

10.11. Documents available to the public

10.11.1. Shareholders' access to information and website

With the goal of facilitating access to information by its shareholders, GBL has set up a website (http://www.gbl.be).

This site, which is updated regularly, contains the information required under the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

This information includes the financial statements, annual reports and all of the press releases issued by the Company, as well as any useful and necessary information about General Shareholders' Meetings and shareholders' participation in such meetings, and in particular the conditions provided for by the Articles of Association for the calling of (Ordinary and Extraordinary) General Shareholders' Meetings.

The results of votes as well as the minutes of General Shareholders' Meetings are also published on the website.

10.11.2. Places where Company-related documents may be consulted

The Company's Consolidated Articles of Association may be consulted at the Registry of the Brussels Commercial Court, at the Company's registered office and on its website (http://www.gbl.be).

The annual financial statements are deposited with the National Bank of Belgium and may be consulted on GBL's website. Resolutions relating to the appointment and removal of members of the Company's executive bodies are published in the Appendices to the Belgian Official Gazette.

Financial notices relating to the Company are published in the financial press. Other documents available for public inspection may be consulted at the Company's registered office.

The Company's annual report is sent each year to registered shareholders and to any person requesting a copy. It is available free of charge at the registered office.

The annual reports for the last three financial years and all the documents referred to in this section may be consulted on the Company's website.

Offices held by the Directors between 2014 and 2018 [1]

Gérald Frère
Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies:

- Chairman of the Board of Directors of Stichting Administratiekantoor Bierlaire (NL), Domaines Frère-Bourgeois S.A. (B) and Frère-Bourgeois S.A. (B).
- Vice-Chairman of the Board of Directors of Pargesa Holding S.A. (CH).
- Director of Power Financial Corporation (CDN), Fonds Charles-Albert Frère A.S.B.L. (B) and Haras de la Bierlaire S.A. (B).
- Director Secretary of the Fondation Charles-Albert Frère (B).
- Auditor of Parjointco N.V. (NL).
- Member of the Remuneration Committee of Power Financial Corporation (CDN).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Chairman of the Board of Directors of Loverval Finance S.A. (B) *(until December 28, 2017)*.
- CEO of Pargesa Holding S.A. (CH) *(until December 31, 2018)*, Financière de la Sambre S.A. (B) *(until January 25, 2018)* and Frère-Bourgeois S.A. (B) *(until January 25, 2018)*.
- Director of Erbe S.A. (B) *(until December 28, 2017)* and Electrabel (B) *(until April 22, 2014)*.
- Auditor of Agesca Nederland N.V. (NL) *(until December 23, 2014)*.
- Member of the Related Party and Conduct Review Committee of Power Financial Corporation (CDN) *(until May 12, 2016)*.
- Regent and Member of the Budget Committee of the National Bank of Belgium S.A. (B) *(until May 22, 2018)*.
- Manager of Agriger S.P.R.L. (B) *(until June 15, 2017)*.

Paul Desmarais, Jr.
Vice-Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies:

- Director and Chairman of the Board and Co-CEO of Power Corporation of Canada (CDN).
- Director and Executive Co-Chairman of the Board of Power Financial Corporation (CDN).
- Director and Chairman of the Board of 171263 Canada Inc. (CDN) and Power Corporation International (CDN).
- Chairman of the Board and CEO of Pargesa Holding S.A. (CH).
- Chairman of the Board and Treasurer of Belvoir Canada Inc. (CDN) and Belvoir Investments Corporation (CDN).
- Chairman, Secretary/Treasurer of 4379071 Canada Inc. (CDN) and Pet Care Holdings ULC (CDN).
- Chairman of Placements Paquerais Inc. (CDN).
- Chairman of the Board of The Memphrémagog Golf Club Inc. (CDN).
- Vice-Chairman of 159964 Canada Inc. (CDN), 2790343 Canada Inc. (CDN), 2945355 Canada Inc. (CDN), Ansopolo Investments Corporation (CDN), Cimetière Laforest (CDN), Laforest Trustee Corporation (CDN) and Palso Investments Inc. (CDN).
- Vice-Chairman and Vice-Chairman of the Board of Sanpalo Investments Corporation (CDN).
- Co-Chairman of Louisefam Holding Corporation (CDN) and Sophiefam Holding Corporation (CDN).
- Director of 152245 Canada Inc. (CDN), GWL&A Financial Inc. (USA), Parjointco N.V. (NL), Power Communications Inc. (CDN), Power Financial Europe B.V. (NL), SGS S.A. (CH), AppDirect Inc. (USA), Great-West Life & Annuity Insurance Company of New York (USA) and Best Friends Acquisition Corporation (USA).
- Director and Deputy Chairman of the Board of La Presse Ltd. (CDN), Gesca Ltd. (CDN) and Square Victoria Communications Group Inc. (CDN).
- Director and Member of the Nomination, Compensation and Governance Committee of LafargeHolcim (CH).
- Director and Member of the Executive Committee of The Canada Life Assurance Company (CDN), Canada Life Financial Corporation (CDN), The Canada Life Insurance Company of Canada (CDN), Great-West Life & Annuity Insurance Company (USA), Great-West Lifeco Inc. (CDN), The Great-West Life Assurance Company (CDN), IGM Financial Inc. (CDN), Investors Group Inc. (CDN), London Life Insurance Company (CDN), Putnam Investments LLC (USA) and Mackenzie Inc. (CDN).
- Chairman of the Advisory Board of Sagard Private Equity Partners (F).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Director of Canada Life Capital Corporation Inc. (CDN) *(until 2017)*, Great-West Financial (Canada) Inc. (CDN) *(until 2017)*, Great-West Financial (Nova Scotia) Co. (CDN) *(until 2017)*, Total S.A. (F) *(until 2017)*, Lafarge (F) *(until 2015)* and Steve Nash Fitness Centers (CDN) *(until 2016)*.
- Director and Member of the Executive Committee of London Insurance Group Inc. (CDN) *(until 2017)*.
- Director of GDF SUEZ (F) *(until 2014)*.

Thierry de Rudder
Vice-Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies:

Nihil

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Director of Electrabel (B) *(until April 22, 2014)*.
- Chairman of the Audit Committee of Electrabel (B) *(until April 22, 2014)*.

Ian Gallienne
Co-CEO

List of activities and other mandates exercised in Belgian and foreign companies:

- Director of Imerys (F), Pernod Ricard (F), SGS S.A. (CH), adidas AG (D), Frère-Bourgeois (B), Compagnie Nationale à Portefeuille S.A. and Société Civile du Château Cheval Blanc (F).
- Chairman of the Strategic Committee and Member of the Appointments and Compensation Committee of Imerys (F).
- Member of the Remuneration Committee of Pernod Ricard (F)
- Member of the Nomination and Remuneration Committee of SGS S.A. (CH).
- Member of the Strategic Committee of Pernod Ricard (F).
- Member of the Audit Committee of adidas AG (D).

(1) Other than offices held in GBL's wholly-owned subsidiaries.

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- CEO of Ergon Capital Partners S.A. (B) *(until March 20, 2014)*, Ergon Capital Partners II S.A. (B) *(until March 20, 2014)* and Ergon Capital Partners III S.A. (B) *(until March 20, 2014)*.
- Director of Steel Partners N.V. (B) *(until March 23, 2015)*, Gruppo Banca Leonardo SpA (I) *(until April 29, 2015)*, Ergon Capital S.A. (B) *(until February 15, 2016)*, Lafarge (F) *(until March 17, 2016)*, Erbe S.A. (B) *(until December 28, 2017)* and Umicore (B) *(until April 25, 2017)*.
- Manager of Ergon Capital II S.à r.l. (L) *(until February 15, 2016)*.
- Member of the Supervisory Board of Kartesia Management S.A. (L) *(until April 1, 2015)*.

Gérard Lamarche
Co-CEO

List of activities and other mandates exercised in Belgian and foreign companies:

- Director of LafargeHolcim (CH), Total S.A. (F), SGS S.A. (CH), Pearsie International (B), Samrée S.A. (L) and Umicore (B).
- Member of the Audit Committee of Total S.A. (F), LafargeHolcim (CH) and SGS S.A. (CH).
- Chairman of the Compensation Committee of Total S.A. (F).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Director of Lafarge (F) *(until May 4, 2016)* and Legrand (F) *(until May 27, 2016)*.
- Member of the Audit Committee of Legrand (F) *(until May 27, 2016)* and LafargeHolcim (CH) *(until May 2016)*.
- Member of the Strategic Committee of Total S.A. (F) *(until December 18, 2015)*.
- Censor of GDF SUEZ (F) *(until April 28, 2015)*.

Antoinette d'Aspremont Lynden
Director

List of activities and other mandates exercised in Belgian and foreign companies:

- Director of BNP Paribas Fortis (B).
- Member of the Audit Committee of BNP Paribas Fortis (B).
- Member of the Risk Committee of BNP Paribas Fortis (B).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Member of the Governance, Nomination and Remuneration Committee of BNP Paribas Fortis (B) *(until December 2014)*.

Laurence Danon Arnaud
Director

List of activities and other mandates exercised in Belgian and foreign companies:

- Chairwoman of Primerose SAS (F).
- Director of Amundi (F), TF1 (F) and Gecina (F).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Chairwoman of Leonardo & Co. (F) *(until 2015)*.
- Director of Diageo Plc. (UK) *(until 2015)*.

Victor Delloye
Director

List of activities and other mandates exercised in Belgian and foreign companies:

- Chairman of the Board of Directors of Geseluxes S.A. (L).
- Director – General Secretary of Compagnie Nationale à Portefeuille S.A. (B), Investor S.A. (B), Frère-Bourgeois S.A. (B), Financière de la Sambre S.A. (B) and Carpar S.A. (B).
- CEO of Fonds Charles-Albert Frère A.S.B.L. (B).
- Director of Pargesa Holding S.A. (CH), Domaines Frère-Bourgeois S.A. (B), Finer S.A. (L), Filux S.A. (L), Swilux S.A. (L), GB-INNO-BM S.A. (B) and GIB Group International S.A. (L).
- Member of the Supervisory Board of Parjointco N.V. (NL).
- Vice-Chairman of the Board of Directors of Association Belge des Sociétés Cotées A.S.B.L. (B).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Bierlaire (NL) and Stichting Administratiekantoor Peupleraie (NL).
- Co-Manager of the partnership ESSO.

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Director – General Secretary of Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.) *(until December 28, 2017)*, Erbe S.A. (B) *(until December 28, 2017)*, Compagnie Immobilière de Roumont S.A. (B) *(until December 13, 2018)*, Europart S.A. (B) *(until November 12, 2018)* and Fibelpar S.A. (B) *(until November 12, 2018)*.
- CEO of Delcortil S.A. (B) *(until December 28, 2016)*.
- Director of Brufinol (L) *(until December 22, 2017)*, Kermadec S.A. (L) *(until March 23, 2016)*, Cargefin S.A. (L) *(until December 28, 2016)*, Safimar S.A. (B) *(until December 18, 2014)*, Segelux S.A. (L) *(until January 13, 2014)* and GIB Corporate Services S.A. (B) *(until August 24, 2018)*.
- Director of Newcor S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. *(until February 4, 2015)*, Fibelpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until April 27, 2016)*, Carpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until May 27, 2016)* and GIB Corporate Services S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until September 21, 2017)*.
- Member of the Supervisory Board of Agesca Nederland N.V. (NL) (company dissolved and liquidated in December 2014).

Paul Desmarais III
Director

List of activities and other mandates exercised in Belgian and foreign companies:

- Vice-Chairman of Power Financial Corporation (CDN) and Power Corporation of Canada (CDN).
- Director of Investors Group Inc. (CDN), Mackenzie Inc. (CDN), Sagard Capital Partners GP, Inc. (USA), Sagard Capital Partners Management Corp. (USA), Sagard Holdings (USA), Sagard Holdings ULC (CDN), The Great-West Life Assurance Company (CDN), London Insurance Group Inc. (CDN), London Life Insurance Company (CDN), Canada Life Financial Corporation (CDN), The Canada Life Assurance Company (CDN), The Canada Life Insurance Company of Canada (CDN), Personal Capital Corporation (USA), Portag3 Ventures GP Inc. (CDN), Portag3 Ventures GP II Inc. (CDN),

PFC Ventures Inc. (CDN), Peak Achievement Athletics Inc. (USA), IntegraMed America Inc. (USA), IntegratedMed Fertility Holding, LLC (USA), IntegraMed Fertility Management Initiative Plan, LLC (USA), IntegraMed Holding Corp. (USA), Integrate.ai Inc. (CDN), Diagram Corporation (CDN), Diagram Ventures GP Inc. (CDN), Koho Financial Inc. (CDN), Wealthsimple Inc. (CDN), Wealthsimple Financial Corp. (CDN), Imerys (F) and Pargesa Holding S.A. (CH).
- Member of the Strategic Committee and Chairman of the Appointments and Compensation Committee of Imerys (F).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:
- Director of GWL&A Financial Inc. (USA) *(until May 5, 2016)* and Putnam Investments, LLC (USA) *(until May 5, 2016)*.

Cedric Frère
Director

List of activities and other mandates exercised in Belgian and foreign companies:
- Chairman of the Board of Directors, CEO of Haras de la Bierlaire S.A. (B) and Manoir de Roumont S.A. (B).
- CEO of Domaines Frère-Bourgeois S.A. (B), Frère-Bourgeois S.A. (B) and Financière de la Sambre S.A. (B).
- Chairman of the Board of Directors of Cheval Blanc Finance SAS (F).
- Director of Pargesa Holding S.A. (CH), Filux S.A. (L), Investor S.A. (B), Compagnie Nationale à Portefeuille S.A. (B), Carpar S.A. (B), Hippocrène A.S.B.L. (B), Fonds Charles-Albert Frère A.S.B.L. (B), Fondation Saint-Luc F.U.P. (B), Caffitaly S.p.A. (IT) and Société Civile du Château Cheval Blanc (F).
- Tenured Director of Cheval des Andes (Argentina).
- Manager of Agriger S.P.R.L. (B).
- Regent and Member of the Special Fund Committee of the National Bank of Belgium (B).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:
- Director of Erbe S.A. (B) *(until December 28, 2017)* and Swilux S.A. (L) *(until April 28, 2017)*.
- Director of Carpar S.A. (B) as permanent representative of Manoir de Roumont S.A. *(until May 27, 2016)* and Compagnie Nationale à Portefeuille S.A. (B) as permanent representative of Manoir de Roumont S.A. *(until February 4, 2015)*.

Ségolène Gallienne
Director

List of activities and other mandates exercised in Belgian and foreign companies:
- Chairwoman of the Board of Directors of Diane S.A. (CH).
- Director of Frère-Bourgeois S.A. (B), Compagnie Nationale à Portefeuille S.A. (B), Cheval Blanc Finance SAS (F), Domaines Frère-Bourgeois S.A. (B), Christian Dior SE (F), Fonds Charles-Albert Frère A.S.B.L. (B), Société Civile du Château Cheval Blanc (F) and Pargesa Holding S.A. (CH).
- Manager of the partnership ESSO (B).
- Chairwoman of the Raad van Bestuur of Stichting Administratiekantoor Peupleraie (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:
- Director of Erbe S.A. (B) *(until December 28, 2017)*.

Jocelyn Lefebvre
Director

List of activities and other mandates exercised in Belgian and foreign companies:
- Chairman of Sagard SAS (F).
- Vice-Chairman of the Board of Directors, Director and Member of the Audit Committee of Pargesa Holding S.A. (CH).
- CEO of Parjointco N.V. (NL) and Power Financial Europe B.V. (NL).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:
- Director, Member of the Strategic Committee and of the Audit Committee of Imerys (F) *(until April 30, 2015)*.
- Member of the Supervisory Board of Kartesia Management S.A. (L) *(until July 2016)*.

Marie Polet
Director

List of activities and other mandates exercised in Belgian and foreign companies:
- Member of the Supervisory Board of Koninklijke Theodorus Niemeyer B.V. (NL).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:
- Director, Chairwoman and CEO of Imperial Tobacco Canada Ltd. (CDN) *(until January 16, 2015)* and Imperial Tobacco Company Ltd. (UK) *(until January 16, 2015)*.
- Member of the Supervisory Board of British American Tobacco Norway AS (N) (*until May 1, 2014*) and Fiedler & Lundgren AB (S) (*until May 1, 2014*).

Gilles Samyn
Director

List of activities and other mandates exercised in Belgian and foreign companies:
- Chairman of the Board of Directors of Finer S.A. (L) (ex-Erbe Finance S.A.), Helio Charleroi Finance S.A. (B), Kermadec S.A. (L), Transcor Astra Group S.A. (B), Compagnie Nationale à Portefeuille S.A. (B), Tagam AG (CH), Worldwide Energy AG (CH) and Maison des Maths et du Numérique A.S.B.L. (B).
- CEO of Domaines Frère-Bourgeois S.A. (B) and Société des Quatre Chemins S.A. (B).
- Director of AOT Holding Ltd. (CH), Astra Transcor Energy N.V. (NL), Grand Hôpital de Charleroi A.S.B.L. (B), Investor S.A. (B), Filux S.A. (L), Carpar S.A. (B) as representative of Société des Quatre Chemins S.A., Financière de la Sambre S.A. (B) and Frère-Bourgeois S.A. (B).
- Director and Member of the Audit Committee and of the Compensation Committee of Pargesa Holding S.A. (CH).
- Member of the Supervisory Board and of the Audit Committee of Métropole Télévision (M6) (F).
- Chairman of the Nomination and Remuneration Committee of Métropole Télévision (M6) (F).
- Director and Member of the Audit Committee of Pernod Ricard (F).
- Manager of Gosa partnership (B).
- Auditor of Parjointco N.V. (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).
- Manager of Astra Oil Company LLC (USA).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Chairman of the Board of Directors of ACP N.V. (B) (ex-Acide Carbonique Pur S.A.) *(until April 2016)*, Financière Flo SAS (F) *(until January 2017)*, Groupe Flo S.A. (F) *(until June 2017)*, Unifem SAS (F) *(until December 2015)*, Filux S.A. (L) *(until December 2017)*, Swilux S.A. (L) *(until May 2018)*, Cheval Blanc Finance SAS (F) *(until January 2018)*, Compagnie Immobilière de Roumont S.A. (B) *(until December 2018)*, Europart S.A. (B) *(until November 2018)* and Fibelpar S.A. (B) *(until November 2018)*.
- Chairman and Director of International Duty Free S.A. (B) (ex-Distripar S.A.) *(until January 2015)*, Belgian Sky Shops S.A. (B) *(until January 2015)* and Segelux S.A. (L) (ex-Gesecalux S.A.) *(until January 2014)*.
- Vice-Chairman and Director of APG/SGA S.A. (CH) (ex-Affichage Holding S.A.) *(until May 2015)*.
- CEO of Erbe S.A. (B) *(until December 2017)*, Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.) *(until December 2017)*, Compagnie Immobilière de Roumont S.A. (B) *(until January 2014)*, Europart S.A. (B) *(until January 2014)*, Fibelpar S.A. (B) as representative of Société des Quatre Chemins S.A. *(until January 2014)*, Compagnie Nationale à Portefeuille S.A. (B) as representative of Société des Quatre Chemins S.A. *(until January 2015)*, Safimar S.A. (B) *(until August 2014)*, SCP S.A. (L) *(until August 2014)*, Investor S.A. (B) *(until September 2018)*, Frère-Bourgeois S.A. (B) *(until January 2018)*, Financière de la Sambre S.A. (B) *(until January 2018)* and Carpar S.A. as representative of Société des Quatre Chemins S.A. (B) *(until September 2018)*.
- Director of APG/SGA (ex-Affichage Holding S.A.) (B) *(until May 2015)*, Fidentia Real Estate Investments (B) *(until May 2016)*, Antwerp Gaz Terminal N.V. (B) as representative of ACP N.V. (B) *(until April 2016)*, ACP N.V. (B) as representative of Société des Quatre Chemins S.A. *(until November 2014)*, Belholding Belgium S.A. (B) *(until June 2017)*, Transcor East Ltd. (CH) *(until August 2014)*, Société Civile du Château Cheval Blanc (F) *(until January 2018)*, BSS Investments S.A. (B) as representative of Compagnie Immobilière de Roumont S.A. *(until December 2018)* and Banca Leonardo SpA (I) *(until April 2018)*.
- Manager of Sodisco S.à r.L. (L) *(until June 2015)*.
- Member of the Nomination and Remuneration Committee of Métropole Télévision (M6) (F) *(until April 2014)*.
- Member of the Compensation Committee of Banca Leonardo SpA (I) *(until April 2018)*.
- Deputy Director of Cheval des Andes S.A. (Argentina) *(until May 2018)*.
- Auditor of Agesca Nederland N.V. (NL) *(until December 2014)*.

Amaury de Seze
Director

List of activities and other mandates exercised in Belgian and foreign companies:

- Vice-Chairman of Power Financial Corporation (CDN).
- Chairman of the Supervisory Board of PAI Partners SAS (F).
- Director of BW Group (BM), Pargesa Holding S.A. (CH), Sagard Capital Partners GP, Inc (USA), Sagard Capital Partners Management Corp. (USA), Parjointco (NL) and Compagnie Nationale à Portefeuille S.A. (B).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Member of the Supervisory Board of Publicis Groupe (F) *(until May 25, 2016)*.
- Director of Suez Environnement (F) *(until May 22, 2014)*, Imerys (F) *(until May 4, 2016)*, Erbe S.A. (B) *(until December 28, 2017)* and RM2 International S.A. (UK) *(until June 30, 2017)*.
- Lead Board Director of Carrefour S.A. (F) *(until June 15, 2017)*.

Agnès Touraine
Director

List of activities and other mandates exercised in Belgian and foreign companies:

- CEO of Act III Consultants (F).
- Director of Proximus (B), Rexel (B) and Keesing (NL).
- Member of the Supervisory Board of Tarkett (F) and 21 Centrale Partners (F).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Director of Darty Plc. (GB) *(until 2016)* and Neopost (F) *(until 2014)*.

Martine Verluyten
Director

List of activities and other mandates exercised in Belgian and foreign companies:

- Director of STMicroelectronics N.V. (NL) and Thomas Cook Group plc. (UK).
- Chairwoman of the Audit Committee of Thomas Cook Group plc. (UK) and STMicroelectronics N.V. (NL).
- Member of the Nomination Committee of Thomas Cook Group plc. (UK).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:

- Director of 3i Group plc. (UK) *(until June 29, 2017)*.
- Chairwoman of the Audit Committee of the Flemish Region Administration (B) *(until January 2015)*.
- Member of the Valuation Committee, of the Nomination Committee and of the Audit and Compliance Committee de 3i Group plc. (UK) *(until June 29, 2017)*.

Arnaud Vial
Director

List of activities and other mandates exercised in Belgian and foreign companies:
- Director Executive (Vice-Chairman of the Board) of Power Pacific Equities Limited (CDN) (F).

List of activities and other mandates exercises in Belgian and foreign companies expired during the last five years:
- Executive (Senior Vice-Chairman) of Power Corporation of Canada (CDN) *(until June 1, 2018)* and Power Financial Corporation (CDN) *(until June 1, 2018)*.
- Director Executive (Vice-Chairman) of 3249531 Canada Inc. (CDN) *(until June 29, 2016)*, 4190297 Canada Inc. (CDN) *(until June 29, 2016)* and Corporation Energie Power (CDN) *(until October 16, 2015)*.
- Director and Chairman of the Board of Société Industrielle HMM (L) *(until 2017 following the dissolution of the company)*.
- CEO of Pargesa Holding S.A. (CH) *(until October 31, 2018)*.
- Director of 4400046 Canada Inc. (CDN) *(until June 2016)*, 8495122 Canada Inc. (CDN) *(until July 1, 2015)*, DP Immobilier Québec (CDN) *(until July 1, 2015)*, CF Real Estate Maritimes Inc. (CDN) *(until July 1, 2015)*, CF Real Estate Max Inc. (CDN) *(until July 1, 2015)*, CF Real Estate First Inc. (CDN) *(until July 1, 2015)*, Sagard Capital Partners Management Corp. (CDN) (until October 9, 2015), 9059-2114 Québec Inc. (CDN) *(until July 1, 2015)*, DuProprio Inc. (CDN) *(until July 1, 2015)*, VR Estates Inc. (CDN) *(until July 1, 2015)*, ComFree-Commission Free Realty Inc. (CDN) *(until July 1, 2015)*, 0757075 B.C. Ltd. (CDN) *(until July 1, 2015)*, Power Financial Europe B.V. (NL) *(until October 18, 2018)*, Square Victoria Digital Properties Inc. (CDN) (until July 14, 2018) and Imerys (F) *(until May 4, 2018)*.
- Executive (Vice-Chairman) of Victoria Square Ventures Inc. (CDN) *(until November 10, 2015)*.
- CEO of PGB (F) *(until November 16, 2018)* and SFPG (Société Française Percier Gestion) (F) *(until November 16, 2018)*.
- Member of the Supervisory Board of Parjointco N.V. (NL) *(until October 26, 2018)* and Pargesa Netherlands B.V. (NL) *(until December 13, 2018)*.
- Member of the Strategic Committee of Imerys (F) *(until May 4, 2018)*.

Glossary

With regards to the terms related to financial data on the investments, from page 26 to page 53, please refer to the definitions provided by each company in its financial communication.

The specific terminology used in the section on “Accounts as of December 31, 2018” refers to the IFRS (International Financial Reporting Standards) rules as adopted by the European Union.

The terms used in the “Corporate Governance Statement” refer directly to the 2009 Belgian Code on corporate governance and other specific legislation.

Cash and debt

Net cash or, where applicable, net debt (excluding treasury shares), consists of gross cash and gross debt.

Gross debt includes all the financial liabilities of the Holding segment (convertible and exchangeable bonds, bonds and bank debt), valued at their nominal repayment value.

Gross cash includes the cash and cash equivalents (trading assets, etc.) of the Holding segment. It is valued at the book or market value (for certain cash equivalents).

The cash and debt indicators are presented for the Holding segment to reflect GBL’s own financial structure and the financial resources available to implement its strategy.

Discount

The discount is defined as the percentage difference (expressed in relation to the net asset value) between the market capitalisation and the net asset value.

Economic analysis of the result

Cash earnings

- Cash earnings primarily include dividends from listed investments and treasury shares, dividends and interests from Sienna Capital, income coming mainly from cash management, net earnings from the yield enhancement activity and tax refunds, less general overheads, gross debt-related charges and taxes. All these results relate to the Holding activity.
- Cash earnings also are one of the components used in the calculation of the payout ratio.

Mark to market and other non-cash

- The concept of mark to market is one of the foundations of the fair value method of valuation as defined in IFRS international accounting standards, the principle of which is to value assets and liabilities at their market value on the last day of the financial year.
- Mark to market and other non-cash items in GBL’s accounts reflect the changes in fair value of the financial instruments bought or issued (bonds, exchangeables or convertibles, trading assets, options, ...), the actuarial costs of financial liabilities valued at their amortised cost, various non-cash expenses, as well as the adjustment of certain cash earnings items in accordance with IFRS rules (dividends decided but not paid out during the financial year but after the date of approval of the financial statements, etc.). All these results relate to the Holding activity.

Operating companies (associates or consolidated entities) and Sienna Capital

- This column shows the results, group’s share, from associated operational companies, namely operational companies in which the group has significant influence. Significant influence is presumed to exist if the group has more than 20% of the voting rights, directly or indirectly through its subsidiaries. Associated operational companies are recorded in the consolidated financial statements using the equity method.
- Also included are the results, group’s share, from consolidated operational companies, i.e. controlled by the group. Control is presumed to exist when GBL has more than 50% of the voting rights in an entity, either directly or indirectly.
- This column also includes the results, group’s share, from Sienna Capital.

Eliminations, capital gains, impairments and reversals

The eliminations, capital gains, impairments and reversals include the elimination of dividends received from own shares, as well those received from associated or operational consolidated companies as well as gains (losses) on disposals, impairments and reversals on non-current assets and on discontinued activities. All these results relate to the Holding activity.

Dividend yield

The dividend yield is defined as the ratio between (i) the gross dividend detached (or the sum of the gross dividends detached) during the period (12 months) and (ii) the stock market price at the beginning of the period.

The dividend yield for year N is therefore the ratio between (i) the gross dividend (or the sum of the gross dividends) having its (their) Ex-Date in year N+1 and (ii) the closing price on the last trading day of year N.

The value of gross dividends not yet declared is estimated using Bloomberg’s “BDVD” function. If this function is not available, the last gross dividend declared is used as an estimate.

Group’s shareholding

- In **capital**: the percentage interest held directly and indirectly through consolidated intermediate companies, calculated on the basis of the number of shares in issue on December 31.
- In **voting rights**: the percentage held directly or indirectly through consolidated intermediate companies, calculated on the basis of the number of voting rights existing on December 31, including suspended voting rights.

Liquidity profile

The liquidity profile corresponds to the sum of gross cash and the undrawn amount of committed credit lines.

Loan To Value

The Loan To Value ratio is calculated on the basis of (i) GBL’s net debt relative to (ii) the portfolio’s value of GBL increased by the value of the treasury shares underlying the bonds convertible into GBL shares. The valuation methods applied to the portfolio and treasury shares are identical to those used for the net asset value.

Net asset value

The change in GBL's net asset value is, along with the change in its stock price, cash earnings and result, an important criterion for assessing the performance of the group.

The net asset value is a conventional reference obtained by adding gross cash and treasury shares to the fair value of the investment portfolio and deducting gross debt.

The following valuation principles are applied for the portfolio:
- investments in listed companies and treasury shares are valued at the closing price. However, the value of shares underlying any commitments made by the group is capped at the conversion/exercise price;
- investments in unlisted companies are valued at their book value, less any impairment losses;
- regarding the portfolio of Sienna Capital, the valuation corresponds to the sum of its investments, marked to market, as determined by fund managers, to which is added Sienna Capital's net cash or, where applicable, to which is deducted Sienna Capital's external net debt.

The number of GBL shares used to calculate the net asset value per share is the number of company shares outstanding on the valuation date. Some minor events may not have been taken into account in the value reported. The combined effect of these factors may not exceed 2% of the net asset value.

GBL's detailed net asset value is reported together with the results' publication on a quarterly basis.

The net asset value per share is published, on a general basis, every week on GBL's website (www.gbl.be).

Operating company

An operating company is defined as a company having a commercial or industrial activity, by opposition to an investing company ("holding").

Payment of dividend and ESES system

ESES, for Euroclear Settlement for Euronext-zone Securities, is the single platform for the stock market transactions of Euronext Brussels, Paris and Amsterdam and non-stock market transactions involving securities traded on these markets (OTC).

The theoretical distribution calendar for the dividend is as follows:
- Ex-Date: date (at market opening) from which the underlying share is traded without its dividend or ex-entitlement;
- Record Date (Ex-date + 1): date on which positions are recorded by the central depository (at market closing, after clearing) in order to determine which shareholders are entitled to dividends;
- Payment Date: date of payment of the dividend in cash, at the earliest the day after the Record Date.

Given the time needed for settlement-delivery and ownership transfer relative to D + 2 (D being the transaction date), the last day on which the share is traded with entitlement to dividend distribution is the day before the Ex-Date.

Payout ratio

The payout or distribution of dividends ratio is calculated, for the financial year N, by dividing (i) the dividends paid in N+1 for the financial year N by (ii) the cash earnings for the financial year N.

Portfolio

The portfolio includes:
- the other equity investments [(1)] and investments in associates in the Holding segment;
- Imerys; and
- Sienna Capital, that includes companies active in private equity, debt and specific thematic funds.

System Paying Agent

In ESES, the entity that proceeds with distribution is known as the System Paying Agent. This is the party responsible within Euroclear Belgium for distribution to other participants of the resources related to a specific distribution. The system paying agent may be either an external paying agent (a CSD participant) or the CSD itself.

Total Shareholder Return or TSR (%)

The Total Shareholder Return or TSR is calculated on the basis of the change in the stock market price(s) over the period under consideration, taking into account the gross dividend(s) received during this period and reinvested in securities at the time of receipt. It is expressed on an annualised basis and corresponds to the calculation made by Bloomberg via its "TRA" function. It should be noted that the comparison of GBL's TSR with its benchmark index is based on identical periods in terms of trading days.

Velocity on float (%)

The velocity on float, expressed as a percentage, is an indicator of the stock market activity of a listed company, which corresponds to the ratio between the number of shares traded over a financial year on the stock exchange and the float on 31 December of that financial year.

A listed company's float, or floating capital, corresponds to the part of the shares actually liable to be traded on the stock exchange. It can be expressed in value, but is more often expressed as a percentage of the market capitalisation.

Weighted average number of ordinary shares (basic calculation)

This corresponds to the number of outstanding ordinary shares at the start of the period, less treasury shares, adjusted by the number of ordinary shares reimbursed (capital reduction) or issued (capital increase), or sold or bought back during the period, multiplied by a time-based weighting factor.

Weighted average number of ordinary shares (diluted calculation)

It is obtained by adding potential dilutive shares to the weighted average number of ordinary shares (basic calculation). In this case, potential dilutive shares correspond to call options granted by the group.

Yield enhancement

The yield enhancement activity consists of executing derivatives instruments (primarily sales of options with short-term maturities on some assets in GBL's portfolio) and in operations on trading assets, aiming at generating an increased yield for GBL. The yield enhancement results are mainly made out of (i) premium of option sales, (ii) capital gains or losses with regards to operations on trading assets and (iii) dividends received in relation to trading assets.

(1) Available-for-sales investments under IAS 39

Responsible persons

1 Responsibility for the document

Ian Gallienne
Managing Director

Gérard Lamarche
Managing Director

2 Declaration of the persons responsible for the financial statements and for the management report

Ian Gallienne and Gérard Lamarche, the Executive Management, and Xavier Likin, Chief Financial Officer, certify in the name and on behalf of GBL, that to their knowledge:

- the financial statements as of December 31, 2018, contained in this annual report were drawn up in accordance with applicable accounting standards (IFRS or Belgian accounting legislation) and give a fair and true view of the assets as defined by IAS/IFRS, the financial position and results of GBL and of its consolidated companies (1);
- the management report (2) presented in the annual report presents a true picture of the evolution of the activities, results and position of GBL and of its consolidated companies (1), and contains a description of the main risks and uncertainties with which they are confronted.

3 Statutory Auditor

Deloitte Bedrijfsrevisoren/
Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Corine Magnin
Gateway Building,
Luchthaven Nationaal 1 J
1930 Zaventem
Belgium

(1) "Consolidated companies" are GBL's subsidiaries within the meaning of Article 6 of the Companies Code
See list of subsidiaries on page 102 of the annual report
(2) Document established by the Board of Directors on March 14, 2019

For further information

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