ANNUAL REPORT
2016

Experience. Our greatest asset.

GBL
Groupe Bruxelles Lambert

GBL is the second largest listed holding company in Europe with adjusted net assets of EUR 17.0 billion and a market capitalisation of EUR 12.9 billion at the end of 2016. As a holding company focused on long-term value creation, GBL relies on a stable, family shareholder base.

Its portfolio is composed of global industrial and services companies, leaders in their market and in which GBL plays its role of professional shareholder.

Annual Report GBL 2016

Our proposal to investors

GBL's primary objective is to create value for its shareholders. The company 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. It supports and encourages every step in terms of

Proficient

GBL is a holding company established for over a century and listed since 60 years. The group is supported by the partnership between the Frère and Desmarais families, which has been in place for several decades.

Founded in

1902

Active

The strategic reorientation initiated five years ago created new dynamics in the portfolio. Since 2012, transactions of disposals and acquisitions totalled over EUR 12 billion. Moreover, the group has a solid financial flexibility with a liquidity profile of EUR 3.5 billion, consisting of cash and undrawn committed credit lines.

A team of about

15

professionals specialised in investment

Diversified

Increased rotation has led to a more diversified portfolio, at both geographic and sector level. The portfolio is now more balanced between growth and yield investments.

Diversified portfolio composed primarily of investments in listed companies, leaders in their sector

Efficient

GBL's objective is to continue to deliver performance exceeding market average in terms of share price appreciation while ensuring regular dividend growth.

€2.93

proposed dividend per share for 2016

5.7%

of average annual growth of dividends since 2000

Resilient

GBL's investment mandate is broad and flexible, making it possible to build a portfolio of companies that are able to take advantage of long-term trends and generate diversified cash flows, and that are consequently less vulnerable to shocks in the short term.

Exposure to long-term growth factors: innovation, emerging middle class, ageing of the population, quality of life / healthy lifestyle, green economy, outsourcing, ...

Corporate Social Responsability. 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 achieve a sound balance between providing an attractive yield and achieving growth in adjusted net assets.

www.gbl.be

60 years

of stock exchange listing

- Stable and solid family shareholder base
- Partnership with major European family-owned groups

Efficient decision-making process and solid liquidity profile allowing rapid implementation of investment decisions

€3.5 billion of liquidity profile

- In-house financial, legal and tax expertise in support of investment activities
- Privileged relationship with entrepreneurs, investment banks and consultants on a pan-European basis
- Board of Directors' meetings organised on a quarterly basis as well as ad hoc, allowing rapid decision-making

The portfolio offers an optimal balance between

- **Growth and yield**
- **Sectors**
- **Geographies**

- Patrimonial approach
- Active and influential professional investor
- Minority or majority stakes...
- ... In listed and non-listed companies
- Capable of dealing with complex situations

- Anticipated organic growth
- Significant barriers to entry
- Resilient cash flow generation
- Solid financial position

Our website was fully renewed in December 2016. Additional information can be found on it, including:

- Historical information on GBL
- Annual and half-yearly reports as well as press releases in relation to quarterly results
- Adjusted net assets on a weekly basis
- Our press releases
- Our investments
- A market consensus

Investor information

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

Investor relations:
Hans D'Haese
hdhaese@gbl.be
Tel.: +32 2 289 17 71

GBL

Message from the Chairman of the Board of Directors

In 2016, the portfolio showed strong resilience with adjusted net assets up by 12%. Notwithstanding the slight decline in cash earnings, an increase in in the dividend by 2.4% to EUR 2.93 per share will be proposed to the General Shareholders' Meeting.

Despite an uncertain economic environment, characterised by a succession of volatility shocks reflecting political and macroeconomic tensions at global level, GBL's diversification strategy, implemented since 2012, continues to bear fruit.

Gérald Frère
Chairman of the Board of Directors

An uncertain macroeconomic environment

Global GDP growth in 2016 was broadly comparable to the annual pace observed since 2012, with an estimated rise of 3.1% (IMF). As in previous years, this growth pace was below expectations with successive downward revisions, in particular due to major fluctuations in oil prices.

Global expansion nevertheless proved resilient to consecutive shocks notably fuelled by the uncertainties in relation to the slowdown of the Chinese economy, the weakening of commodity-exporting economies, the vote in favour of Brexit, the presidential elections in the United States, the rejection of the constitutional reform in Italy, etc. The adverse effects associated with these different events could materialise in 2017, with the implementation of decisions taken during the second half of 2016, whose details currently remain relatively uncertain.

The assessment of developing countries was more favourable than in 2015 as a result of the stabilisation in Russia, fewer disruptions originating from the ongoing transition of the Chinese economy and the end of the decline in commodity prices.

OECD countries experienced a less favourable year, notably impacted in the United States by an erosion of industrial competitiveness and the decline in productive investments. The European economy benefited from a balance that was particularly favourable to its fundamentals (historically low interest rates and oil prices as well as a weak euro), which contributed to record a further decrease in unemployment and a reduction of public deficit.

Resilient financial markets in spite of macroeconomic and political uncertainties

Notwithstanding numerous tensions at political and macroeconomic levels, 2016 was characterised by good performance in stock markets. The combined effect of the significant fluctuations in dollar and oil prices, as well as the prospect of rising interest rates led to the questioning of major balances which have until now been underlying global growth and introduced uncertainty that nevertheless only temporarily halted the upward momentum in the financial markets.

After eight years of expansionist monetary policy, the slow and gradual return to a more neutral policy seems to be taking place, especially in the United States. This translates into a very gradual rise in interest rates, long-term ones in particular, a trend that should be reinforced by the inflationary expectations of the new US President's economic policy.

The stock markets have shown strong resilience in this unstable environment. The S&P 500 rose by 10% in 2016 while the European DJ Stoxx 600 index posted a 1% fall. The Dow Jones and S&P 500 indices even reached an all-time high at the end of December 2016 and have continued to rise in the first quarter of 2017.

Growth of 12% of adjusted net assets

This year, GBL's adjusted net assets increased by EUR 1,804 million to reach EUR 17.0 billion, or EUR 105.31 per share. The stock price remained broadly stable (+ 1%) and stood at EUR 79.72 at year-end. This performance once again demonstrates the resilience of GBL's business model.

The consolidated net result decreases to EUR - 458 million due to impairment losses recorded on LafargeHolcim and ENGIE amounting to EUR 1,682 million and EUR 62 million respectively. They are purely for accounting purposes and do not affect GBL's cash earnings, which amount to EUR 440 million. The decline in cash earnings stems from the continued divestment of high-yield historical investments in the energy sector.

GBL's financial situation remains particularly sound, with a net cash position of EUR 225 million and a liquidity profile of EUR 3.5 billion, allowing the group to quickly seize opportunities based on clear investment criteria.

Respect for a good corporate governance

The General Shareholder's Meeting of 25 April 2017 will be invited to appoint Laurence Danon Arnaud as a Director. If the Shareholders' Meeting approves this proposal, six women will sit on the Board, of whom five will have independent status.
In accordance with the law, one third of the Board of Directors will be composed of women.

With a stable controlling shareholding, GBL as a long-term professional investor is an attractive investment vehicle in an economic and financial environment with limited visibility.

Furthermore, we are proposing to shareholders a further increase of 2.4% in the gross dividend to EUR 2.93 per share, offering a yield of about 3.7%, which confirms the confidence we have in our strategy. Finally, we take the opportunity to thank again our shareholders for supporting our company for many years.

Q&A with Ian Gallienne and Gérard Lamarche

Gérard Lamarche
Co-CEO

Ian Gallienne
Co-CEO

GBL

Five years after the start of the implementation of the portfolio rotation strategy, aiming at an increased geographic and sectorial diversification, isn't it time to review it?

IAN GALLIENNE: In five years GBL's portfolio has considerably changed, with disposals and acquisitions totalling over EUR 12 billion. GBL has thus fully or partially disengaged itself from Arkema, Suez, Iberdrola, Total and ENGIE for a total amount of EUR 5.8 billion.

GÉRARD LAMARCHE: The proceeds from these disposals have been reinvested primarily in SGS, Umicore, adidas and Ontex, for EUR 4.5 billion. At the end of 2016, the market value of these four investments amounted to EUR 6.3 billion and the unrealised capital gain was EUR 1.7 billion. GBL has also developed its alternative fund activity through its subsidiary Sienna Capital, dedicating EUR 1.1 billion to it. Since 2012, GBL has therefore invested almost EUR 5.7 billion in new assets.

IG: Furthermore, this strategy has been implemented while maintaining a sound financial structure, as well as an increasing dividend. Increased diversification, at both sectorial and geographic level, has resulted from portfolio shifts and influence within investments has increased. This transformation of the portfolio has also brought increased exposure to growth assets, resulting in a significant rise in the share price since the end of 2011 (+ 55%).

What were the main portfolio events and shifts that occurred during 2016?

GL: In 2016, GBL has taken advantage of the volatility peaks observed in the financial markets, particularly in Europe, to continue with the gradual divestment of its investments in the energy sector. GBL has indeed continued in 2016 its disengagement from Total and ENGIE for a total amount of EUR 2.3 billion. At the end of 2016, GBL holds residual stakes representing 0.7% of Total's capital and 0.6% of ENGIE's capital. The consolidated capital gain generated in 2016 on these two investments amounts to EUR 721 million.

IG: In 2016, GBL also increased its stake in certain portfolio investments for a total amount of EUR 1.6 billion. GBL holds 7.5% of adidas' capital (compared with 4.7% at the end of 2015), representing a market value of EUR 2.4 billion, and is represented on the Supervisory Board since May 2016. GBL also slightly increased its stake in Umicore to 17.0% of the capital (compared with 16.6% at the end of 2015) and now has a second seat on the Board of Directors. Finally, GBL increased its stake in SGS to 16.2%.

GL: In parallel to the implementation of the portfolio reallocation, GBL supported various strategic initiatives with respect to its investments, through its representation in the governance bodies. GBL has thus supported LafargeHolcim's Management team in the implementation of the objectives set for 2018, more specifically with regards to the execution of asset disposals, the implementation of synergies and the group's refinancing. GBL also contributed to the optimisation of SGS's balance sheet and to the remuneration of shareholders by maintaining an attractive dividend policy and continuing further the share buyback programme.

In addition to this significant rotation within the Strategic Investments, what were the key highlights regarding the Incubator Investments and Sienna Capital in 2016?

GL: First of all, to the extent that GBL's investments in adidas and Umicore had reached a market value of over one billion euros during the course of the year as a result of the combined effect of an increase in both the shareholding and the share price (67% for adidas and 40% for Umicore respectively), and that GBL is represented in the governance bodies of both companies, these investments have become Strategic.

IG: In 2016, GBL made new Incubator investments totalling over EUR 500 million. The stake in Ontex was increased from 7.6% at the end of 2015 to 19.98% of the capital at the end of 2016 and GBL has acquired a 2.95% stake in Burberry. Furthermore, Sienna Capital has made commitments amounting to EUR 268 million and invested EUR 161 million in its underlying funds.

GBL increased its investment capacity during the course of the year 2016. How can the strengthening of the group's liquidity profile be explained? Can you tell us how the capital will be deployed?

GL: The shifts carried out in the portfolio in 2016 contributed to generating gross cash, excluding treasury shares, of almost EUR 1.4 billion as a result of proceeds from disposals of EUR 2.5 billion, exceeding the investments made during the year (EUR 1.6 billion). Since the group has undrawn committed credit lines amounting to EUR 2,150 million at the end of 2016, the liquidity profile is significant, standing at EUR 3.5 billion.

IG: In 2017 the reinvestment of the proceeds from Total and ENGIE disposals remains a priority for GBL along with the active management of the investments in the portfolio. Given the group's investment capacity, GBL is seeking both Strategic opportunities, for projects exceeding one billion euros, and Incubator opportunities (between EUR 250 million and EUR 1.0 billion). The current market environment could present further volatility peaks and thus provide GBL with worthwhile investment opportunities.

Strategy

GBL began redesigning its portfolio in 2012 in order to take into account changes in the market environment and to optimize its objective of long-term value creation for its shareholders. GBL's strategy is based on three strategic priorities.

Three strategic priorities

Priority 1

Further diversification of the portfolio aiming at a rebalancing between growth and yield

Broader diversification

Geographical	Sectorial

Partial disposal of or exit from participations in the energy sector (Total, ENGIE, Suez) and acquisition of a 16.2% stake in SGS, a 17.0% stake in Umicore and a 7.5% stake in adidas.

Reinforcement of the growth profile of the portfolio companies

Extension of the investment scope to smaller companies

Creation of the Incubator and participation in the capital of Ontex (19.98%) and Burberry (2.95%).

Greater exposure to alternative investments through Sienna Capital

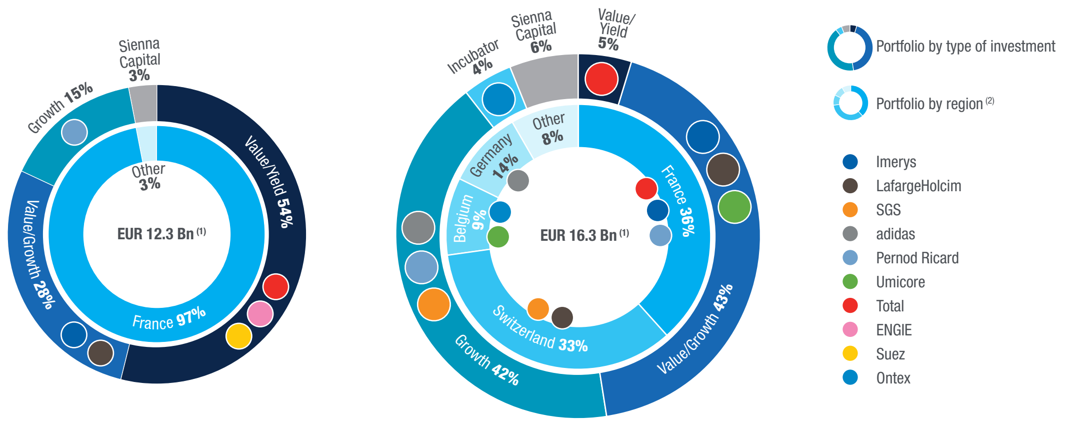
Commitments for EUR 1.7 billion, of which EUR 1.1 billion invested since inception.

	Strategic Investments							Incubator	
	Imerys	LafargeHolcim	SGS	adidas Group	Pernod Ricard	umicore	Total	Ontex	Burberry
Sector ranking	# 1	# 1	# 1	# 2	# 2	Top 3	Top 5	Top 3	Top 10
Dividend yield 2016	2.4%	2.8%	3.3%	1.1%	1.8%	2.4%	5.0%	1.6%	2.5%
EBITDA growth[(1)]	9.4%	8.8%	5.7%	14.8%	4.6%	10.5%	19.3%	14.4%	5.8%

(1) GAGR 16-18 (Bloomberg consensus)

GBL is pursuing its transformation in order to strengthen the portfolio's growth profile. GBL is looking for significant stakes in companies of lower size and with higher growth potential. GBL has followed the same investment philosophy since 1982, based on clearly defined strategic and financial criteria. GBL thus seeks to invest, as a professional shareholder, in companies with a leading position in their sector and a business model focused on organic and external growth, led by experienced management teams and benefiting from the necessary financial resources.

The investment portfolio has significantly evolved and now has a geographic exposure profile and growth/yield balance in line with GBL's objectives.



GBL at end 2011

GBL at end 2016

(1) Portfolio value
(2) In terms of location of the headquarters

Priority 2

Being an active and responsible professional shareholder

Greater influence within the participations

Reference shareholder within each of the participations	Equity stakes between 10% and 30% (minimum)

Key role in the merger of LafargeHolcim, support to the acquisition of S&B and the contemplated acquisition of Kerneos by Imerys, one additional representative in Umicore's Board of Directors, and one representative in adidas's Supervisory Board

GBL is an active holding company with a long-term investment outlook. As an investment vehicle financed by permanent capital, GBL is not constrained by an investment horizon. Investments are therefore held for as long as needed to optimize their value. Periodic assessment of the value creation potential of the different assets is performed in order to define a disposal strategy.

GBL aims at holding significant stakes in order for it to play an active role within its portfolio participations. GBL's objective is to share its experience, expertise, notably in M&A, and network with the Management of its participations in order to fully leverage on value creation and entirely fulfil its role as a professional shareholder. Its strategy is to adopt a friendly approach with the aim to build long-term relationships and to play an active role within governance bodies, notably in the context of strategic decision-making by the companies.

An active and responsible professional investor

At 31/12/2016	Year of the first investment and name	GBL's ranking in the shareholding/ equity ownership	GBL's presence in the Boards of Directors	Number of members in the Committees	
IMERYS	1987 Imetal	# 1 / 53.9%	6 / 17	Audit Committee Strategic Committee Nomination and Remunerations Committee	1 / 3 4 / 8 2 / 5
				Total	7
LafargeHolcim	2005 Lafarge	# 2 / 9.4%	2 / 14	Audit Committee Strategic, Investment and Sustainable Development Committee Nomination, Corporate Governance and Remunerations Committee	1 / 5 1 / 5 1 / 4
				Total	3
SGS	2013 SGS	# 1 / 16.2%	3 / 10	Audit Committee Nomination and Remunerations Committee	1 / 4 1 / 3
				Total	2
adidas GROUP	2015 adidas	# 1 / 7.5%	1 / 16		
Pernod Ricard	2006 Pernod Ricard	# 3 / 7.5%	2 / 14	Strategic Committee Audit Committee Remunerations Committee	1 / 6 1 / 3 1 / 3
				Total	3
umicore	2013 Umicore	# 1 / 17.0%	2 / 11		
TOTAL	1998 Merger between Petrofina and Total	Top 5 / 0.7%	2 / 12	Audit Committee Remunerations Committee	1 / 4 1 / 4
				Total	2

Maintaining a solid and flexible financial structure

Priority 3

Maintaining a solid financial structure enabling to seize investment opportunities and pay a stable or growing dividend

Solid liquidity profile	Structurally limited net financial leverage

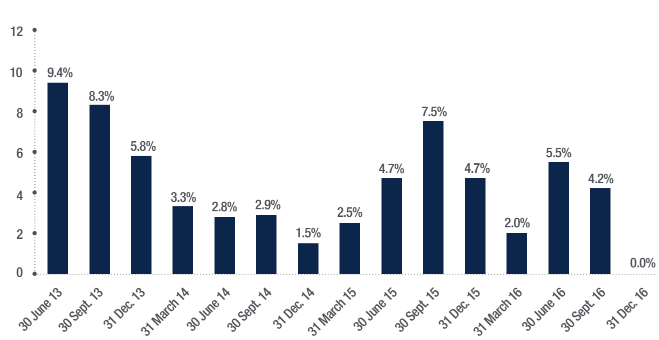
Stable and continuous dividend growth historically and liquidity profile of EUR 3.5 billion at year-end 2016

GBL's objective is to maintain a sound financial structure, with a solid liquidity profile, ensuring readily available resources, and a limited net indebtedness in comparison to its portfolio value.

This policy gives GBL the flexibility required to quickly seize investment opportunities. End of 2016, GBL's Loan to Value ratio stands at 0% (4.7% at end-2015) and the company presents a solid liquidity profile of EUR 3.5 billion (corresponding to the cash and the undrawn portion of the committed credit lines).

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

Loan to Value



Strategic objective
Value creation through continuous and sustainable growth of its intrinsic value and the dividends paid

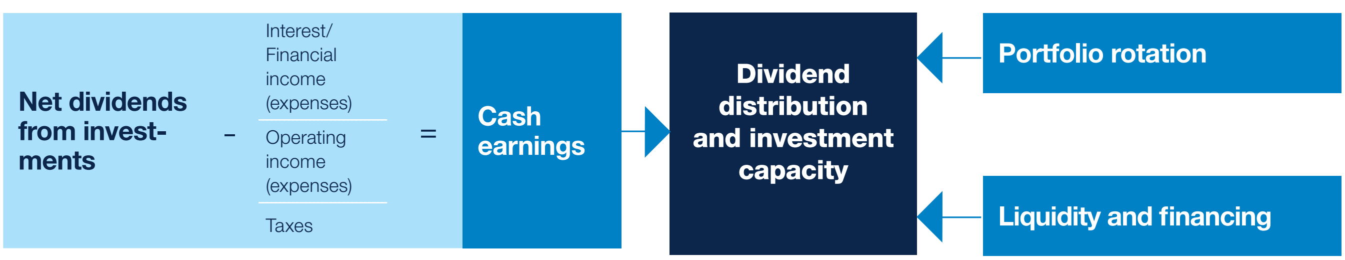
GBL's objective is to continue to deliver above-average share price performance while ensuring regular dividend growth.

Historically, the group has paid out less dividends than the amount received from its participations, generating a positive dividend gap after financial and overhead expenses. Following the partial disposal of high-yielding assets in the energy sector, this gap could temporarily narrow, even be temporarily negative, but without jeopardizing the objective of dividend growth.

This pursued policy therefore aims at reaching a balance between an attractive dividend yield and a long-term growth potential with regards to the investment portfolio.

GBL is committed to distinguishing itself from other listed investment companies by playing a role of active and professional shareholder within its participations. GBL is also committed to a regular portfolio rotation and a limited and optimized cost structure. Finally, the ultimate lever of value creation for shareholders is based on the reduction of the discount.

GBL's investment model



Clear investment criteria

GBL invests in European companies with a worldwide footprint and exposure to high growth markets. Investments must meet the following main criteria:

Strategic criteria
- Leader in their field
- European group but with an international scope
- High quality management
- Potential for organic and external growth
- Dividend distribution capacity
- Simple and solid, value-creating business model
- Geographical and sectorial diversification

Corporate governance criteria
- Position of main shareholder (1st or 2nd)
- Active contribution to value creation in close collaboration with the Management
- Active role within the governance bodies (Board of Directors and Committees)
- Participation in strategic decision-making, nominations and remunerations of the Management, adequacy of the financial structure and the future development of the participations (M&A)

Financial criteria
- Strong cash flow generation
- Financial flexibility allowing to exploit strategic opportunities

Outlook
Future evolution of the portfolio

A quality portfolio invested in three asset categories.

Strategic Investments

Investments generally larger than one billion euros, primarily in listed companies in which GBL can exercise a marked influence. These represent the bulk of the adjusted net assets.

At 31/12/16	Long term objective
89.6%	**75% - 80%**

Sources of revenue • Dividends • Capital gains

Incubator Investments

A limited selection of investments of lower size (EUR 250 million - EUR 1 billion), listed or not, having the potential to eventually become Strategic.

At 31/12/16	Long term objective
4.5%	**10% - 15%**

Sources of revenue • Capital gains • Potentially dividends

Sienna Capital

Significant investments in private equity, debt or specific thematic funds.

At 31/12/16	Long term objective
5.9%	**10%**

Sources of revenue • Capital gains • Fees and carried interest • Interests and dividends

GBL

The percentages represent the breakdown in terms of portfolio value

Sectorial positioning

Based on its market capitalisation (EUR 12.9 billion at the end of 2016), GBL is the second largest holding company listed in Europe.

GBL's positioning vs. a selection of European peers

GBL offers a dividend yield of 3.6% and 94% of its portfolio are composed of listed assets, compared with 2.3% and 65% respectively for the average of the main peers.

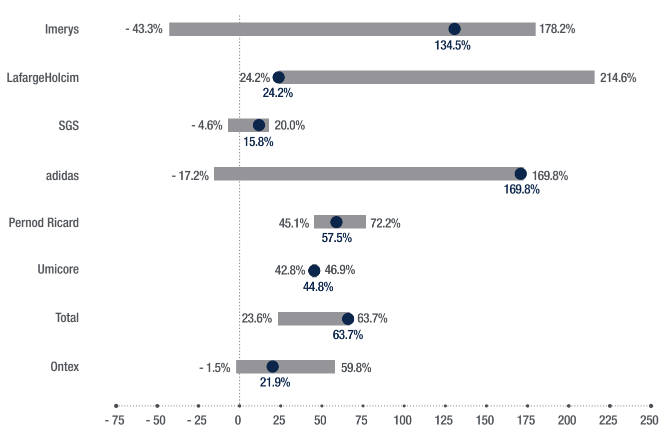
	Market capitalisation (in EUR billion)	**Free float**	**Dividend yield**[(1)]	**Listed assets**[(2)]	**Family shareholding**	**Discount**[(3)]
Investor AB	27.2	74%	3.2%	78%	23%	13%
Exor	9.9	42%	0.8%	50%	52%	19%
Industrivarden	8.0	82%	3.4%	100%	0%	11%
Lundbergs	7.2	52%	1.1%	76%	42%	-2%
Wendel	5.4	59%	2.0%	53%	36%	25%
Ackermans & van Haaren	4.4	66%	1.5%	NC	33%	NC
Sofina	4.3	44%	2.4%	NC	54%	NC
Eurazeo	3.9	67%	3.8%	35%	17%	23%
Average (excluding GBL)	**8.8**	**61%**	**2.3%**	**65%**	**32%**	**15%**
GBL	**12.9**	**46%**	**3.6%**	**94%**	**50%**	**24%**

Source: Bloomberg at 31/12/2016, last information disclosed by the companies at the latest on 31/12/2016
(1) Dividend yield = 2015 dividend (paid out in 2016) / share price at 31/12/2015
(2) Share of identified listed assets in the portfolio
(3) Discount as observed in the last publication of net asset value by the companies

Comparative performance of GBL's listed portfolio

The value creation in the medium-term (5 years) of GBL's participations is globally in the high scale of the performance reported for other sector players.

TSR [(1)] over 5 years [(2)] of GBL's investments vs. the main peers



● Participation's positioning in relation to its peers

Imerys	Anglo American, BHP Billiton, Wienerberger, Rio Tinto, Saint-Gobain, CRH, Minerals Technologies
LafargeHolcim	Italcementi, Cemex, Heidelberg, CRH, Martin Marietta
SGS	Intertek, Bureau Veritas
adidas	Nike, Puma, Under Armour
Pernod Ricard	Remy Cointreau, Diageo
Umicore	Johnson Matthey, BASF
Total	BP, ENI, ExxonMobil, Shell, Chevron
Ontex	SCA, Johnson & Johnson, Kimberly Clark, Procter & Gamble

(1) Total Shareholder Return: return on the share price and reinvested dividends at 31/12/2016
(2) Except for SGS, which is over 4 years, and adidas and Ontex, which are over 2 years

Highlights

In 2016, GBL continued the implementation of its portfolio rotation strategy. This was notably reflected in the monetisation of certain historic assets and the strengthening of certain existing positions.

Strategic Investments

TOTAL
In the first quarter of 2016
Share disposals for EUR 1.1 billion

adidas GROUP
On 30/06/16
Becomes a Strategic Investment

umicore
On 30/09/16
Becomes a Strategic Investment

ENGIE
On 31/12/16
Share disposals for EUR 572 million

TOTAL
On 31/12/16
Share disposals for EUR 666 million

Incubator Investments

Ontex
On 31/12/16
Shareholding of 19.98%

BURBERRY LONDON
On 31/12/16
Shareholding of 2.95%

Sienna Capital

Ergon Capital Partners
Acquisition of Looping
Sale of De Boeck and Larcier
Acquisition of DIH

Sagard
Acquisition of a minority shareholding in Prosol - Grand Frais
Sale of FläktWoods

Kartesia
Investments of EUR 113 million

BDT Capital Partners
Acquisition of Keurig Green Mountain via Acorn Holdings

Support of the participations' strategy in 2016

IMERYS

- Continued integration of S&B and other recent acquisitions.
- New build-up transactions: Spar, Alteo and Damolin.
- Contemplated acquisition of Kerneos.
- Long-term bond issuance.

LafargeHolcim

Support to LafargeHolcim's Management team in the post-merger process in order to reach the 2018 targets:

- Execution of asset disposals and implementation of synergies exceeding the objectives.
- Continuous balance sheet optimisation in terms of capital allocation and refinancing opportunities.
- Strengthening of the Management team and the governance bodies.

SGS

- Organic growth (strategic positioning on digitalization trends) and cost-reduction program.
- External growth through bolt-on acquisitions: 19 transactions completed in 2016.
- Optimisation of the balance sheet: attractive dividend policy maintained and continuation of the share buyback program.

adidas GROUP

- Ian Gallienne appointed Director.

Pernod Ricard

- Measures in support of organic growth: acceleration of activity in the United States and medium-term initiatives in China.
- Portfolio management: bolt-on acquisitions of Gin Monkey 47 and Smooth Ambler Bourbon, disposal of Frïs Vodka and disposal of Domecq brandies and wines.
- Cost-reduction measures.

umicore

Support to Umicore's executives:

- Continuation of organic growth initiatives with new investments in catalysis and rechargeable batteries.
- Acquisition of three patent families from 3M covering NMC cathode materials and acquisition of Eurotungstene (development, manufacturing and marketing of metal powders used in diamond tools and hard metal applications).
- Support to the disposal of the Zinc Chemicals business unit to OpenGate Capital.
- Colin Hall appointed Director.

TOTAL

- Continued implementation of the cost-reduction plan and of investments.

The disposals of certain historical participations are partially compensated by the strengthening of certain existing positions, such as adidas, Umicore, SGS and Ontex, with GBL benefiting from windows of opportunity in a volatile stock market environment. During the year, the stakes in adidas and Umicore became Strategic.

Strategic Investments

adidas GROUP

On 30 June 2016
Becomes a Strategic Investment

- Further strengthening of the position in adidas (7.2% at 30 June 2016), for a market value of EUR 1.9 billion.
- Entrance of Ian Gallienne into the Supervisory Board of the company.
- Stake increased to 7.5% (EUR 2.4 billion) at 31 December 2016.

umicore

On 30 September 2016
Becomes a Strategic Investment

- Strengthening of the stake in Umicore to 17.0% of the capital at 30 September 2016, for a market value of EUR 1.1 billion.
- Second representative conferred on GBL on the Board of Directors of the company, following the appointment of Colin Hall as a Director at the General Shareholders' Meeting on 26 April 2016.

IMERYS

On 11 December 2016
Contemplated acquisition of Kerneos

- Announcement, on 11 December 2016, of the project to acquire Kerneos, world leader in calcium aluminate-based high-performance binders, from Astorg for an estimated amount in enterprise value of EUR 880 million.

SGS

At 31 December 2016
Increased stake in SGS

- Further strengthening of the stake in SGS, going from 15.0% at the end of December 2015 to 16.2% on 31 December 2016.

TOTAL

At 31 December 2016
Further divestment

- Disposal of 43.5 million shares for an amount of EUR 1.7 billion (consolidated capital gain of EUR 732 million), representing 1.8% of the capital.
- Residual stake of 0.7% of the capital.

ENGIE

At 31 December 2016
Partial divestment

- Repurchase of 6,910 bonds exchangeable into ENGIE shares with a nominal value of EUR 691 million
- Disposal of 42.7 million shares for a net amount of EUR 572 million.
- Residual stake of 0.6% of the capital.

Incubator Investments

Ontex

At 31 December 2016
Increased stake in Ontex

- Significant strengthening of the stake in Ontex, from 7.6% at the end of December 2015 to 19.98% at 31 December 2016, representing a market value of EUR 423 million.

BURBERRY LONDON

At 31 December 2016
Investment in Burberry

- 2.95% stake in the capital of the company, representing a market value of EUR 230 million. Listed on the London Stock Exchange, Burberry has a market capitalisation of about EUR 9 billion at 28 February 2017.

Sienna Capital

ERGON CAPITAL PARTNERS

Acquisition of Looping

- In March 2016, acquisition of an indirect majority stake by Ergon Capital Partners III (ECP III) in Financière Looping Holding S.A.S, a European leader on the amusement park market.

Sale of De Boeck and Larcier

- Disposal by ECP III of De Boeck Education SA, De Boeck Digital S.A. and Larcier Holding S.A. during the second quarter of 2016.
- Capital gain on disposal of EUR 51 million (GBL share).

Fund raising by ECP III

- In July 2016, completion of the raising of EUR 150 million increasing the size of ECP III to EUR 500 million.
- The raising was subscribed by Sienna Capital for EUR 100 million as well as by other leading European institutional investors.

Acquisition of Deutsche Intensivpflege Holding (“DIH”)

- In December 2016, acquisition of an indirect majority stake in Deutsche Intensivpflege Holding GmbH, one of the main providers of outpatient intensive care services in Germany.

SAGARD PRIVATE EQUITY PARTNERS

Agreement with Prosol - Grand Frais

- In March 2016, agreement signed between a group of investors led by Sagard and Denis Dumont, founder of and majority shareholder in Grand Frais, to acquire a minority stake in Prosol, the parent company of the group.
- Grand Frais is a French chain of stores specialised in the sale of fresh products.

Sale of FläktWoods

- In October 2016, finalisation of the sale of FläktWoods by Sagard and Equistone to Triton.
- Consolidated capital gain of EUR 12 million (GBL share).

Fund raising by Sagard 3

- In December 2016, completion of the raising of additional capital for EUR 404 million.
- The raising was subscribed by Sienna Capital for EUR 17 million, as well as by nine other European institutional investors.

KARTESIA ADVISOR

Continued investments by KCO III

- Since its inception, investments by KCO I, renamed KCO III, of EUR 468 million in primary and secondary transactions.

Launch of a new investment fund: KCO IV

- EUR 150 million committed by Sienna Capital.

MERIEUX DEVELOPPEMENT

Investment in Novacap and Le Noble Age

- In June 2016, acquisition via Mérieux Participations II of a minority stake in Novacap, an international player in the chemical field, for EUR 22 million.
- Via Mérieux Participations II, takeover of a minority stake in November 2016 in Le Noble Age, a French company active in the healthcare sector, for EUR 15 million.

PrimeStone

6 new investments

- In 2016, completion of six new investments by PrimeStone. Among others, PrimeStone invested in (i) Volution, a supplier of ventilation systems, and (ii) Johnson Services Group, providing textile related services to corporates and consumers in the United Kingdom.

BDT CAPITAL PARTNERS

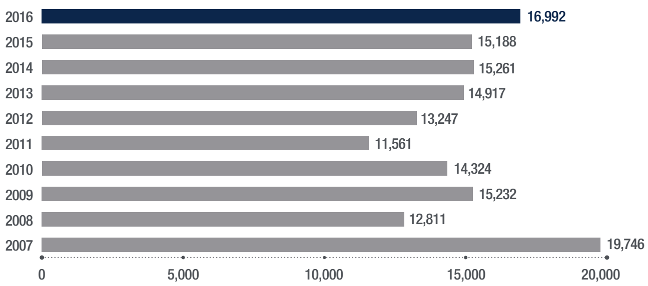
Investments in Keurig, Lou Malnati and Athletico

- In March 2016, in partnership with the majority shareholder JAB Holding Co., completion of the acquisition of Keurig Green Mountain. Keurig is a group specialised in coffee and personalised beverage systems.
- In October 2016, acquisition of a majority stake in Lou Malnati’s Pizzeria, a famous Chicago-style pizza brand.
- In December 2016, investment in Athletico Physical Therapy, one of the main providers of orthopaedic rehabilitation services in the United States.

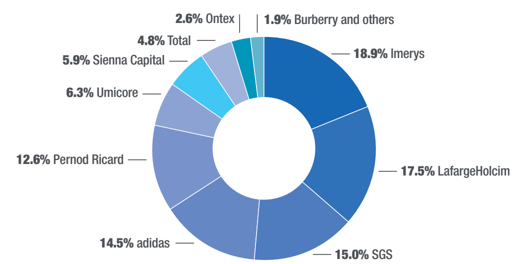
Key figures

At year-end 2016, GBL's adjusted net assets totalled EUR 17.0 billion, an increase of 12% compared to 2015. The consolidated net result of EUR - 458 million has to be compared with EUR 1,026 million the previous year.

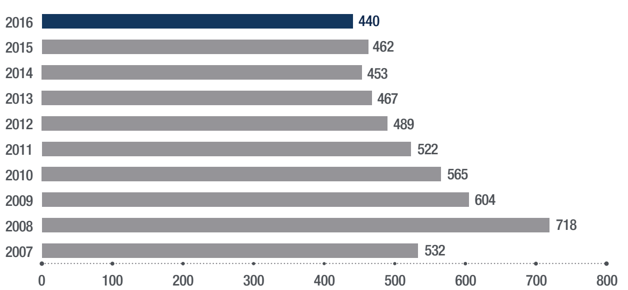
Adjusted net assets
In EUR million



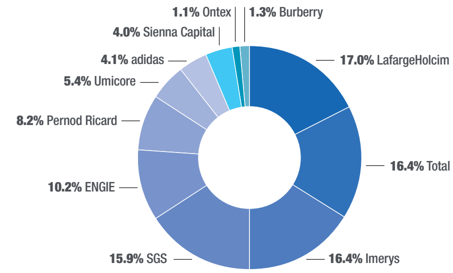
Contribution of the participations to the portfolio value
At 31/12/2016



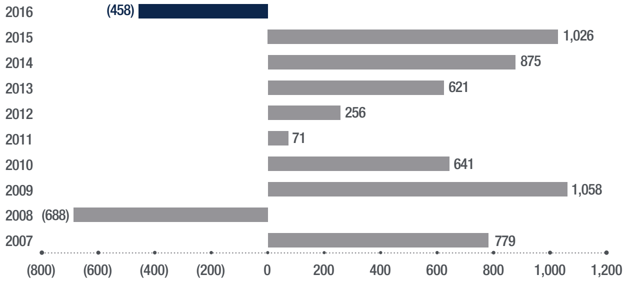
Cash earnings
In EUR million



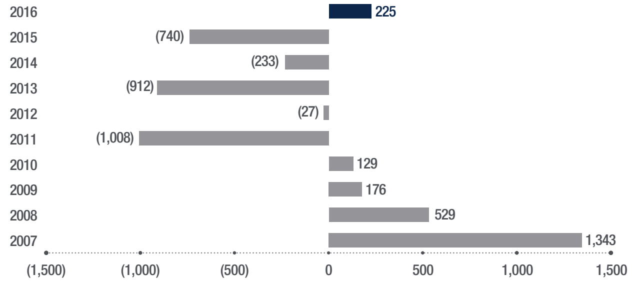
Contribution of the participations to the collected net dividends
In 2016



Net result (group's share)
In EUR million



Net cash/(net debt)
In EUR million



Despite the slight decline in the cash earnings (EUR 440 million), an increase in the dividend by 2.4% will be proposed. The financial position remains sound, with a net cash position at 31 December 2016.

In EUR million	2016	2015	2014	2013	2012
Adjusted net assets at the end of the year	**16,992.2**	15,188.1	15,261.0	14,917.4	13,247.3
Portfolio	**16,300.4**	15,457.2	15,064.7	15,413.6	12,908.0
Net cash/net debt/trading	**224.7**	(740.0)	(233.1)	(911.7)	(26.6)
Treasury shares	**467.1**	470.9	429.4	415.5	365.9
Year-on-year change (in %)	**+ 11.9**	- 0.5	+ 2.3	+ 12.6	+ 14.6
In EUR					
Adjusted net assets per share	**105.31**	94.13	94.58	92.45	82.10
Share price	**79.72**	78.83	70.75	66.73	60.14
Discount (in %)	**24.3**	**16.3**	**25.2**	**27.8**	**26.7**
In EUR million					
Consolidated result					
Cash earnings	**440.4**	461.6	452.8	467.0	489.3
Mark to market and other non-cash items	**14.4**	90.9	(27.8)	(167.4)	(25.7)
Operating companies (associated or consolidated) and Sienna Capital	**223.1**	(45.2)	225.0	256.0	189.0
Eliminations, capital gains (losses), impairments and reversals	**(1,135.6)**	519.1	225.3	65.0	(397.0)
Consolidated result (group's share)	**(457.7)**	**1,026.4**	**875.3**	**620.6**	**255.6**
Consolidated result of the period	**(310.9)**	**1,055.9**	**993.1**	**724.7**	**375.5**
Total distribution	**472.8**	**461.5**	**450.2**	**438.9**	**427.6**
Consolidated balance sheet					
Assets					
Non-current assets	**17,945.3**	17,124.1	15,707.4	15,730.9	14,488.0
Current assets	**3,927.5**	3,281.5	3,977.4	3,226.8	2,933.8
Liabilities					
Shareholders' equity	**16,374.2**	14,543.5	14,284.2	13,690.8	13,391.7
Non-current liabilities	**3,226.5**	4,379.6	4,236.9	4,266.9	2,996.7
Current liabilities	**2,272.1**	1,482.5	1,163.7	1,000.0	1,033.4
Number of shares at the end of the year (1)					
Basic	**155,374,131**	155,243,926	155,139,245	155,060,703	155,253,541
Diluted	**160,815,820**	160,841,125	160,649,657	156,869,069	156,324,572
Payout (in %)					
Dividend/cash earnings	**107.4**	100.0	99.4	94.0	87.4
Dividend/consolidated result	**(152.1)**	43.7	45.3	60.6	113.9
Consolidated result per share (group's share)	**(2.95)**	**6.61**	**5.64**	**4.00**	**1.65**
Consolidated cash earnings per share (group's share)	**2.73**	**2.86**	**2.81**	**2.89**	**3.03**

(1) The calculation of the number of basic and diluted shares is detailed on page 129

Economic presentation of the consolidated result

In EUR million					31 December 2016	31 December 2015
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	-	-	**238.1**	-	**238.1**	(46.7)
Net dividends from investments	**457.6**	**(26.0)**	-	**(93.2)**	**338.4**	323.5
Interest income (expenses)	**(15.9)**	**(7.3)**	**(11.5)**	-	**(34.7)**	(37.2)
Other financial income (expenses)	**38.1**	**51.2**	-	**(17.0)**	**72.3**	89.6
Other operating income (expenses)	**(29.3)**	**(1.0)**	**(17.3)**	-	**(47.6)**	(52.4)
Gains (losses) on disposals, impairments and reversals of non-current assets	**(10.0)**	**(2.5)**	**13.9**	**(1,025.4)**	**(1,024.0)**	749.8
Taxes	**(0.1)**	-	**(0.1)**	-	**(0.2)**	(0.2)
IFRS consolidated net result (2016)	**440.4**	**14.4**	**223.1**	**(1,135.6)**	**(457.7)**	
IFRS consolidated net result (2015) [1]	461.6	90.9	(45.2)	519.1		1,026.4

(1) Figures presented for comparative purposes have been restated to take account of the reclassification of the elimination of the dividend on treasury shares (for EUR - 17 million), previously included under Mark to market and now in the «Eliminations, Capital gains, depreciation and reversals» column

The **consolidated net result**, group's share, at 31 December 2016 stood at EUR - 458 million, compared with EUR 1,026 million at 31 December 2015.

This result is primarily affected by:

- the impairment recognised on LafargeHolcim and ENGIE for EUR - 1,682 million and EUR - 62 million respectively;
- the net capital gain realised on the sale of 1.8% of Total's capital amounting to EUR 732 million (EUR 282 million in 2015);
- the net dividends from investments amounting to EUR 338 million;
- the contribution from Imerys and Sienna Capital amounting to EUR 160 million and EUR 63 million respectively; and
- the mark to market of the derivative components embedded in the exchangeable and convertible bonds having a positive impact of EUR 72 million (EUR 88 million in 2015 [1]).

A. Cash earnings
(EUR 440 million compared with EUR 462 million)

In EUR million	31 December 2016	31 December 2015
Net dividends from investments	**457.6**	489.5
Interest income (expenses)	**(15.9)**	(22.6)
Other income (expenses):		
financial	**38.1**	24.1
operating	**(29.3)**	(29.3)
Gains (losses) on disposals, impairments and reversals of non-current assets	**(10.0)**	-
Taxes	**(0.1)**	(0.1)
Total	**440.4**	**461.6**

In 2016, net dividends from investments decreased by EUR 32 million compared with 2015.

In EUR million	31 December 2016	31 December 2015
LafargeHolcim	**77.9**	77.1
Total	**75.1**	156.6
Imerys	**75.0**	70.5
SGS	**72.9**	67.1
ENGIE	**46.5**	46.5
Pernod Ricard	**37.4**	35.8
Umicore	**24.8**	15.3
adidas	**18.8**	3.0
Sienna Capital	**18.2**	16.1
Ontex	**5.2**	1.0
Burberry	**5.8**	-
Suez	**-**	0.5
Total	**457.6**	**489.5**

These changes essentially reflect the lower contribution from Total following the disposals carried out in 2015 and 2016. This decrease is partially offset by the increase in the unit dividends from Sienna Capital, Imerys, LafargeHolcim, Pernod Ricard and Umicore, as well as the increase in dividends from adidas, Ontex and Burberry further to the acquisitions made.

It should be noted that, if the forward sales contracts on ENGIE and Total shares, concluded and having matured in 2016, had been executed spot during the second and third quarters of 2016, the cash earnings at 31 December 2016 would have been negatively impacted by EUR 38 million.

LafargeHolcim distributed a dividend of EUR 1.36 per share for the 2015 financial year, contributing EUR 78 million to GBL's result at 31 December 2016. In 2015, Lafarge distributed a dividend of EUR 1.27 per share, contributing to GBL's result for EUR 77 million.

(1) Excluding the negative mark to market reversal previously recorded at the conversion of the exchangeable bonds in Suez shares

Total approved a dividend of EUR 2.44 per share for the 2015 financial year and paid in 2016 the last quarterly interim dividend, the balance of the 2015 dividend and the first two quarterly interim dividends, namely four times EUR 0.61 per share. Total's contribution to the result for 2016 thus amounted to EUR 75 million.

In the second quarter of 2016, Imerys approved an annual dividend of EUR 1.75 per share (EUR 1.65 in 2015), corresponding to a total collection of EUR 75 million for GBL.

SGS distributed an annual dividend of CHF 68 per share (unchanged compared with 2015), representing EUR 73 million at 31 December 2016.

In the second quarter of 2016, ENGIE paid the balance of its dividend for 2015 of EUR 0.50 per share (unchanged compared with the previous year) and, in the fourth quarter of 2016, an interim dividend of EUR 0.50 per share (unchanged compared with 2015), representing a total contribution of EUR 46 million.

In the second quarter of 2016, Pernod Ricard announced an interim dividend of EUR 0.90 per share (compared with EUR 0.82 per share the previous year) and distributed the balance during the fourth quarter (EUR 0.98 per share, unchanged compared with 2015), corresponding to a total amount of EUR 37 million for GBL in 2016.

During the second quarter of 2016, Umicore approved the balance of its dividend for 2015 of EUR 0.70 per share (compared with EUR 0.50 the previous year) and paid, in the third quarter of 2016, an interim dividend of EUR 0.60 per share (compared with EUR 0.50 in 2015). The contribution of Umicore to GBL's result amounted to EUR 25 million in 2016.

adidas distributed a dividend of EUR 1.60 per share in the second quarter of 2016 (compared with EUR 1.50 per share in 2015), representing EUR 19 million over the year 2016.

During the first half of 2016, ECP II (Sienna Capital) paid a dividend of EUR 18 million.

In the first half of 2016, Ontex approved a dividend of EUR 0.46 per share (compared with EUR 0.19 per share the previous year), corresponding to an amount of EUR 5 million for GBL.

Burberry distributed an interim dividend of GBp 10.2 per share in the first quarter of 2016 and the balance of GBp 26.8 per share in the third quarter of 2016, corresponding to an amount of EUR 6 million for GBL.

Net interest expenses (EUR - 16 million), lower than in 2015, were impacted by the decrease in interest expenses on exchangeable bonds into ENGIE shares following the repurchases carried out throughout 2016.

Other financial income (expenses) (EUR 38 million) comprised primarily trading income of EUR 26 million (EUR 13 million in 2015) and dividends collected on treasury shares (EUR 17 million, unchanged compared with 2015).

Other operating income (expenses) amounted to EUR - 29 million in 2016 and were in line with the previous year.

Gains (losses) from disposals, impairments and reversals of non-current assets of EUR - 10 million include the total cost relating to the repurchases of exchangeable bonds into ENGIE shares (including banking fees).

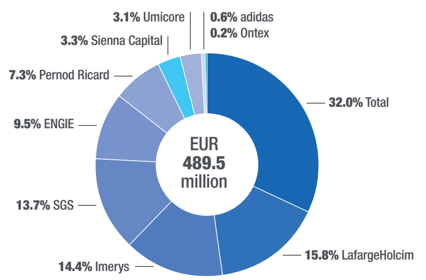
B. Mark to market and other non-cash items
(EUR 14 million compared with EUR 91 million)

In EUR million	31 December 2016	31 December 2015
Net dividends from investments	**(26.0)**	(2.3)
Interest income (expenses)	**(7.3)**	(10.7)
Other financial income (expenses)	**51.2**	112.2
Other operating income (expenses)	**(1.0)**	(8.3)
Profit (losses) on disposals, impairment and reversals of non-current assets	**(2.5)**	-
Total [(1)]	**14.4**	**90.9**

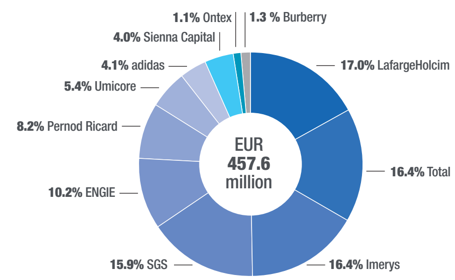
(1) Figures presented for comparative purposes have been restated to take account of the reclassification of the elimination of the dividend on treasury shares (for EUR - 17 million), previously included under Mark to market and now in «Eliminations , Capital gains, depreciation and reversals» column

Contribution of investments to net collected dividends

2015



2016



Net dividends from investments include, on the one hand, the reversal of Total's interim dividend which had been recorded under this item at the end of 2015 and, on the other hand, the recognition of the third interim dividend of 2016, announced in October 2016 and which will be paid in April 2017. The variation of this item is due to disposals of Total shares in 2016.

Interest income (expenses) include the impact of the valuation at amortised cost of the exchangeable bonds into ENGIE shares and the convertible bonds into GBL shares (EUR - 7 million compared with EUR - 11 million last year). This item is down compared to the previous year, benefiting from the influence of repurchases of exchangeable bonds into ENGIE shares carried out throughout 2016.

Furthermore, "**Other financial income (expenses)**" include the mark to market of the trading portfolio and derivative instruments (EUR - 21 million compared with EUR 8 million in 2015), as well as the derivative component embedded in the exchangeable and convertible bonds (EUR 72 million compared with EUR 104 million in 2015).

This non-monetary gain of EUR 72 million includes the change in the value of the call options on underlying securities implicitly embedded in the exchangeable and convertible bonds issued in 2013 still being in circulation. In 2016, the change in value of these derivative instruments was primarily attributable to the change since 1 January 2016 of the market price of the shares underlying the bonds and to the completed repurchases.

Profit at 31 December 2016 illustrates, as commented on in previous closings, the accounting asymmetry and volatility of periodic results, which will persist throughout the lifetime of the exchangeable and convertible bonds.

The group applied hedge accounting for all of its forward sales contracts relating to ENGIE shares in place at 31 December 2016.

C. Operating companies (associates or consolidated) and Sienna Capital
(EUR 223 million compared with EUR - 45 million)

In EUR million	31 December 2016	31 December 2015
Profit (loss) of associates and consolidated operating companies	**238.1**	(46.7)
Interest income (expenses)	**(11.5)**	(3.9)
Other operating income (expenses)	**(17.3)**	(14.8)
Profit (losses) on disposals, impairments and reversals of non-current assets	**13.9**	20.3
Taxes	**(0.1)**	(0.1)
Total	**223.1**	**(45.2)**

Net profit (loss) of associates and consolidated operating companies amounted to EUR 238 million compared with EUR - 47 million in 2015:

In EUR million	31 December 2016	31 December 2015
Imerys	**159.6**	36.9
Lafarge	**-**	(100.4)
Sienna Capital	**78.5**	16.8
ECP I & II	***(0.6)***	*11.9*
Operating subsidiaries of ECP III	***54.3***	*(0.8)*
Kartesia	***22.2***	*4.5*
Mérieux Participations II	***2.6***	*1.2*
Total	**238.1**	**(46.7)**

Imerys
(EUR 160 million compared with EUR 37 million)

Net current income increased by 6.0% to EUR 362 million at 31 December 2016 (EUR 342 million at 31 December 2015), as a result of the improved current operating income, at EUR 582 million (EUR 538 million at 31 December 2015). The net result, group's share, amounted to EUR 293 million at 31 December 2016 (EUR 68 million at 31 December 2015).

Imerys contributed EUR 160 million to GBL's consolidated net result in 2016 (EUR 37 million in 2015), reflecting the 54.5% consolidation rate for Imerys in 2016 (54.0% in 2015).

The press release relating to Imerys group's results for 2016 is available at **www.imerys.com**.

Lafarge
(EUR 0 million compared with EUR - 100 million)

Lafarge was consolidated in GBL's results according to the equity method until 30 June 2015.

At 31 December 2016, GBL held 9.4% of LafargeHolcim and this stake has been accounted as an investment available for sale since 10 July 2015.

Based on a participation rate of 21.0%, Lafarge had contributed EUR - 100 million to GBL's revenue at 31 December 2015.

Sienna Capital
Sienna Capital (EUR 79 million compared with EUR 17 million)

Net profit (loss) of associates and consolidated operating companies in Sienna Capital totalled EUR 79 million, compared with EUR 17 million last year. The result for the period mainly included the net capital gain on the sale of De Boeck's activities by ECP III (EUR 51 million attributable to GBL).

The result for 2015 reflected the net capital gain on the sale of Joris Ide by ECP II (EUR 14 million attributable to GBL).

Gains (losses) on disposals, impairments and reversals of non-current assets mainly take into account the capital gain on the disposal of FläktWoods by Sagard II (EUR 12 million). In 2015, this item included the capital gains on the disposal of Cérélia by Sagard II and of Santiane by Sagard 3 for EUR 14 million and EUR 7 million respectively.

D. Eliminations, capital gains, impairments and reversals
(EUR - 1,136 million compared with EUR 519 million)

In EUR million	31 December 2016	31 December 2015
Eliminations of dividends	(Sienna Capital, Imerys) **(93.2)**	(Lafarge, Imerys and Sienna Capital) (163.7)
Other financial income (expenses)	(GBL) **(17.0)**	(GBL, Suez) (46.7)
Capital gains (losses) on disposals	(Total, ENGIE, other) **720.9**	(Total, Suez, LafargeHolcim) 141.0
Impairment losses on available-for-sale securities	(LafargeHolcim, ENGIE, other) **(1,746.3)**	(LafargeHolcim, ENGIE) 588.5
Total (1)	**(1,135.6)**	**519.1**

(1) Figures presented for comparative purposes have been restated to take account of the reclassification of the elimination of the dividend on treasury shares (for EUR - 17 million), previously included under Mark to market and now in the «Eliminations, Capital gains, depreciation and reversals» column

Elimination of dividends

Net dividends from operating investments (associates or consolidated companies) were eliminated and represented EUR 93 million from Imerys and Sienna Capital.

Other financial income (expenses)

This item includes the elimination of the dividend on treasury shares amounting to EUR - 17 million. In 2015, the item also included the EUR 30 million expense generated by the conversion of exchangeable bonds into Suez shares which was due to the difference between the exchange price (EUR 11.45 per share) and the average share price of the converted shares in the first nine months of 2015 (EUR 17.21 per share). This loss was partly offset by the recycling of revaluation reserves restated as capital gains on disposals (see below).

Capital gains (losses) on sales

This item includes the capital gain from the sale of 1.8% of Total for EUR 732 million as well as the consolidated capital loss on the sale of 1.8% of Engie for EUR 11 million.

In 2015, the item included:

- the capital gain from the sale of 0.5% of Total for EUR 282 million;
- the result from early conversions of exchangeable bonds into Suez shares for EUR 38 million (corresponding to the recycling of the revaluation reserves of the shares, calculated on the basis of the average share price of Suez over the first nine months of 2015); and
- the impact relating to the LafargeHolcim merger, coming from the recycling as income of the other items of comprehensive revenue attributable to Lafarge and recorded in GBL's shareholders' equity since it was first recorded as an equity-accounted company, i.e. on 1st January 2008. This had a negative impact of EUR - 179 million on GBL's net result.

Impairments on AFS investments and reversals of non-current assets

At 31 December 2016, this heading included mainly:

- an impairment of EUR 1,682 million on the LafargeHolcim investment, adjusting the book value of these securities (EUR 66.49 per share) to their market value at 30 June 2016 (EUR 37.10 per share); and
- an additional impairment of EUR 62 million, accounted for the ENGIE investment in the first and fourth quarters of 2016, thus adjusting the book value of these securities (EUR 14.44 per share at the end of December 2015) to their market value at 31 December 2016 (EUR 12.12 per share respectively).

These impairments, which are accounting adjustments, do not have an impact on cash earnings or adjusted net assets.

At 31 December 2015, this item included mainly:

- an additional impairment of EUR 32 million, accounted for the ENGIE investment adjusting the book value of these securities (EUR 15.02 per share at the end of June 2015) to their market value at 30 September 2015 (EUR 14.44 per share);
- a partial reversal, recorded on 30 June 2015, of the impairment that was previously recorded with regard to Lafarge, corresponding to the difference in value of the Lafarge shares held by GBL at that date, which were valued (i) at the 30 June 2015 closing price and (ii) at the most recent (equity method) investment value of the stake, i.e. EUR 403 million; and
- an additional reversal of the impairment that was previously recognised for Lafarge following a loss of influence in the new LafargeHolcim group since 10 July 2015, and its classification as an asset available for sale, corresponding to the change in market value of the investment between (i) 30 June 2015 and (ii) 10 July 2015, i.e. EUR 218 million.

E. Comprehensive income 2016 – 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 2,057 million in 2016 compared with EUR 438 million the previous year. This change is mainly the result of the change in the market prices of the investments held in the portfolio.

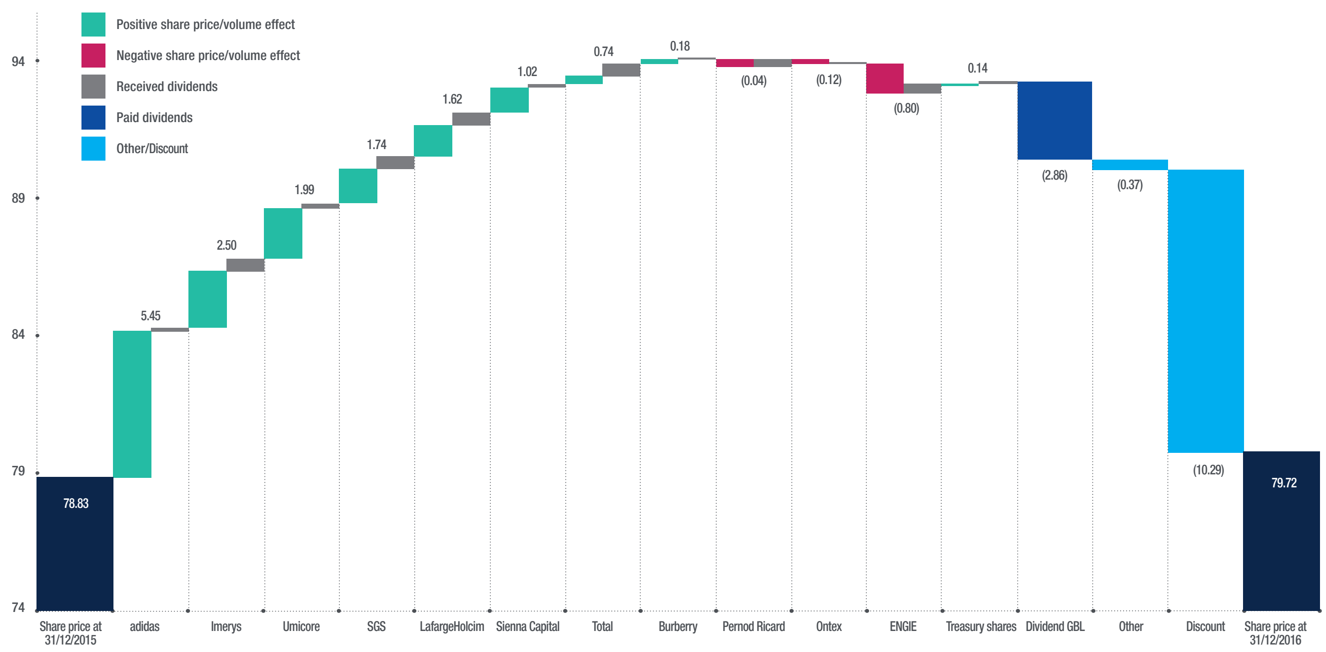
This income of EUR 2,057 million gives an indication of the value creation achieved by the company in 2016. It is based on the consolidated result, group's share, for the period (EUR - 458 million), plus the market value impact on the available for sale investments (LafargeHolcim, adidas, Total, etc.), i.e. EUR 2,461 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				2016	2015
	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	**(468.1)**	**2,460.9**	**53.6**	**2,046.4**	**389.5**
Total	781.1	(663.8)	-	117.3	122.8
ENGIE	(26.6)	(103.1)	-	(129.7)	(123.2)
LafargeHolcim	(1,604.6)	1,865.4	-	260.8	(501.9)
Pernod Ricard	37.4	(44.5)	-	(7.1)	292.2
Imerys	159.6	-	53.9	213.5	53.0
SGS	72.9	208.3	-	281.2	136.0
Umicore	24.8	295.8	-	320.6	103.4
adidas	18.8	858.2	-	877.0	237.2
Ontex	5.2	(24.8)	-	(19.6)	38.0
Other	63.3	69.4	(0.3)	132.4	46.8
Other income (expenses)	**10.4**	**-**	**-**	**10.4**	**48.3**
31 December 2016	**(457.7)**	**2,460.9**	**53.6**	**2,056.8**	
31 December 2015	1,026.4	(836.8)	248.2		437.8

Adjusted net assets

Change in the share price of GBL

In EUR per share



Principles

The change in GBL's adjusted net assets is, along with the change in its stock price and result, an important criterion for assessing the performance of the group.

The adjusted net assets are 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.

Net cash or, where applicable, net debt (excluding treasury shares), consists of gross cash and gross debt (breakdown on page 26).

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 as well as the quasi-liquidities (trading assets, etc.) of the Holding segment. This is valued at the book or market value (for trading assets).

The number of GBL shares used to calculate the adjusted net assets 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 adjusted net assets.

GBL's detailed adjusted net assets are reported together with the results' publication on a quarterly basis.

The value of the adjusted net assets per share is published every Friday after stock exchange closing on GBL's website (www.gbl.be).

Breakdown of adjusted net assets at 31 December

At 31 December 2016, GBL's adjusted net assets totalled EUR 17.0 billion (EUR 105.31 per share) compared with EUR 15.2 billion (EUR 94.13 per share) at the end of 2015, up by 11.9% and representing a year-on-year increase in absolute terms by EUR 1,804 million. Relative to the share price of EUR 79.72, the discount at this date was 24.3%, up compared with the end of 2015 (16.3%).

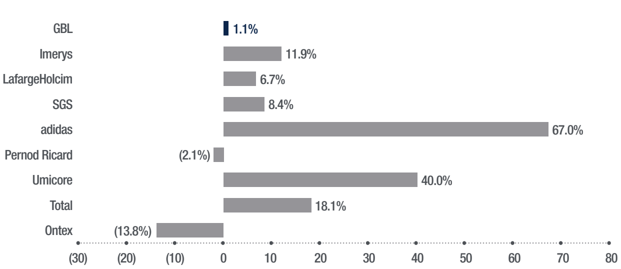
This evolution is to be compared with the performance of the reference sector indices with which the group's main assets are compared (- 9% to + 19%) over the same period.

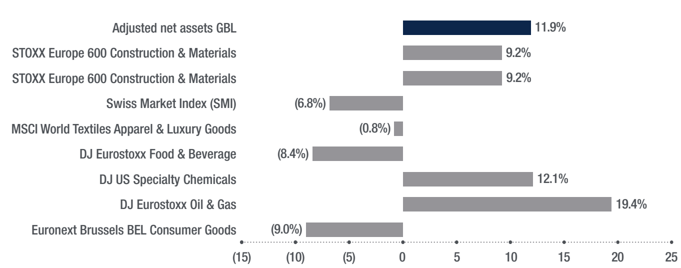
The table below sets out and compares the components of the adjusted net assets at year-end 2016 and year-end 2015.

	31 December 2016			31 December 2015
	Portfolio % in capital	**Share price** In EUR	In EUR million	In EUR million
Strategic Investments			**14,615**	**12,949**
Imerys	**53.9**	**72.07**	**3,088**	2,761
LafargeHolcim	**9.4**	**49.92**	**2,857**	2,674
SGS	**16.2**	**1,929.42**	**2,445**	2,067
adidas	**7.5**	**150.15**	**2,356**	-
Pernod Ricard	**7.5**	**102.95**	**2,048**	2,093
Umicore	**17.0**	**54.15**	**1,032**	-
Total	**0.7**	**48.72**	**789**	2,463
ENGIE	**-** (1)	**-**	**-** (1)	893
Incubator Investments			**730**	**1,793**
Ontex	**19.98**	**28.25**	**423**	181
Burberry	**2.95**	**17.48**	**230**	2
Other			**77**	-
adidas			**-**	890
Umicore			**-**	720
Sienna Capital			**955**	**715**
Portfolio			**16,300**	**15,457**
Treasury shares			**467**	471
Exchangeable/convertible bonds (ENGIE/GBL)			**(757)**	(1,450)
Bank debt and retail bond			**(393)**	(581)
Cash/quasi-cash/trading			**1,375**	1,291
Adjusted net assets (total)			**16,992**	**15,188**
Adjusted net assets (in EUR per share) (2)			**105.31**	**94.13**
Share price (in EUR per share)			**79.72**	**78.83**
Discount (in %)			**24.3**	**16.3**

(1) The value of the investment in ENGIE (EUR 169 million for a stake of 0.6%) is now completely included in the «Cash/quasi-cash/trading» item in the calculation of GBL's adjusted net assets. This value does not yet take into account forward sales (4.5 million or 0.2% of the capital) concluded at 31 December 2016 and maturing in the first quarter of 2017
(2) Based on 161,358,287 shares

Changes in market variables in 2016
(% change at 31 December 2016-2015)





GBL

Portfolio

- In 2016, Imerys announced the largest contemplated acquisition in 17 years, Kerneos, and the share price slightly outperformed its sector index (+ 11.9% and + 9.2% respectively). The market value of GBL's investment in Imerys represented 18.9% of the group's portfolio at the end of December 2016 (EUR 3,088 million) compared with 17.9% at the end of 2015.
- After a challenging start, the LafargeHolcim share price eventually rose in 2016 (+ 6.7%), in particular thanks to market expectations of a steady improvement in the global cycle of the cement industry in 2017. LafargeHolcim's weight in GBL's portfolio increased very slightly to 17.5% at 31 December 2016 (EUR 2,857 million).
- The SGS share price rose by 8.4% in 2016 despite the weakness of activity in the oil and gas segment, which adversely affected profit forecasts. The SGS investment accounts for 15.0% of GBL's portfolio value (EUR 2,445 million), compared with 13.4% at year-end 2015. At year-end 2016, GBL held 16.2% of the company's capital compared with 15.0% at year-end 2015.
- The adidas share performed very well for the second year in a row. In 2016, adidas recorded a 67.0% growth in its market value. At year-end 2016, the market value of GBL's investment in adidas represented 14.5% (EUR 2,356 million) of its portfolio value, compared with 5.8% at year-end 2015. The investment in adidas increased from 4.7% of the capital to 7.5% in 2016.
- The Pernod Ricard share price declined slightly in 2016 (- 2.1%), even though the company had posted a net result for 2015-2016 that amounted to a record high. GBL's interest in Pernod Ricard accounts for 12.6% of its portfolio value (EUR 2,048 million), compared with 13.5% in 2015.
- The Umicore share ended the year with a performance of + 40.0%. At year-end 2016, the stake in Umicore accounted for 6.3% of GBL's portfolio (EUR 1,032 million). Furthermore, the shareholding increased in 2016 from 16.6% to 17.0% of the company's capital.
- The rise in the price of Brent had a positive impact on stocks in the Oil and Gas sector, which is reflected in the index's good performance in 2016 (+ 19.4%). Total also performed well with an 18.1% rise in its share price. After the disposals carried out throughout the year, GBL held 0.7% of Total at the end of 2016. Total's share in the portfolio decreased from 15.9% (end 2015) to 4.8% at 31 December 2016 (EUR 789 million).
- Ontex had a challenging year 2016, with a 13.8% drop in its share price. GBL took advantage of this volatility to increase its investment from 7.6% (end 2015) to 19.98% at end 2016. The stake in Ontex accounted for 2.6% of GBL's portfolio and had a market value of EUR 423 million at 31 December 2016.
- At 31 December 2016, the group held 2.95% of the capital of Burberry for a market value of EUR 230 million.
- Sienna Capital invested EUR 161 million in 2016 through its underlying managers. At 31 December 2016, Sienna Capital was valued to EUR 955 million compared with EUR 715 million at end 2015.

Financial position

At 31 December 2016, GBL presents a net cash position of EUR 225 million.

It is characterised by:

- Gross cash excluding treasury shares of EUR 1,375 million (EUR 1,291 million at end 2015); and
- Gross debt of EUR 1,150 million (EUR 2,031 million at end 2015).

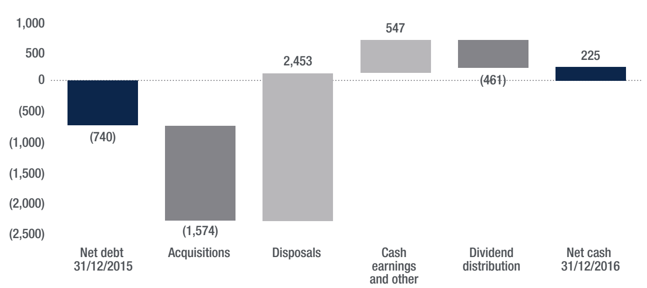
The weighted average maturity of the gross debt was 1.3 year at the end of December 2016 (1.7 year at end 2015).

At 31 December 2016, committed credit lines total EUR 2,150 million (entirely undrawn) and these will mature in 2021.

This position does not include the company's commitments in respect of Sienna Capital, which total EUR 601 million at the end of December 2016 (EUR 413 million at 31 December 2015).

Finally, the 5,924,416 treasury shares (1) represented 3.7% of the issued capital and were valued at EUR 467 million, compared with 3.8% and EUR 471 million respectively at the end of the previous year.

Net cash: change over 1 year
In EUR million



(1) Including 5 million treasury shares underlying GBL convertible bonds

Breakdown of the financial position at 31 December

At 31 December 2016, gross cash excluding treasury shares stands at EUR 1,375 million (1,291 million at 31 December 2015). The following table presents its components in correlation with GBL's consolidated financial statements:

In EUR million	Notes	31 December 2016	31 December 2015
Gross cash as presented in:			
Adjusted net assets		**1,375**	1,291
Segment information (Holding) - pages 92 and 93		**1,235**	1,097
- Trading financial assets		**1,020**	645
- Cash and cash equivalents		**213**	436
- Other current assets	17	**42**	62
- Trade payables		**(2)**	(3)
- Tax liabilities		**(8)**	(3)
- Other current liabilities	22	**(30)**	(40)
Reconciliation items		**140**	194
Bank debt compensation - bank deposits	16.2.	**-**	200
Reclassification of ENGIE shares previously taken into account in the adjusted net assets and included in 2016 in gross cash		**145**	-
Other		**(5)**	(6)

At 31 December 2016, gross debt of EUR 1,150 million (EUR 2,031 million at 31 December 2015) breaks down as follows:

In EUR million	31 December 2016	31 December 2015
Retail bond	**350**	350
Drawdown under bank credit lines	**-**	200
ENGIE exchangeable bonds	**306**	1,000
GBL convertible bonds	**450**	450
Other	**43**	31
Gross debt	**1,150**	**2,031**

At 31 December 2016, GBL presented a net cash position of EUR 225 million. At 31 December 2015, net debt of EUR 740 million presented the following Loan to Value ratio:

In EUR million	31 December 2015
Net debt (excluding treasury shares)	740
Market value of the portfolio	15,457
Market value of the treasury shares underlying the bonds convertible into GBL shares	394
Loan to Value [1]	4.7%

(1) The Loan to Value ratio is calculated on (i) net indebtedness relative to (ii) the portfolio's value increased by the value of the treasury shares underlying the bonds convertible into GBL shares

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a priority that GBL believes is essential to long-term profitability. It is one of the criteria on which its investment decisions are made. It is also reflected in GBL's governance model, which allows it to play its role of responsible investor in its holdings.

A responsible investor

GBL is sensitive to the environmental and social impact of its investments and encourages all of its holdings to adopt best practices. While the management in each of these companies is responsible for managing CSR issues, GBL fulfils its role as a professional shareholder by supporting and encouraging any CSR initiative.

In this spirit, GBL would like to highlight several recent examples of CSR initiatives within its holdings.

Imerys
Crescendo Microcredit Program

The program enabled 24 entrepreneurs to receive advice and assistance in order to create their own microenterprise, as well as to obtain microcredits granted by a local bank. This in turn allowed them to set up small businesses such as, among others, a grocery shop, a mobile services shop and a beauty salon. Imerys organised several training seminars and established a partnership with the local bank in charge of financing the projects.

Imerys is a constituent of the key sustainability indices, notably FTSE4Good, Euronext Vigeo Europe 120 and Eurozone 120, MSCI Global Sustainability Index, Ethibel Sustainability Index Excellence Europe and STOXX® Global ESG Leaders Index.

LafargeHolcim
Promoting a circular economy

The LafargeHolcim Hima plant in Uganda uses biomass for around 55% of its thermal energy needs. A significant portion of this biomass comes from coffee husks from the local coffee industry. The project thus ensures sustainable access to renewable energy from coffee husks while supporting local coffee producing communities through economic growth and poverty reduction. Hima has distributed around 16.7 million coffee plants to farmers since 2012. This action benefits over 50,000 farmers, whose income is likely to reach CHF 30 million by 2020. The project increases both family incomes and husk supply for producing clean, renewable energy for the Hima plant.

The company is included in the DJSI Europe index as well as the FTSE4Good index. In addition, LafargeHolcim participates in the UN Global Compact "Lead" program promoting the implementation of sustainable solutions by businesses around the world.

GBL: a responsible company

GBL has a low direct impact on the environment as it has no production or manufacturing activities. GBL is however committed to promoting a responsible management philosophy, which is based on integrity and ethical conduct, as well as a strong governance model. For instance:

1. The Board of Directors provides ongoing monitoring of the implementation of the Corporate Social Responsibility (CSR) Statement, available at www.gbl.be.
2. GBL plays the role of a responsible investor within its holdings by supporting and encouraging all CSR initiatives.

SGS
Key objectives

The aim of SGS's sustainable development program is to bring transformational change. It is built around "eight sustainable development goals for 2020" focusing management's attention on key objectives relating to integrity, security, talent retention, female leadership, carbon emissions reductions and investing in communities.

ROBECOSAM Sustainability Award Industry Leader 2016

In 2016, for the third year in a row, SGS once again proved its leadership in the area of sustainable development as it was named industry leader in the Dow Jones Sustainability Indices (DJSI World and DJSI Europe). The CDP (Carbon Disclosure Project) has also named SGS global leader of the "Climate A" list (for the DACH area).

Pernod Ricard
Cap 2020 and initial results

Pernod Ricard drew up an environmental roadmap for 2020 revolving around four pillars: governance, supply chain, resource management and brands and consumers. The initial results are already visible: at the end of June 2016, 82% of the vineyards (in terms of surface area) had been certified according to environmental standards and 78% were covered by a program aimed at the conservation of biodiversity. Regarding the production sites, CO_2 emissions have been reduced by 25% and water consumption by 17% per unit of production between 2010 and 2016. The five priorities of the 2010-2020 environmental plan: (1) certification of the vineyards according to environmental standards, (2) reduction of CO_2 emissions, (3) preservation of water resources, (4) reduction of waste going to landfills, (5) certification of all production sites according to the ISO 14001 standard.

Pernod Ricard maintains its first place among 39 companies in the drinks sector thanks to its score of 58/100 granted by the extra-financial rating agency VIGEO. The group is a constituent of the FTSE4Good and Ethibel Excellence indices and has just received an A- rating from the CDP.

Total
Evolution of the reporting system

In 2016, Total made a number of changes to its reporting system. The corporate, social and environmental information published by Total is available in the annual report (reference document) and in the Sustainable Performance section on the website total.com. Total has decided to publish two detailed reports covering key issues:

- The climate: "Making climate part of our strategy"; and
- Human rights: "Human Rights - Information document".

Total has adopted the 2030 Agenda for the Sustainable Development Goals (SDGs) and modified its reporting to suit the Global Reporting Initiative by including references to the SDGs and publishing specific SDG reporting.

Total is included in the main ESG reference indices: FTSE4Good since 2001 and DJSI World since 2004. Total was included in the DJSI Europe index from 2005 to 2016 (except in 2015). Total is also a constituent of the NASDAQ OMX CRD Global Sustainability Index since March 2015.

3. GBL, which employs a team of around forty people, supports its entire workforce, providing an enriching, respectful, balanced and rewarding work environment

4. GBL is committed to responsible communication.

5. GBL contributes to the well-being of society. The group actively supports a philanthropy policy that focuses on scientific research, charitable contributions, and culture and education.

6. GBL is working diligently to reduce its environmental footprint through continuous improvements.

More information is available on pages 179 and 180 of this report.

adidas
Sustainability at the adidas group

The adidas group strives to continuously integrate sustainability into its business, using innovative ways to produce its products while minimizing its environmental footprint and improving the well-being of factory workers, employees and people in the communities in which the group operates. Among others, the group released the first products made from Parley Ocean Plastic in 2016, further supporting the group's ultimate ambition to eliminate virgin plastic from its supply chain.

The program of the adidas group regularly enjoys recognition by leading socially responsible investment rating agencies such as the Dow Jones Sustainability Indices, FTSE4Good, Euronext Vigeo, Ethibel Sustainability Index, ECPI Euro Ethical Indices and STOXX Global ESG Leaders Index. In 2016, the adidas group was included in the Dow Jones Sustainability Indices for the 17th consecutive time and ranks among the Top Ten of Corporate Knights' "The Global 100 Most Sustainable Corporations in the World" Index for the third consecutive year.

Umicore
New wind turbines in Olen to reduce CO_2 emissions

Four new wind turbines with an electricity generation capacity of 3,5 MW were inaugurated at the Umicore and Aurubis sites in Olen. With a tip height of 200 meters these are the highest wind turbines on an industrial site in Belgium. They will reduce the annual CO_2 emission by 13,224 tons. Umicore's Betozand® is used in the foundation and is made out of residues of the blast furnace of Umicore at Hoboken. Moreover, Umicore's worldwide R&D center based in Olen developed the zinc powders used in anticorrosion paint. This project of Wind4Flanders, Umicore and Aurubis marks another milestone in our sustainability projects.

Umicore is part of the main reference indices, including Vigeo (Benelux 20, Europe 120 and Eurozone120), FTSE4Good, Ethibel (Ethibel Pioneer and Excellence Investment and the Ethibel Sustainability Index Excellence Europe, MSCI ACWI, Standard Ethics (rating EE+).

Ontex
Sustainability at Ontex

As a supplier specialized in hygienic disposables, Ontex believes that sustainable business practices contribute to genuine business success. The group strives for sustainable growth, offering its customers and consumers responsible products at an affordable price. In this context, the group strives to operate within the limits of the planet in order to support the needs of the present and future generations. Moreover, Ontex wants to create a positive impact in society and improve people's quality of life whenever it connects with them.

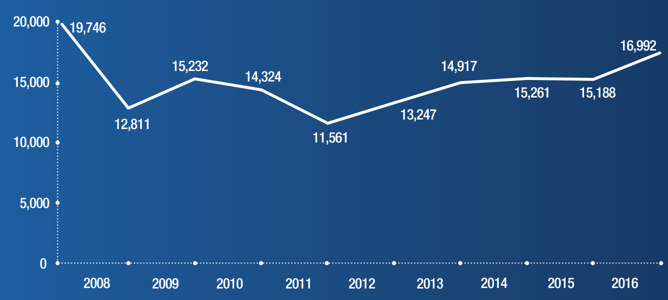
- *Ontex participated for the first time in the Carbon Disclosure Project (CDP), resulting in a C rating*
- *The brand MOLTEX nature no. 1 won the 'Green Brands' award for the second time*
- *COOP, Italy's largest supermarket chain, distinguished Ontex among its suppliers for placing sustainability and social responsibility at the heart of their strategy*

GBL

Shareholder information and stock performance

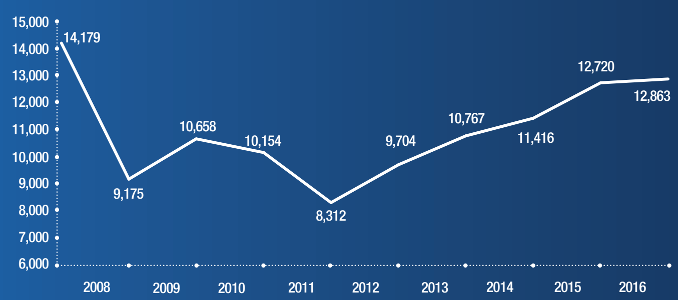
Adjusted net assets over 10 years

In EUR million



Market capitalisation over 10 years

In EUR million



Key share information

(situation at 31 December 2016)

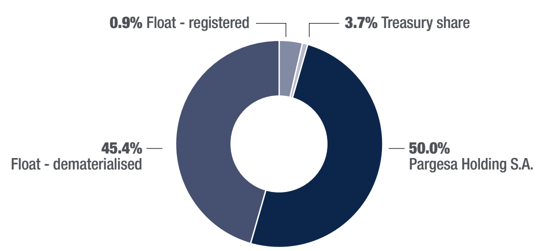
- Total number of shares issued and outstanding: 161,358,287
- Fully paid-up share capital: EUR 653.1 million
- One class of shares: all shares have the same rights to dividends and voting rights. Voting rights linked to GBL shares held by the company itself or by its direct and indirect subsidiaries are suspended.
- Market capitalisation: EUR 12.9 billion (31 December 2016)
- 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 5.0%
- Included in the STOXX 600 Financial Services index. GBL is the 6th largest company in the index, with a weight of 4.9%
- RIC: GBLB.BR
- Bloomberg: GBLB BB

In 2016, the gross annual return with reinvested dividends was 5.1% for a GBL shareholder. This return was 13.7% over the last five years, 2.5% over the last ten years and 5.6% over the last fifteen years.

Shareholding structure

At year-end 2016, 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 51.9% 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 179. At 31 December 2016, GBL held 5,924,416 GBL shares directly and through its subsidiaries, representing 3.7% 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 26 April 2016 and in accordance with the applicable rules. GBL did not hold shares in that respect in its portfolio at 31 December 2016. For further information about this authorisation, please see page 182 of this report.

Shareholding structure at 31 December 2016



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 551,947 GBL shares (0.3% 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 126, 127 and 172.

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 160 and 161.

Proposed dividend

The dividend policy proposed by the Board of Directors aims at maintaining a balance between an attractive yield for shareholders and a rise in both the dividend and GBL's share price. The overall distribution level depends on the cash flows.

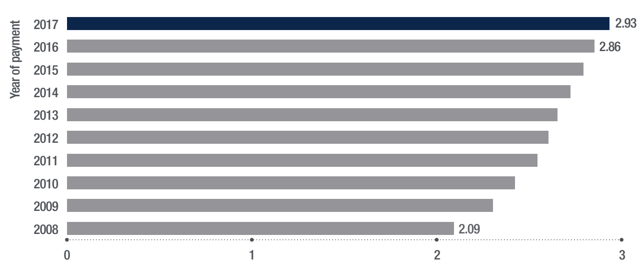
Gross dividend per share: **EUR 2.93 (+ 2.4%)**
Total amount: **EUR 472.8 million**
Coupon n° 19

2 May 2017	3 May 2017	4 May 2017
Ex-dividend date of coupon No. 19	Record date of the positions eligible for coupon No. 19	Payment date of coupon No. 19

This dividend will be payable as from 4 May 2017, either by bank transfer to registered shareholders or by transfer to the bank account of the owner of the dematerialised shares.

The financial service is provided by ING Belgium bank (System Paying Agent).

Gross dividend per share
In EUR



(1) Taking into account the treasury shares, whose voting rights are suspended

Investor Relations: **Hans D'Haese**
hdhaese@gbl.be
Tel.: +32 2 289 17 71

Financial calendar

25 April 2017 Ordinary General Meeting 2017	**4 May 2017** First quarter 2017 results	**31 July 2017** Half-year 2017 results	**2 November 2017** Third quarter 2017 results	**March 2018** Annual results 2017	**24 April 2018** Ordinary General Meeting 2018

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

2016 dividend distribution

The proposed dividend distribution for the 2016 financial year of a gross amount of EUR 2.93 per GBL share, which represents a 2.4% increase on the amount of EUR 2.86 paid for the previous financial year, will be submitted for approval to the Ordinary General Meeting on 25 April 2017. This dividend is equal to EUR 2.05 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 2016 financial year should amount to EUR 472.8 million compared with EUR 461.5 million in 2015.
As a reminder, the withholding tax rate has been uniformly set at 30% for the GBL dividend since 1 January 2017 (27% for the 2015 financial year and 25% for the 2014 financial year).

Analyst coverage of GBL

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

Investor relations

GBL decided to create a separate Investor Relations function in 2014 to improve financial communication with shareholders, analysts and other stakeholders such as the financial press.

Several roadshows were organised throughout the year, in Europe, South America and the United States. Ad hoc meetings with investors also took place. Through these events, the company was able to meet about 100 investors.

Similarly, the group reinforced its contacts with the analysts covering the stock, particularly by organising a meeting in connection with the publication of the annual and half-year results.
The group also regularly communicates with the financial press.

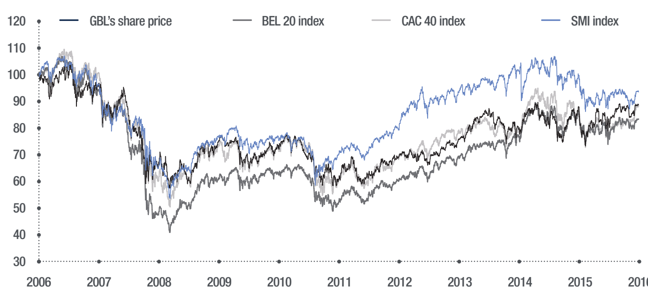
GBL publishes its adjusted net assets every week (every Friday, after stock exchange closing, on its website www.gbl.be).

In accordance with its Corporate Governance Charter, GBL abstains from communicating with investors, analysts and the press in the month preceding the publication of the half-year or annual results or in the preceding fortnight for the quarterly results.

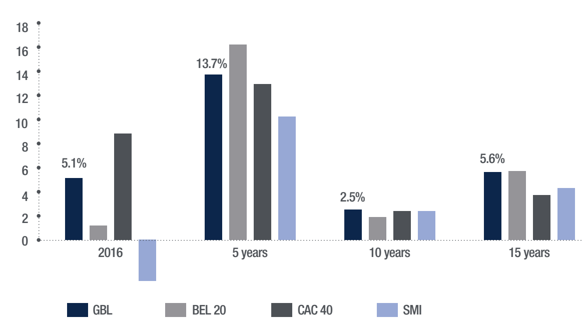
Change in the share price in 2016

The GBL share price started the year at EUR 78.83 and ended it at EUR 79.72, corresponding to an 1.1% increase. It reached a high at EUR 80.11 (7 September 2016) and a low at EUR 64.10 (11 February 2016). The volume of transactions reached EUR 5.2 billion, while the number of traded shares totalled more than 70 million, with a daily average of 272,000. The velocity on free float was 86% (all trading platforms taken together [1]). GBL's market capitalisation at 31 December 2016 was EUR 12.9 billion.

Evolution of the share price over 10 years (In base 100)



Return on the share price with reinvested dividends in 2015 and over 5, 10 and 15 years



(1) Stock market indicators include the volumes traded on Euronext Brussels, as well as other platforms, primarily including BOAT, Chi-X, Bats and Turquoise

Stock data

	2016	2015	2014	2013	2012
Stock price (in EUR)					
At the end of the year	**79.72**	78.83	70.75	66.73	60.14
Maximum	**80.11**	80.66	78.32	66.75	60.70
Minimum	**64.10**	65.52	64.10	56.86	49.77
Yearly average	**74.30**	74.25	72.22	61.42	55.58
Dividend (in EUR)					
Gross dividend	**2.93**	2.86	2.79	2.72	2.65
Net dividend	**2.05**	2.09	2.09	2.04	1.99
Variation (in %)	**+ 2.4**	+ 2.5	+ 2.6	+ 2.6	+ 1.9
Stock exchange ratio (in %)					
Dividend/average share price	**3.9**	3.9	3.9	4.4	4.8
Gross annual return	**5.1**	15.6	10.0	16.0	22.6
Number of shares at 31 December					
Issued	**161,358,287**	161,358,287	161,358,287	161,358,287	161,358,287
Treasury shares	**5,924,416**	6,079,926	6,147,123	6,308,090	6,134,514
Adjusted net assets (in EUR million)	**16,992.2**	15,188.0	15,261.0	14,917.4	13,247.3
Market capitalisation (in EUR million)	**12,863.5**	12,719.9	11,416.1	10,767.4	9,704.1
Variation (in %)	**+ 1.1**	+ 11.4	+ 6.0	+ 11.0	+ 16.8

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.

	2016	2015	2014	2013	2012
Traded volume (in EUR billion)	**5.2**	4.3	3.5	5.0	4.9
Number of traded shares (in thousands)	**69,678**	58,346	48,990	81,420	89,956
Average number of traded shares on a daily basis	**272,180**	227,916	187,702	311,955	344,660
Capital traded on the stock exchange (in %)	**43.2**	36.2	30.4	50.5	55.7
Velocity on free float (in %)	**86**	72	61	109	120.7
Weight in the BEL 20 (in %)	**5.0**	6.1	6.0	6.5	7.8
Ranking in the BEL 20	**9**	8	8	7	5
Weight in the STOXX 600 Financial Services (in %)	**4.9**	4.4	4.7	4.8	6.4
Ranking in the STOXX 600 Financial Services	**6**	6	5	5	4

(1) The stock market indicators include the volumes traded on Euronext Brussels as well as on other platforms, primarily including BOAT, Chi-X, Bats and Turquoise

Resolutions proposed to shareholders

Ordinary General Shareholders' Meeting of 25 April 2017

1. Management report of the Board of Directors and reports of the Statutory Auditor on the 2016 financial year

2. Financial Statements for the year ended 31 December 2016

2.1. Presentation of the consolidated financial statements for the year ended 31 December 2016.

2.2. Approval of annual accounts for the year ended 31 December 2016.

3. Discharge of the Directors

3.1. Proposal for the discharge to be granted to the Directors for duties performed during the year ended 31 December 2016.

3.2. Proposal for the discharge to be granted to the Directors of the company COFINERGY, taken over by GBL on 26 April 2016, for duties performed during the period between the end of the last financial year for which the financial statements have been approved (i.e. on 31 March 2016) and the date of transfer of the assets and liabilities of COFINERGY to GBL (i.e. on 26 April 2016).

4. Discharge of the Statutory Auditor

4.1. Proposal for the discharge to be granted to the Statutory Auditor for duties performed during the year ended 31 December 2016.

4.2. Proposal for the discharge to be granted to the Statutory Auditor of COFINERGY, taken over by GBL on 26 April 2016, for duties performed during the period between the last financial year for which the financial statements have been approved (i.e. on 31 March 2016) and the date of transfer of the assets and liabilities of COFINERGY to GBL (i.e. on 26 April 2016).

5. Statutory appointments

5.1. Appointment of Directors
Proposal to appoint for a four-year term, in their capacity as Director, Laurence Danon Arnaud and Jocelyn Lefebvre.

5.2. Renewal of Directors' term of office
Proposal to re-elect for a four-year term, in their capacity as Director, Victor Delloye, Christine Morin-Postel, Amaury de Seze, Martine Verluyten and Arnaud Vial, whose current term of office expires at the conclusion of this General Shareholders' Meeting.

5.3. Ascertainment of the independence of Directors
Proposal to establish pursuant to Article 526ter of the Companies Code, the independence of the following Directors:

- Laurence Danon Arnaud
- Christine Morin-Postel
- Martine Verluyten

subject to their appointment 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.

6. Remuneration report

Proposal to approve the Board of Directors' remuneration report for the 2016 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 members of the Executive Management may receive, in 2017, options relating to existing shares of a sub-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%. 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 2017 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 maximum value of the underlying shares to be granted to the Executive Management in 2017, in the framework of the aforementioned plan, at EUR 7.74 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 sub-subsidiary of GBL, permitting the latter to acquire GBL shares in the framework of the aforementioned plan.

8. Miscellaneous

Risk management

GBL

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 40. The section ends with a detailed description of the internal control and risk management system's formalisation based on the COSO model.

Main risks	**Exogenous** **Risks associated with shifts in external factors such as economic, political or legislative change**	**Strategy** **Risks resulting from the definition, implementation and continuation of the group's guidelines and strategic developments**
Risk factors	• 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, for example involving tax reform • Specific developments affecting certain geographic areas (Eurozone, emerging countries, etc.)	• 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
Mitigants	• Geographic and sector diversification of the portfolio with differentiated cyclical exposure • Ongoing legislative monitoring of the primary regions of activity • Systematic monitoring and analysis of macroeconomic scenarii, markets and investment thesis	• 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 • Investment diversification

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.

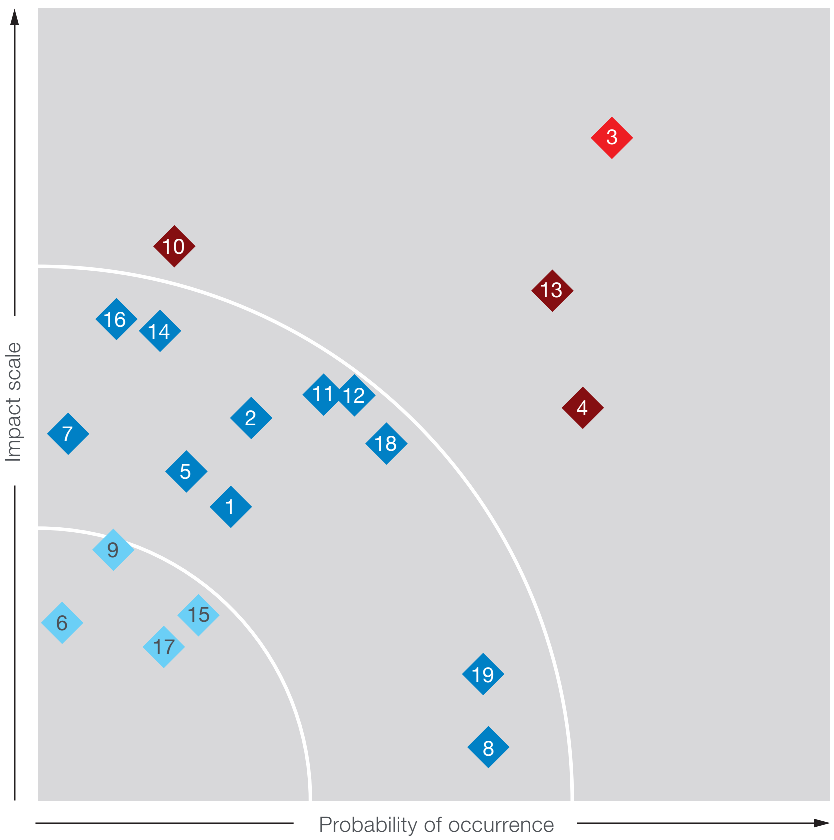
IMERYS
Imerys
www.imerys.com

LafargeHolcim
LafargeHolcim
www.lafargeholcim.com

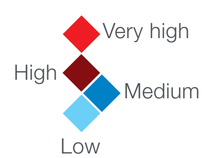
Cash and cash equivalents, financial instruments and financing	Operations
Risks associated with the management of cash and cash equivalents, financial instruments and financing	**Risks resulting from inadequacies or failures in internal procedures, staff management or systems in place. Risk of non-compliance with quality standards, contractual and legal provisions and ethical norms**
• Access to liquidity • Debt leverage and maturity profile • Quality of counterparties • Interest rate exposure • Volatility of derivative instruments • Relevance of forecasts or expectations • Developments in financial markets	• Complexity of the regulatory environment • Adequacy of systems and procedures • Exposure to fraud and litigation • Retention and development of employees' skills
• Rigorous and systematic analysis of considered transactions • Diversification of investments and counterparties • Limitation of net indebtedness • Definition of trading limits • Strict counterparty selection process • Formal delegations of authority with the aim to achieve appropriate segregation of duties • Systematic reconciliation of cash data and the accounting	• Internal procedures and control activities regularly reviewed • Hiring, retention and training of qualified staff • Implementation of delegations of authority to ensure an appropriate segregation of duties • Maintenance of and investments in IT systems • Internal Code of Conduct and Corporate Governance Charter

SGS	**SGS** www.sgs.com	Pernod Ricard	**Pernod Ricard** www.pernod-ricard.com	TOTAL	**Total** www.total.com
adidas GROUP	**adidas** www.adidas-group.com	umicore	**Umicore** www.umicore.com	Ontex	**Ontex** www.ontexglobal.com

Risk mapping

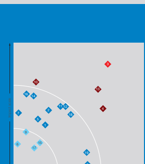


1. Risk related to strategy implementation
2. Portfolio risk
3. Stock market risk
4. Foreign exchange risk
5. Counterparty risk
6. Treasury risk
7. Liquidity risk
8. Interest rate risk
9. Risk related to derivative financial instruments
10. Eurozone risk
11. Legal risk
12. Tax risk related to the current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

Identification, assessment and control of risks at GBL

Identification	Assessment	Mitigants and procedures	Control
Identifying and validating the list of risks	Assessing risks	Responses to risks and control procedures	Verifying and controlling risks
Desk research	Risk appetite	Accepting / mitigating / rejecting / transferring risks	Board of Directors
Update of the list of risks	Definition of assessment scales	Implementing / adapting / testing control activities	Audit Committee
Internal meeting	Assessment workshop		Verification of control systems
List	Risk mapping		Whistle blowing procedure
Validation			Assessment of applicable risks and their level of control
Workshops with GBL's key people			

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 17 December 2008 (application of European Directive 2006/43 on statutory audits of annual accounts and consolidated accounts) and the law of 6 April 2010 (the so-called "Corporate Governance" Law). The Belgian Corporate Governance Code of 2009 also includes provisions on that topic. Likewise, IFRS 7 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 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 with the aim to increase its sector and geographic diversification, and to ensure the balance between growth and yield investments. GBL invests and divests depending on companies' development and market opportunities in order to achieve its objective of value creation and to maintain a solid financial structure. Internal control at GBL contributes to the safeguarding of assets and the control and optimisation of transactions. It aims to provide 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 161 to page 166. 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. Half of its members, all of whom are designated by the Board, are independent Directors. The Chairman of the Audit Committee 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", page 42). The divestment policy 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 with a view to ensuring honest, ethical and law-abiding behaviour, as well as compliance with sound governance principles, by the group's Directors and staff in the exercise of their duties.

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 2015 are presented on pages 42 to 43.

Furthermore, the Committee annually reassesses the risks and their level of control, notably based on changes in the portfolio, economic parameters or the control environment. When necessary, it ensures that 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 (94%) of GBL's portfolio at year-end 2016 was composed of nine 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 6% 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, determined by the investment and divestment decisions, may involve a particular exposure to certain industrial sectors, certain geographic areas or certain regulations. Decisions related to portfolio changes must be based on sufficient and adequate analyses in order to avoid an imbalance in GBL's portfolio in terms of risks and/or expected return.

3. 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.

4. 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.

5. 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.

6. Treasury risk

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

7. Liquidity risk

GBL must at all times have sufficient financial resources that can be readily mobilized notably in order to implement its investment strategy and to meet its debt servicing requirements.

8. 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.

9. 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.

10. Eurozone risk

The transactions carried out by GBL are mainly denominated in euros. The European Union and the Eurozone are weakened in particular by the level of sovereign debt, the tensions arisen in 2015 related to the risk of Greece's exit from the Eurozone, and the outcome of the referendum in favor of Brexit in 2016.

11. Legal risk

As a company listed on a regulated market and as an investor in industrial and 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 closely so that changes therein are appropriately taken into account in the management of its activities and governance. Moreover, the protection of the group's assets and the success of its strategy are mainly based on contractual discipline. It is a general and particularly important matter in the case of agreements in relation notably to financing, acquisition or disposal transactions. GBL must also manage litigation in the context of its own activities in order to limit the financial loss that could result from it and to preserve the group's reputation.

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

GBL must foresee the tax implications of all its strategic decisions, comply with its legal and tax reporting obligations and anticipate potential changes in the current Belgian and international legal framework to avoid any risk of non-compliance that could have adverse 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. Risk related to human resources

The group has to recruit and retain 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 pages 38 and 39 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.
- Regulatory changes: with skilled teams both internally and externally, GBL strives to anticipate the regulatory changes to which it is subject in order to avoid any risk of non-compliance and to take 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 therefore placed at very short term in order to remain available at any time so as to contribute to ensuring the flexibility and securing the group in case of investment or materialisation of exogenous risks. It is also 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
- Treasury risk
- Risk related to derivative financial instruments
- Counterparty risk
- Liquidity risk
- 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

Strategy implementation risk

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 diversifying its portfolio, analysing investments and monitoring its participations. Every investment or divestment is the subject of in-depth analyses which are reviewed by the Executive Management and the Standing Committee and then approved by the Board of Directors. Investments are monitored through a systematic 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 Strategic Investments and usually sit on their Committees and Boards of Directors. A continuous dialogue is also maintained with professionals specialised in the companies within GBL's portfolio or in their sectors of activity.

Treasury risk

Treasury transactions are subject to documented limits and rules, formal delegations of authority, segregation of duties at the payment level 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 and monitor counterparty quality.

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. They are subject to specific and appropriate prior analysis, systematic monitoring and dynamic management.

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.

Counterparty risk

GBL mitigates this risk by diversifying its types of investments and counterparties and by continuously reviewing their financial position. In this regard, at 31 December 2016, most of the cash was placed in current account deposits with a limited number of leading banks, in money market funds (SICAVs) selected on their size, volatility and liquidity. All financial contracts (including ISDA) are internally reviewed by the legal department.

Liquidity risk

GBL has a solid liquidity profile ensuring it has readily available resources to quickly seize investment opportunities and meet its requirements in terms of debt service. 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, whose undrawn amount and maturity profile are maintained at appropriate levels.

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 submitted to the Board of Directors. Complex accounting subjects, in particular the application of IFRS requirements, are identified and discussed with the Statutory Auditor and during Audit Committee meetings. The analysis also covers significant transactions and key events of the period under review. A budget and revised projections are presented at these meetings. Financing, cash management and access to liquidities are also discussed in depth.

In addition, the consolidation process is based on a centralised IT system in place in the group's subsidiaries which ensures consistency and comparability of the chart of accounts and accounting treatments. Transaction 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 for the accounting.

Lastly, the Statutory Auditor (Deloitte Reviseurs d'Entreprises) carries out its audit procedures, comments on the way its assignment is proceeding and presents its conclusions to the Audit Committee.

Risk of delegation of authority

The company relies on a system of internal authorities adapted to its operations. Each transaction requires the prior approval of at least two individuals. More specifically with regards to this principle of double approval, the Articles of Association provide that the company can be validly represented by two Directors. 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 the normal course of business of GBL, the Managing Directors have a large degree of autonomy and act jointly.

The Board has also assigned special mandates with respect to representing GBL vis-à-vis third-parties, in particular for bank transfers, treasury operations, derivatives contracts and delivery of securities for which a Director and a member of the management can jointly sign.

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 this risk of inappropriate behaviour within the company's key operating cycles (including segregation of duties, formal delegation of authority, effective IT and information management systems as well as hiring and retention of qualified employees, etc.). GBL organises its communication to ensure that it is complete, reliable and transparent and that it contributes to strengthening the group's image and reputation.

Risk related to IT infrastructure

An appropriate IT infrastructure has been put in place that meets GBL's needs in terms of functionalities, security and flexibility. Computerised data backup operations and data storage are organised to ensure the recoverability of information and the continuity of operations in the event of a system failure.

Furthermore, a thorough analysis of the risks associated with the infrastructure 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

Controls are in place to ensure compliance with information access and data protection procedures. Intrusion or cyber attack risks are continually analysed and assessed in order to provide appropriate responses.

Risk related to human resources

GBL offers its staff a fulfilling working environment and a remuneration policy being commensurate with the qualifications of each employee. An annual evaluation process based on the achievement of targets enables to ensure the competence of GBL's staff.

Furthermore, training is offered to employees based on their field of expertise in order to update and develop their knowledge.

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 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.

Activity Report

Portfolio at 31 December 2016

% of share capital (% of voting rights)

Strategic Investments

Investments generally larger than one billion euros, primarily in listed companies, in which GBL can exercise clear influence. These represent the bulk of the adjusted net assets.

Incubator Investments

A limited selection of smaller size (EUR 250 million - EUR 1 billion), listed or not, investments having the potential to eventually become Strategic.

Sienna Capital

Significant investments in private equity, debt or specific thematic funds.

Strategic Investments

- Imerys: **53.9%** (69.7%)
- LafargeHolcim: **9.4%** (9.4%)
- SGS: **16.2%** (16.2%)
- adidas Group: **7.5%** (7.5%)
- Pernod Ricard: **7.5%** (6.8%)
- Umicore: **17.0%** (17.0%)
- Total: **0.7%** (1.3%)

Incubator Investments

- Ontex: **19.98%** (19.98%)
- Burberry: **2.95%** (2.99%)

Sienna Capital

- Ergon Capital Partners
- PrimeStone
- Sagard Private Equity Partners
- Kartesia Advisor
- Merieux Developpement
- BDT Capital Partners

Sienna Capital **100.0%** [(1)]

GBL

3.7% (0.0%)

(1) The 100% shareholding reflects the 100% stake held by GBL in Sienna Capital, but it does not reflect the percentage shareholding of GBL in the underlying assets or the porfolio companies

Strategic Investments

GBL aims to create value over the long term through a diversified portfolio focused on three types of assets: Strategic Investments, Incubator Investments and Sienna Capital.

GBL plays its role of long-term shareholder within these Strategic Investments, while periodically rotating them to ensure a balance in the portfolio between growth and yield companies.

Governance

GBL aspires to hold a position of core shareholder in the capital of its Strategic Investments so as to play an active role in their governance. GBL is the largest shareholder in Imerys, Umicore and adidas and the second largest in LafargeHolcim. It is the lead shareholder, alongside other family groups, in Pernod Ricard or SGS. GBL is represented on the Board of Directors of all its Strategic Investments as well as the Committees (Strategic, Audit and Nomination and Remuneration Committees, with the exception of adidas) .

GBL contributes to the value creation in close collaboration with management teams of the participations at three levels: approval and support of the company's strategy, decisions about the management selection and the remuneration policy and definition of the most appropriate financial structure for value creation.

Investment criteria

The portfolio of Strategic Investments and GBL's new investments meet clear criteria.

Strategic Investments may be listed or private, must have their registered office in Europe, be global sector leaders and be exposed to growth markets giving them high potential for value creation. They must have financial resources aligned with their strategy and be led by high quality managers driven by a strategic and value-creating vision, which the support of a long-term, friendly shareholder such as GBL will allow them to achieve.

89.6%
of GBL's portfolio

value
EUR 14,615 million

Imerys is world leader in speciality minerals with almost 260 sites in 54 countries

Profile

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

Performance in 2016

Imerys' turnover grew by 1.9% in 2016 thanks to the contribution from recent acquisitions, partially offset by an unfavourable exchange rate effect (- 0.5%). In organic terms, turnover fell by 1.4%, as a result of declining volumes in a mixed economic environment. The operating margin increased to 14.0%, the result of a favourable exchange rate effect, operational excellence programmes and synergies relating to the integration of S&B. Adjusted net income increased by 6.0% to EUR 362 million in 2016 (compared with EUR 342 million in 2015). After taking into account other operating income and expenses, net of tax, the net income, group's share, amounted to EUR 293 million in 2016 (EUR 68 million in 2015). The cash flow generation enabled the group to finance its organic growth and to pay a dividend of EUR 1.87 per share. Net debt decreased to EUR 1,367 million and the net financial debt/EBITDA ratio also fell to 1.7x.

Key financial data

Simplified income statement (in EUR million)	**2016**	**2015**	**2014**
Turnover	**4,165**	4,087	3,688
Current EBITDA	**819**	745	674
Current operating income (EBIT)	**582**	538	495
Adjusted net income (group's share)	**362**	342	316
Net income (group's share)	**293**	68	272

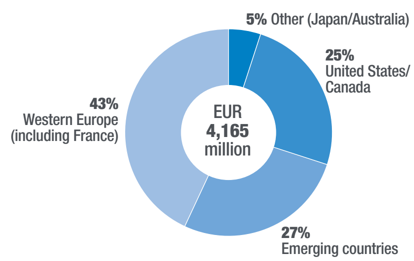
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**2,862**	2,644	2,444
Non-controlling interests	**53**	28	26
Net financial debt	**1,367**	1,480	870
Debt-equity ratio (in %)	**47**	55	35
Net financial debt/EBITDA (x)	**1.7**	2.0	1.3

Operating data

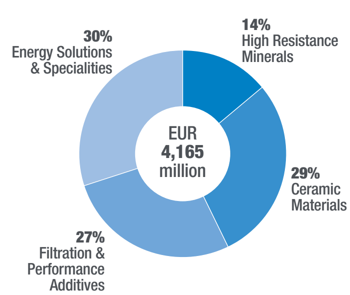
Estimate of total mineral reserves (proven and probable) (in million of tons)	**2016**	**2015**	**2014**
Carbonates	**247**	246	255
Kaolin	**100**	96	102
Perlite & Diatomite	**69**	50	46
Talc	**32**	33	34

Imerys in figures

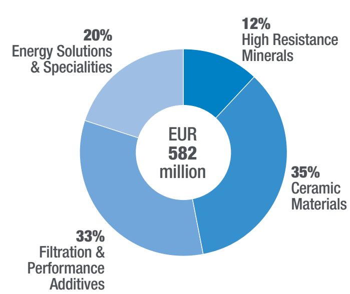
Geographic breakdown of 2016 turnover



Breakdown of 2016 turnover by sector



Breakdown of 2016 EBIT by sector



54
countries where Imerys is active

15,697
employees

4.2
EUR billion of turnover

over 90
new products launched in 2016

260
industrial sites

 # 1
Global leader in most value-added minerals in the world (over 30 in total)

Financial communication
Vincent Gouley
Analyst/Investor Relations
Tel.: +33 1 49 55 64 69
finance@imerys.com
www.imerys.com

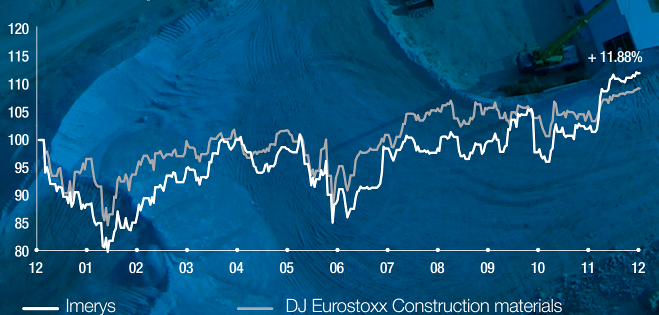
Investment case

- Business Model resilience
  Geographic and customer's final markets diversity
- Imerys is the leader in its sector: #1 or #2 in almost all of its markets
- High added value functional solutions providing the key properties for its customers' products
  Low exposure to fluctuations in commodities prices
  Low risk of substitution due in particular to the customer's low share in total costs
- Solid cash-flow generation making it possible to support external growth

Outlook

The 2016 results reflect the relative improvement in the environment observed at year-end, but which is yet to be confirmed in 2017. The group will expand in the coming months with the recent acquisitions and will continue to benefit from its excellence programmes. In this context, Imerys remains well positioned to create long-term value, the approach on which the contemplated acquisition of Kerneos is based.

2016 share price

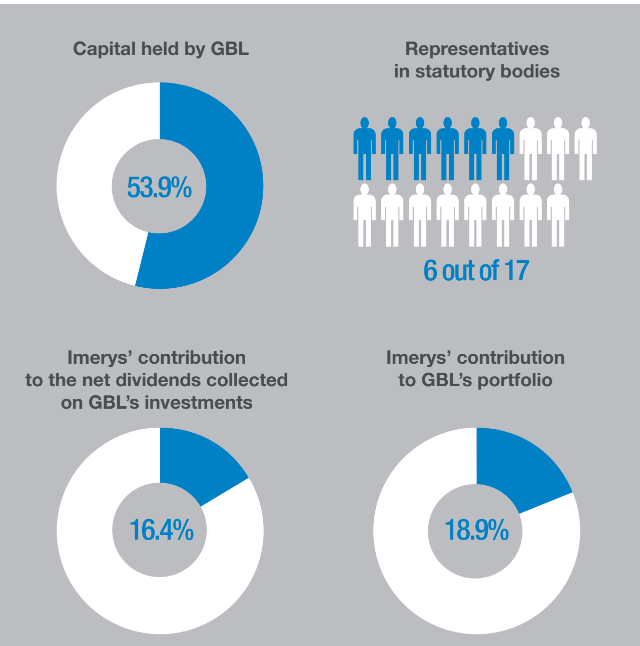


Market data and information on GBL's investment

Stock market data	**2016**	**2015**	**2014**
Number of shares issued (in thousands)	**79,568**	79,572	75,886
Market capitalisation (in EUR million)	**5,734**	5,126	4,623
Closing share price (in EUR/share)	**72.07**	64.42	61.01
Current net income (in EUR/share)	**4.60**	4.31	4.15
Diluted net income (in EUR/share)	**3.66**	0.85	3.51
Dividend (in EUR/share)	**1.87** (1)	1.75	1.65

GBL's investment			
Percentage of share capital (in %)	**53.9**	53.9	56.5
Percentage of voting rights (in %)	**69.7**	69.8	71.9
Market value of the investment (in EUR million)	**3,088**	2,761	2,614
Dividends collected by GBL (in EUR million)	**75**	71	69
Representatives in statutory bodies	**6**	6	7

(1) Subject to thr approval of Imerys' 2017 General Shareholders' Meeting



LafargeHolcim

LafargeHolcim is the world leader in construction materials: cement, aggregates and concrete

Profile

LafargeHolcim, the product of the merger between Lafarge and Holcim, made official in July 2015, is the world leader in construction materials (cement, aggregates and concrete) for private individuals and professionals.

The group employs around 90,000 persons in over 80 countries and has a balanced presence in developing and mature markets. This geographical distribution provides an ideal positioning to meet the challenges of increasing urbanisation.

Performance in 2016

The year was characterised by a good operating performance in a still deteriorated economic environment. Turnover for 2016 dropped by 1.7% (like-for-like basis) due to a combined effect of a decline in volumes and a rise in cement prices. Some key markets such as Brazil, India, Indonesia and Nigeria have been in difficulty while other countries recorded encouraging trends, particularly the United States and Algeria. Adjusted EBITDA increased by 8.7% (like-for-like basis) as a result of realised synergies, cost reduction and the increase of prices in most markets.

LafargeHolcim has implemented a refinancing programme (reducing the average cost of the debt and increasing the maturity) and finalised its disposal plan amounting to CHF 3.5 billion [1]. At the end of 2016, net debt amounted to CHF 14.7 billion.

In this overall challenging context, the group published results in line with its guidance (EBITDA, synergies and capex reduction).

Key financial data

Key data [2] (in CHF million)	**2016**	**2015** pro-forma [4]	**2014** pro-forma [4]
Turnover	**26,904**	29,483	31,437
Adjusted gross operating income (EBITDA) [3]	**5,825**	5,751	6,438
Gross operating income (EBITDA)	**5,242**	4,645	5,986
Operating cash flow	**3,295**	2,550	3,135

Simplified balance sheet (in CHF million)	**2016** published	**2015** published	**2014**
Shareholders' equity (group's share)	**30,822**	31,365	n.a
Non-controlling interests	**3,925**	4,357	n.a
Net financial debt	**14,724**	17,266	n.a
Debt-equity ratio (in %)	**42**	48	n.a
Net financial debt/adjusted EBITDA (x)	**x 2.5**	x 3.0	n.a

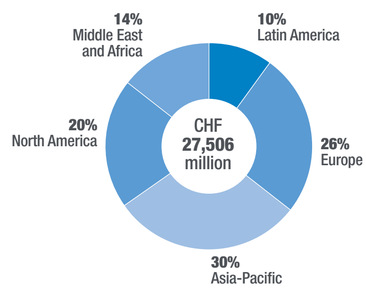
Operating data

Sales volume	**2016**	**2015** pro-forma	**2014** pro-forma
Cement (in million tons)	**233.2**	255.7	255.2
Pure aggregates (in million tons)	**282.7**	292.2	293.7
Ready mix concrete (in million m³)	**55.0**	56.8	57.7

(1) Closings Vietnam and China expected in the first quarter of 2017
(2) As the merger only took place in July 2015, the figures provided in 2015 and 2014 are pro forma and only cover a few key parameters
(3) Adjusted to take account of costs relating to the merger, the restructuring and other one-off items
(4) Still includes post-merger disposals

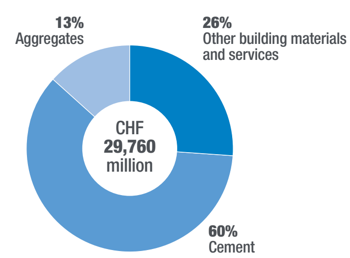
LafargeHolcim in figures

Geographical breakdown of turnover 2016 [1]



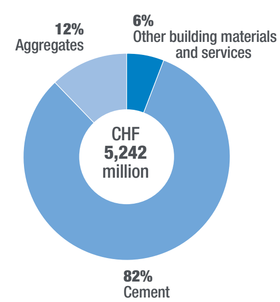
(1) Excludes CHF - 602 million eliminations/intragroup

Breakdown of turnover 2016 by branch [1]



(1) Excludes CHF - 2,856 million eliminations/intragroup

Breakdown of EBITDA 2016 by branch



Over
80
countries where LafargeHolcim is active

90,000
employees

26.9
CHF billion of turnover (52% from developing countries, compared to 48% from mature markets)

2,300
production sites

2,000
patents

 # 1
Global in the production of construction materials

Financial communication
Tel.: +33 1 44 34 92 00 (Paris)
Tel.: +41 58 858 87 87 (Zurich)
investor.relations@lafargeholcim.com
www.lafargeholcim.com

Investment case

The group is well positioned to meet the challenges of increasing urbanization, with strong positions in most emerging countries. The business model has evolved towards i) sustainable development, ii) an asset-light approach, and iii) a positioning on the value chain geared towards higher value-added solutions. The stakes of the merger in 2015 have not changed:

- Creation of an uncontested leader in the building materials sector
- Rebalancing of the portfolio towards the most promising regions in terms of growth
- Potential for significant synergies
- Improved operating performance and strength of the balance sheet

Outlook

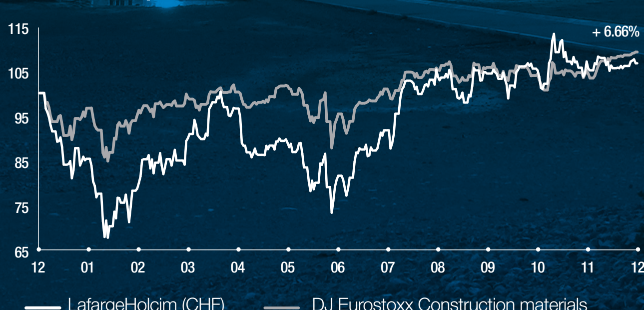
In 2017, sales growth will be supported by i) a growth in demand expected to be between 2% and 4% for all the group's markets in 2017, reflecting the macroeconomic context which is likely to remain challenging in some emerging markets, and ii) an increase in prices in line with inflation for the whole group (more pronounced increase in Nigeria, India and the United States).

The 2017 financial year should mark an important step in the realisation of the operational objectives set for 2018.

Management is expecting double-digit growth in the adjusted operating EBITDA on a like-for-like basis, as well as growth in the underlying earnings per share of more than 20%.

Net debt should be reduced to achieve a net debt to adjusted operating EBITDA ratio of around two times, which is in line with management's desire to keep an investment grade rating. At the same time, the group is planning a share buyback programme (which could reach CHF 1 billion in the 2017-2018 period) and an expansion of the disposal plan (from CHF 3.5 billion in 2016 to CHF 5.0 billion by 2017).

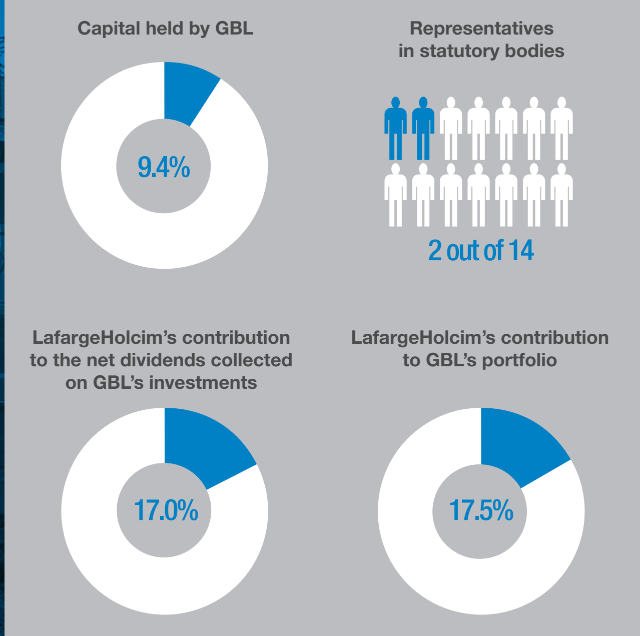
2016 share price



Market data and information on GBL's investment

Stock market data	**2016**	**2015**	**2014**
Number of shares issued (in thousands)	**606,909**	606,909	n.a.
Market capitalisation (in CHF million)	**32,561**	30,528	n.a.
Closing share price (in CHF/share)	**53.65**	50.30	n.a.
Dividend [1] (in CHF/share)	**2.00**	1.50	n.a.
GBL's investment			
Percentage of share capital (in %)	**9.4**	9.4	n.a.
Percentage of voting rights (in %)	**9.4**	9.4	n.a.
Market value of the investment (in EUR million)	**2,857**	2,674	n.a.
Dividends collected by GBL (in EUR million)	**78**	77	n.a.
Representatives in statutory bodies	**2**	2	n.a.

(1) Subject to approval by the 2017 LafargeHolcim General Shareholders' Meeting



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

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 90,000 employees at more than 2,000 offices and laboratories.

Performance in 2016

In 2016, SGS reported solid growth of 6.0%, before currency effects. Turnover grew by 2.5% in organic terms, sustained by all the divisions except for the Industrial Services, Minerals Services & Oil, Gas & Chemical Services activities, which suffered from a weakened environment.

The group continued to pursue its acquisition strategy, which contributed 3.5% to the turnover in 2016. 19 companies were acquired, 15 of which outside Europe, enhancing SGS's presence in seven of its divisions. The adjusted operating margin decreased to 15.4%. Net income, group's share, fell by 1.1% to CHF 543 million, notably due to restructuring costs. Operating cash flows increased by 5.7%, spurred on by the good management of working capital. The net debt rose to CHF 736 million, due in particular to the share buyback plan. The cancellation of 2.4% of the capital amounting to a total of CHF 361 million will be proposed at the 2017 SGS General Shareholders' Meeting.

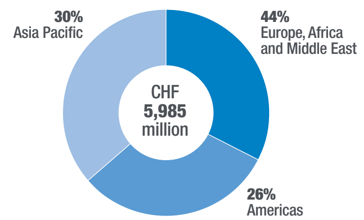
Key financial data

Simplified income statement (in CHF million)	**2016**	**2015**	**2014**
Turnover	**5,985**	5,712	5,883
Adjusted EBITDA	**1,198**	1,191	1,226
Adjusted operating income (EBIT)	**919**	917	947
Net income (group's share)	**543**	549	629

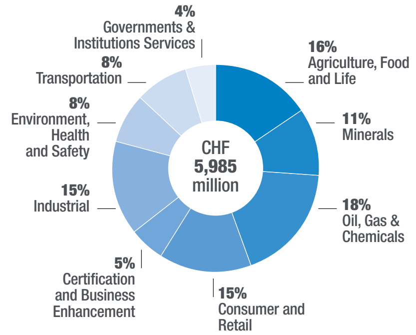
Simplified balance sheet (in CHF million)			
Shareholders' equity (group's share)	**1,773**	1,906	2,327
Non-controlling interests	**80**	75	76
Net financial debt	**736**	482	340
Debt-equity ratio (in %)	**40**	24	14
Net financial debt/EBITDA (x)	**0.6**	0.4	0.3

SGS in figures

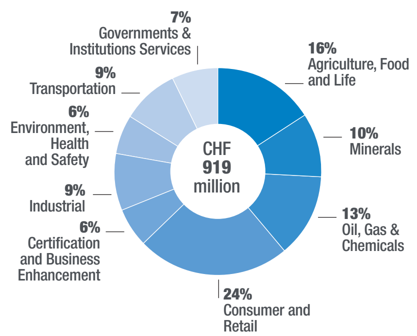
Geographical breakdown of 2016 turnover



Turnover of 2016 by activity



EBIT of 2016 by activity



over **150** countries where SGS is active

90,000 employees

6.0 CHF billion of turnover

2,000 offices and laboratories

9 core business lines

 # 1 worldwide leader

Financial communication
Jean-Luc de Buman
Senior Vice President
Tel.: +41 227 39 93 31
jean-luc.debuman@sgs.com
www.sgs.com

Investment case

The Testing, Inspection and Certification industry is characterised by high barriers to entry and is driven by attractive fundamentals, in particular:

- Expansion and ageing of infrastructure
- Externalisation and privatisation of activities
- Development of regulations
- Growing complexity of products
- Consolidation and economies of scale

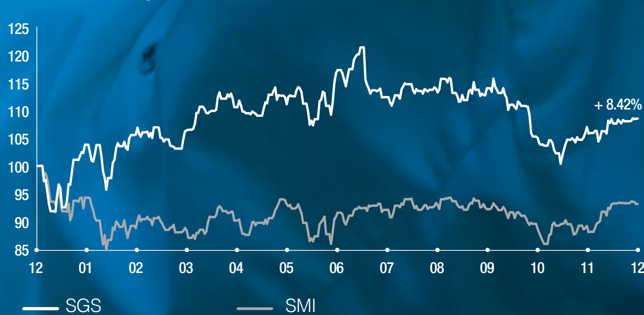
In this sector, SGS offers a particularly attractive profile in terms of growth, profitability and cash flow generation:

- World leader with a global geographic presence
- Diversified portfolio of activities
- Ideally positioned to take advantage of growth opportunities
- Agile and resilient facing the hazards of economic cycles

Outlook

SGS strives to continue with its growth strategy (organic and external) and strict control of its cost structure. In 2017, SGS is aiming for solid organic growth despite a difficult environment in the mining and energy sectors. In addition, SGS expects to increase its operating income on a constant currency basis and to generate robust free cash flow.

2016 share price

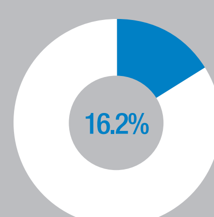


Market data and information on GBL's investment

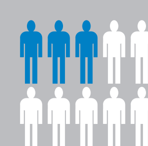
Stock market data	**2016**	**2015**	**2014**
Number of shares issued (in thousands)	**7,822**	7,822	7,822
Market capitalisation (in CHF million)	**16,208**	14,949	15,997
Closing share price (in CHF/share)	**2,072**	1,911	2,045
Diluted earnings per share (in CHF/share)	**71.47**	71.95	81.65
Basic adjusted earnings per share (in CHF/share)	**83.00**	81.95	82.69
Ordinary dividend (in CHF/share)	**70.00** (1)	68.00	68.00
GBL's investment			
Percentage of share capital (in %)	**16.2**	15.0	15.0
Percentage of voting rights (in %)	**16.2**	15.0	15.0
Market value of the investment (in EUR million)	**2,445**	2,067	1,995
Dividends collected by GBL (in EUR million)	**72.9**	67.1	62.3
Representatives in statutory bodies	**3**	3	3

(1) Subject to approval by the 2017 SGS General Shareholders' Meeting

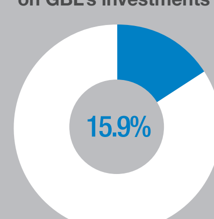
Capital held by GBL



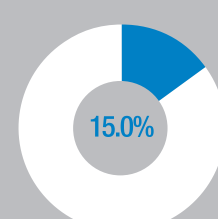
Representatives in statutory bodies



SGS's contribution to the net dividends collected on GBL's investments



SGS's contribution to GBL's portfolio



adidas is the European leader in sports equipment

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 four main brands: adidas, Reebok, Taylor Made and CCM. Distribution is done through its own stores retail network, eCommerce and independent distributors.

Performance in 2016

In 2016, group income rose by 14% compared with the previous year (+ 18% in organic terms). The brands adidas and Reebok achieved sustained growth in all geographic regions.

The brand adidas performed very well (+ 22% in organic terms), and Reebok continued to grow (+ 6% in organic terms), in particular attributable to the brand's repositioning in the fitness segment. The golf division is decreasing (- 1% in organic terms), having been impacted by the slowdown of its brands Adams golf and Ashworth. Organic turnover for CCM is down by 13%, mainly due to a market decline.

EBIT stood at EUR 1.5 billion at the end of 2016, compared with EUR 1.1 billion in 2015, with a margin of 7.7% up by 130 basis points.

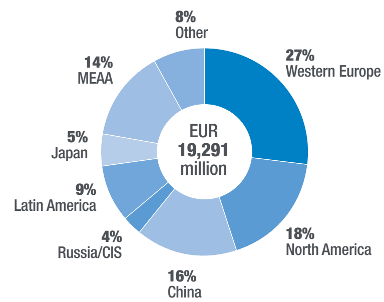
After payment of EUR 322 million in dividends, EUR 229 million for share buyback and the exercise of EUR 226 million in convertible shares, net debt stood at EUR 103 million at the end of 2016 (versus EUR 460 million in 2015), which is 0.1x the EBITDA.

Key financial data

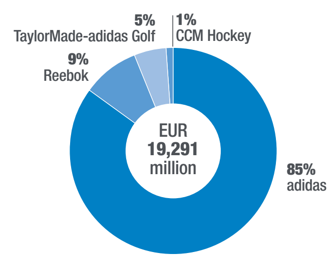
	2016	2015	2014
Simplified income statement (in EUR million)			
Turnover	**19,291**	16,915	14,534
Gross operating income (EBITDA)	**1,883**	1,475	1,283
Operating income (EBIT)	**1,491**	1,094	961
Adjusted net income (group's share)	**1,019**	720	642
Net income (group's share)	**1,017**	634	490
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**6,472**	5,666	5,624
Non-controlling interests	**(17)**	(18)	(7)
Net financial debt	**103**	460	185
Debt-equity ratio (in %)	**2**	8	3
Net financial debt/EBITDA (x)	**0.1**	0.3	0.1

adidas in figures

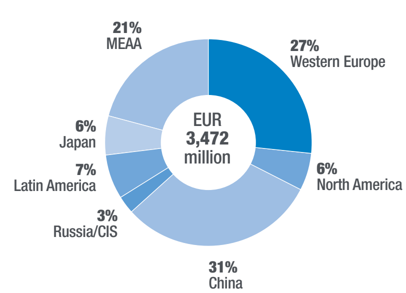
Geographical breakdown of 2016 turnover



Breakdown of 2016 turnover per brand



Breakdown of 2016 EBIT per region before overhead costs



Over
160
countries in which adidas is present

Over
60,000
employees

19.3
EUR billion of turnover

81%
of turnover coming from new products

#1
in Europe in sporting goods

#2
worldwide in sporting goods

Financial communication
Sebastian Steffen
Investor Relations World of Sports
Tel.: +49 9132 84 2920
Sebastian.Steffen@adidas-Group.com
www.adidas-group.com

Investment case

adidas is a strong brand: #1 in Europe and #2 worldwide in the design and distribution of sporting goods. There is strong potential for growth in sales supported by (i) advertising and promotional expenditure, (ii) the company's ability to introduce innovative products and (iii) the omni-channel (including digital) approach. adidas has the possibility to improve its EBIT margin from currently c. 7.7% to historical levels (c. 10% in 2008) via:

- Optimising the structure of central costs, mainly through economies of scale
- Increased profitability in the USA and Russia
- A restructuring of the brand Reebok

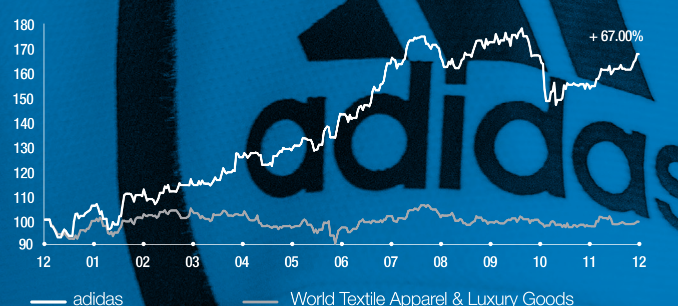
Outlook

The adidas group should continue to see double-digit growth in sales supported by (i) increased expenditure on sporting products, (ii) the consumer trend sports wear clothing in everyday life ("athleisure") and (iii) the growing awareness in all regions of the world of health issues and the benefits of practising sports. Geographically, Western Europe, North America and China are set to record the highest growth rates.

The brand adidas, which accounts for 85% of the group, is set to continue its strong growth. The group plans to sell its two brands TaylorMade and CCM.

In 2017, the objective of the adidas group is to increase its EBIT margin to 8.3 - 8.5% (versus 7.7% in 2016). The group is also forecasting an increase of 18 - 20% in adjusted net income to EUR 1,200 – 1,225 million for 2017.

2016 share price

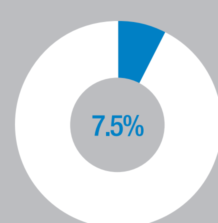


Market data and information on GBL's investment

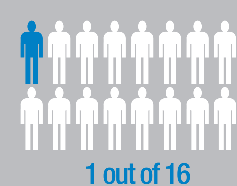
Stock market data	**2016**	**2015**	**2014**
Number of shares issued (in thousands)	**209,216**	209,216	209,216
Market capitalisation (in EUR million)	**31,414**	18,811	12,055
Closing share price (in EUR/share)	**150.2**	89.9	57.6
Adjusted diluted net income (in EUR/share)	**5.08**	3.37	2.67
Dividend (in EUR/share)	**2.0** (1)	1.6	1.5
GBL's investment			
Percentage of share capital (in %)	**7.5**	4.7	0.0
Percentage of voting rights (in %)	**7.5**	4.7	0.0
Market value of the investment (in EUR million)	**2,356**	890	0
Dividends collected by GBL (in EUR million)	**18.8**	3.0	0.0
Representatives in statutory bodies	**1**	0	0

(1) Subject to the approval of the 2017 adidas General Shareholders' Meeting

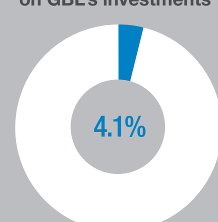
Capital held by GBL



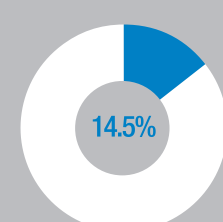
Representatives in statutory bodies



adidas's contribution to the net dividends collected on GBL's investments



adidas's contribution to GBL's portfolio



Pernod Ricard, the world's co-leader in Wines & Spirits, holds a leading position on all continents

Profile

Since its inception in 1975, Pernod Ricard has built up the most premium portfolio in the industry and has become the world co-leader in the Wine & Spirits market through significant organic growth and numerous acquisitions, including Seagram in 2001, Allied Domecq in 2005 and Vin & Spirit in 2008. This portfolio includes in particular 13 strategic international brands, 15 strategic local brands and 4 premium wine brands, produced and distributed by the group through its own worldwide distribution network.

Performance in 2015-2016

Pernod Ricard delivered strong results in a still challenging macroeconomic environment. In organic terms, turnover and current operating income increased by 1.8% and 2.1% respectively, while the currency effect was negligible. The operating margin was stable at 26.2%, with control over advertising expenditure and structural expenses offsetting a slight drop in the gross margin associated with the growth in Indian whiskies. The current net income, group's share, increased by 3.9%. Net debt was down at EUR 8,716 million, thanks to strong cash flow generation, while the net financial debt/EBITDA ratio also fell to 3.4x.

Key financial data

Simplified income statement (in EUR million)	30/06/2016	30/06/2015	30/06/2014
Turnover	**8,682**	8,558	7,945
Current operating income	**2,277**	2,238	2,056
Current net income (group's share)	**1,381**	1,329	1,185
Net income (group's share)	**1,235**	861	1,016

Simplified balance sheet (in EUR million)	30/06/2016	30/06/2015	30/06/2014
Shareholders' equity (group's share)	**13,337**	13,121	11,621
Non-controlling interests	**169**	167	157
Net financial debt	**8,716**	9,021	8,353
Debt-equity ratio (in %)	**65**	68	71
Net financial debt/EBITDA (x)	**3.4**	3.5	3,6

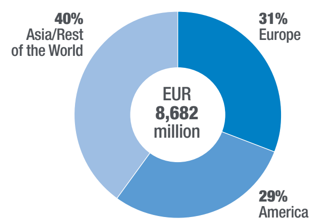
Operating data

Volume of strategic brands (in millions of 9-litre cases)	30/06/2016	30/06/2015	30/06/2014
14 strategic international brands	**47.9** [1]	47.8	46.8
Priority Premium Wines	**11.6**	11.2	10.6

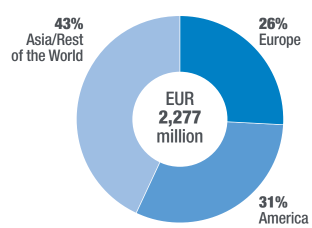
(1) Following the changes made to the House of Brands, there are now 13 strategic international brands accounting for a total volume of 46.4 million 9-litre cases

Pernod Ricard in figures

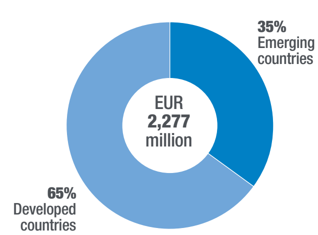
Geographic breakdown of 2015-2016 turnover



Breakdown of 2015-2016 current operating income



Breakdown of 2015-2016 current operating income



85
countries where Pernod Ricard is active

18,500
employees

8.7
EUR billion of turnover

101
production sites

17
brands in the world Top 100

 # 2
Wines and spirits in the world

Financial communication
Julia Massies
Vice-President, Financial Communication
& Investor Relations
Tel.: +33 1 41 00 42 02
Julia.Massies@pernod-ricard.com
www.pernod-ricard.com

Investment case

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

- expanding urban population
- growing market share compared to beer and wine
- upmarket move by consumers

Pernod Ricard has a solid growth and profitability profile:

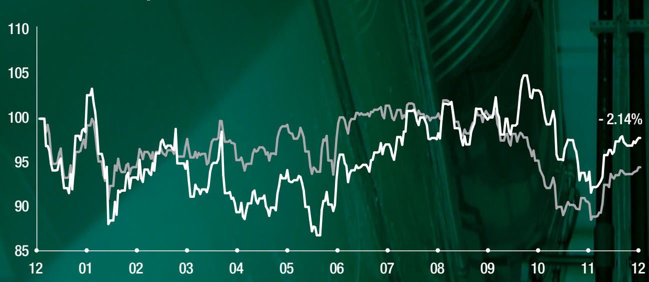
- global co-leader with one of the industry's most complete brand portfolios
- systematic upmarket move thanks to its superior-quality and innovative products
- numerous high-potential brands such as Jameson, Absolut and the Indian whiskies
- leading positions in categories such as whiskey, rum and luxury Cognac that outperform the market and enjoy high barriers to entry, for example guarantee of origin requirements and the need to set aside stocks for ageing

Outlook

The first half of the 2016-2017 financial year showed organic growth in terms of turnover and operating income of 4% (3% after adjusting for the early date of the Chinese New Year). Growth is positive in all of the group's regions and this confirms a gradual improvement, albeit in what continues to be a mixed environment.

For the full financial year 2016-2017, Pernod Ricard is projecting continued good performance in the United States, of Jameson as well as ongoing innovation and an improvement in China of Chivas. A temporary slowdown is expected in India due to the government's decision to demonetise. Moreover, the company remains focused on the operating margin and cash flow generation. It has confirmed its target of organic growth in current operating income between 2% and 4%.

2016 share price

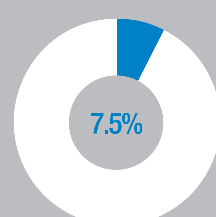


Market data and information in GBL's investment

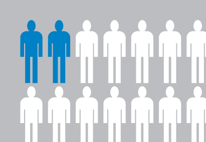
Stock market data	**30/06/2016**	**30/06/2015**	**30/06/2014**
Number of shares issued (in thousands)	**265,422**	265,422	265,422
Market capitalisation (in EUR million)	**26,569**	27,498	23,277
Closing share price (in EUR/share)	**100.10**	103.60	87.70
Diluted adjusted net income (in EUR/share)	**5.20**	4.99	4.46
Dividend (in EUR/share)	**1.88**	1.80	1.64

GBL's investment at 31 December	**31/12/2016**	**31/12/2015**	**31/12/2014**
Percentage of share capital (in %)	**7.5**	7.5	7.5
Percentage of voting rights (in %)	**6.8**	6.9	6.9
Market value of the investment (in EUR million)	**2,048**	2,093	1,835
Dividends collected by GBL (in EUR million)	**37**	36	33
Representatives in statutory bodies	**2**	2	2

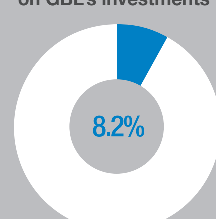
Stake held by GBL



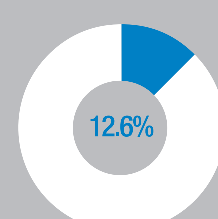
Representatives in statutory bodies



Pernod Ricard's contribution to the net dividends collected on GBL's investments



Pernod Ricard's contribution to GBL's portfolio



GBL

Umicore is a group specialised in materials technology and the recycling of precious metals

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 in centered on three business lines: Catalysis, Energy & Surface Technologies and Recycling.

Performance in 2016

Income and recurring EBIT for continued activities increased by 3% and 7% respectively.

Group income, including discontinued activities, grew by 1% and REBIT rose by 6%. The strong growth in Automotive Catalysts and Rechargeable Battery Materials more than offset the impact of the drop in metal prices on the Recycling activities. Net income was down due to higher financial expenses and taxes.

Thanks to strong operating cash flow generation and despite major investments, the balance sheet structure remains sound. Net financial indebtedness decreased slightly to EUR 296 million, or 0.6x the recurring EBITDA.

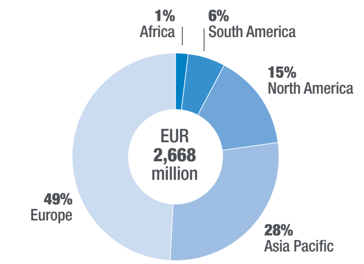
Key financial data

Simplified income statement (in EUR million)	**2016**	**2015**	**2014**
Income (excluding metal)	**2,668**	2,629	2,367
Recurring EBIT	**351**	330	274
Recurring net income (group's share)	**233**	246	193
Net income (group's share)	**131**	169	171

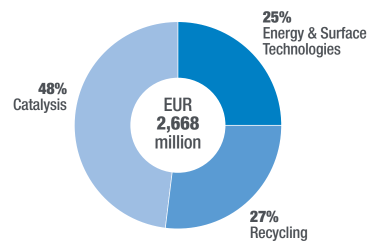
Simplified balance sheet (in EUR million)	**2016**	**2015**	**2014**
Shareholders' equity (group's share)	**1,829**	1,732	1,705
Non-controlling interests	**58**	53	45
Net financial debt	**296**	321	298
Debt-equity ratio (in %)	**16**	18	17

Umicore in figures

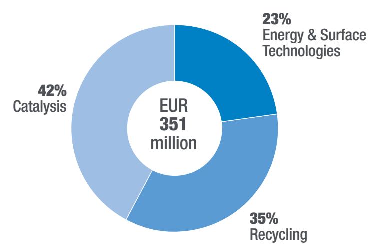
Breakdown of 2016 income by geographic region



Breakdown of 2016 income by division



Breakdown of 2016 recurring EBIT by division



39
countries where Umicore is active

9,900
employees

2.7
EUR billion of turnover (excluding metal)

86
industrial sites

20
R&D centres

#1
global leader in the metals recycling

Financial communication
Evelien Goovaerts
Tel.: +32 2 227 78 38
evelien.goovaerts@umicore.com
www.umicore.com

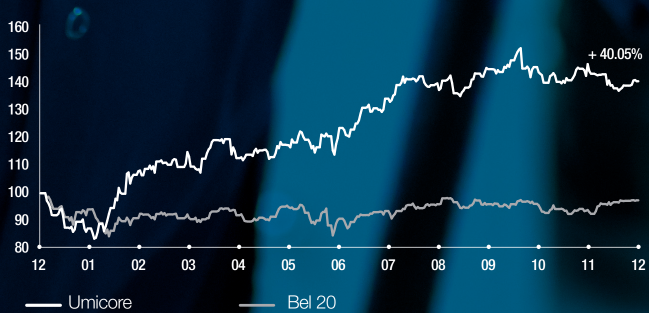
Investment case

- Umicore has a business model geared towards clean technologies that are benefiting from favourable long-term trends, namely through activities in automotive catalysts, batteries for electric cars and precious metals recycling.
- In these areas, Umicore enjoys a global leadership position, along with solid knowhow, high-quality means of production and a talented management team.
- Umicore was GBL's first investment in its "Incubator" portfolio before becoming Strategic in 2016

Outlook

Umicore's activities in the field of clean mobility should lead to robust growth in 2017. High demand for the company's cathode materials used in automobiles should result in increased volumes in 2017. Although there will be no major changes in emissions standards in 2017, Umicore nevertheless expects demand for automotive catalysts to increase. Regarding recycling activities, the increased capacity of the plant in Hoboken should generate an increase in volumes handled compared with 2016, albeit in return for slightly lower margins.

2016 share price



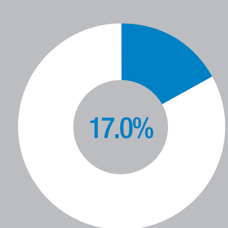
Market data and information on GBL's investment

Stock market data	**2016**	**2015**	**2014**
Number of shares issued (in thousands)	**112,000**	112,000	112,000
Market capitalisation (in EUR billion)	**6.06**	4.33	3.73
Closing share price (in EUR/share)	**54.15**	38.67	33.31
Adjusted net income (in EUR/share)	**2.14**	2.27	1.79
Dividend (in EUR/share)	**1.30** (1)	1.20	1.00

GBL's investment			
Percentage of share capital (in %)	**17.0**	16.6	12.4
Percentage of voting rights (in %)	**17.0**	16.6	12.4
Market value of the investment (in EUR million)	**1,032**	720	464
Dividends collected by GBL (in EUR million)	**25**	15	10
Representatives in statutory bodies	**2**	1	-

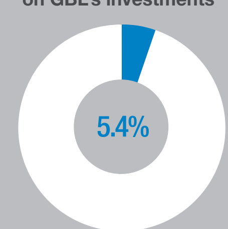
(1) Subject to the approval of Umicore's 2017 General Shareholders' Meeting

Capital held by GBL

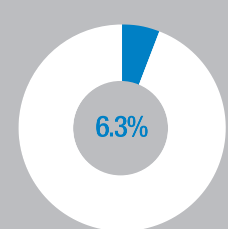


Representatives in statutory bodies

Umicore's contribution to the net dividends collected on GBL's investments



Umicore's contribution to GBL's portfolio



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

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.

Performance in 2016

Oil prices were very volatile in 2016, showing a drop of 17% in annual average. Nevertheless, Total was resilient in this difficult environment, posting adjusted net income of USD 8.3 billion, a 21% decrease compared with 2015.

The Upstream result was impacted by the drop in the price of crude oil, partially offset by an increase in the group's production (+ 5%), a decrease in operating costs and a lower average tax rate. Results for Refining-Chemicals were down, primarily due to the 30% decline in refining margins. Excluding renewable energy, results for the Marketing & Services segment were stable despite the disposal of assets in Turkey.

The exceptional asset impairments reflect the deterioration of the environment and had a negative impact of USD 2.1 billion on net income.

The reduction in investments to USD 18.3 billion and cost reductions of USD 2.8 billion exceeded the announced objectives of USD 19 billion and USD 2.4 billion for 2016.

The debt-equity ratio is declining thanks to the disposal of non-strategic assets.

Key financial data

Simplified income statement (in USD million)	**2016**	**2015**	**2014**
Turnover	**149,743**	165,357	236,122
Adjusted net operating income from business segments	**9,420**	11,362	14,247
Adjusted net income (group's share)	**8,287**	10,518	12,837
Net income (group's share)	**6,196**	5,087	4,244

Simplified balance sheet (in USD million)			
Shareholders' equity (group's share)	**98,680**	92,494	90,330
Non-controlling interests	**2,894**	2,915	3,201
Net financial debt	**27,121**	26,586	28,754
Debt-equity ratio (in %)	**27**	28	31

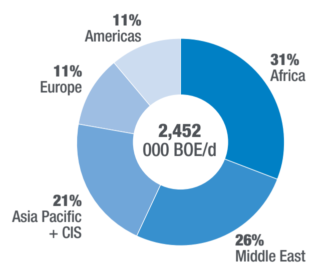
Operating data

Environment parameters	**2016**	**2015**	**2014**
Brent (in USD/b, annual average)	**43.7**	52.4	99.0
European refining margins (ERMI – in USD/t)	**34.1**	48.5	18.7
Operating data			
Hydrocarbon production (in '000 BOE/d) (1)	**2,452**	2,347	2,146

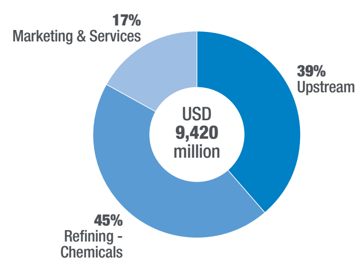
*BOE = Barrel of Oil Equivalent

Total in figures

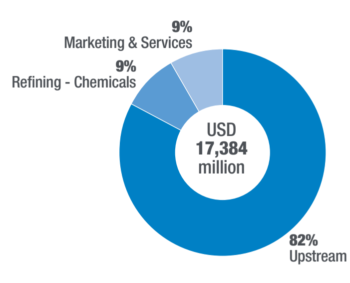
Hydrocarbon production in 2016 by geographic area



Adjusted net operating income in 2016 per segment



Organic investments in 2016



130
countries where Total is active

100,000
employees

8.3
USD billion of adjusted net income

2,452
kBOE/d of hydrocarbon production

 # 5
largest listed integrated oil and gas group in the world in terms of production

 # 2
market capitalisation in the euro zone: EUR 118 billion at 31 December 2016

Financial communication
Mike Sangster
Director of Financial Communication
Tel.: +44 207 719 79 62
Mike.sangster@total.com
www.total.com

Investment case

Total outperformed its peers and demonstrated its resilience in a difficult environment:

- Integrated model, from exploration to the final customer
- Operational excellence for all its activities
- 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

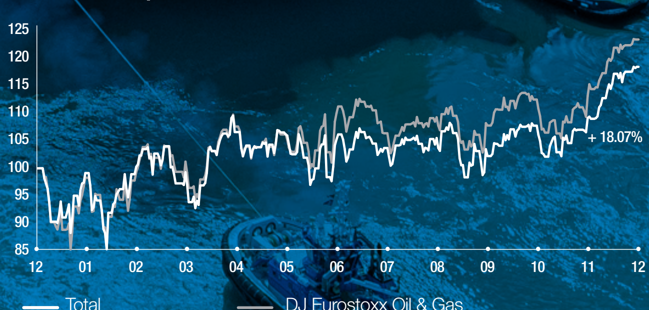
Within the framework of its portfolio rotation strategy, GBL had reduced its position to 0.7% of the capital at end December 2016

- De-concentration of the risks relating to energy and commodities
- Geographic diversification of the portfolio
- Diversification of dividend sources

Outlook

Total is expecting hydrocarbon prices to remain volatile during the 2017 financial year. As a result, the company is continuing its efforts to limit expenditures, the target being USD 3.5 billion in savings in 2017 in order to reach a cost of USD 5.5/BOE. Investments should reach their long-term level to ensure profitable future growth between USD 16 and USD 17 billion in 2017, including the resource acquisitions by the group. The breakeven point will continue to drop and settle at under USD 40/b prior to the dividend payment. At USD 50/b, the operating cash flow will cover investments and the cash portion of the dividend. The end of the discount on scrip dividends is planned for the time when oil prices settle at USD 60/b.

2016 share price

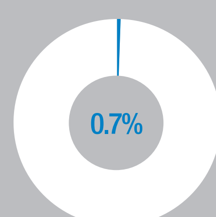


Market data and information on GBL's investment

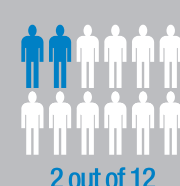
Stock market data	**2016**	**2015**	**2014**
Number of shares issued (in thousands)	**2,430,366**	2,440,058	2,385,268
Market capitalisation (in EUR million)	**118,376**	100,689	101,374
Closing share price (in EUR/share)	**48.72**	41.27	42.52
Adjusted fully-diluted net income (in EUR/share)	**3.06**	4.51	5.63
Dividend (in EUR/share)	**2.45** [(1)]	2.44	2.44
GBL's investment			
Percentage of share capital (in %)	**0.7**	2.4	3.0
Percentage of voting rights (in %)	**1.3**	2.2	2.7
Market value of the investment (in EUR million)	**789**	2,463	3,052
Dividends collected by GBL (in EUR million)	**75**	157	160
Representatives in statutory bodies	**2**	2	2

(1) Subject to the approval of Total's 2017 General Shareholders' Meeting

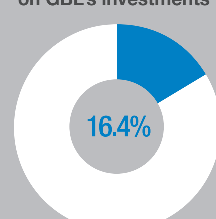
Capital by GBL



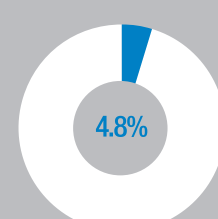
Representatives in statutory bodies



Total's contribution to the net dividends collected on GBL's investments



Total's contribution to GBL's portfolio



Incubator Investments

In addition to the Strategic Investment portfolio that encompasses the companies in which GBL has an interest of more than EUR 1 billion, GBL intends to invest amounts of between EUR 250 million and EUR 1 billion in private or listed companies.

GBL aims at becoming a core shareholder and, for mid-sized and private companies, to possibly hold a majority stake.

In both cases, its ambition is to find new opportunities that constitute an "incubator" of strategic assets over the long term. Ultimately, this investment category could represent between 10% and 15% of the group's portfolio value.

Approach

GBL wishes to gradually acquire in a friendly manner an interest in the share capital of these companies while deepening its understanding of their strategy and ability to create value. Depending on its belief in the potential of these investments and its percentage interest, GBL might ask to be represented on their Board of Directors so as to play an active role in the areas of governance and strategic decision-making, in close cooperation with the management teams.

4.5%
of GBL's portfolio

Value
EUR 730 million

Ontex is a global leader specialised in hygienic consumables

Profile

Ontex is a group specialised in hygiene products for babies, women and adults. Ontex products are distributed in more than 100 countries under the company's own brands and distributors' private labels. The main sales channels are retail trade, medical institutions and pharmacies.

Performance in 2016

Turnover reached EUR 1,993 million in 2016, up by 0.2% in organic terms and 18.0% in reported figures following the acquisition of Grupo Mabe. Regarding product categories, the group's growth is mainly attributable to incontinence solutions for adults while the Babycare and Femcare categories are declining in 2016. Geographically, growth is driven by Eastern Europe and the Middle East / North Africa.

The adjusted EBITDA margin grew by 10 bps to 12.5% thanks to an improvement in the gross margin (+ 122 bps), offset by a negative currency effect of EUR 37 million.

Compared with 31 December 2015, net debt increased by EUR 255 million to EUR 665 million following the acquisition of Grupo Mabe. The net financial debt/EBITDA ratio is 2.7x EBITDA.

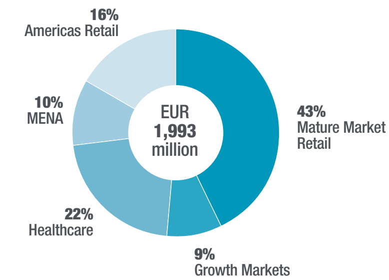
Key financial data

Simplified income statement (in EUR million)	**2016**	**2015**	**2014**
Turnover	**1,993**	1,689	1,616
Adjusted EBITDA	**249**	209	196
Net adjusted income	**132**	103	65
Net income (group's share)	**120**	99	9

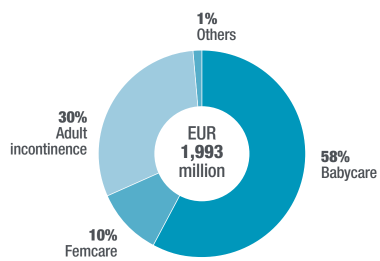
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	**999**	852	671
Non-controlling interests	**0**	0	0
Net financial debt	**665**	410	585
Debt-equity ratio (in %)	**67**	48	87

Ontex in figures

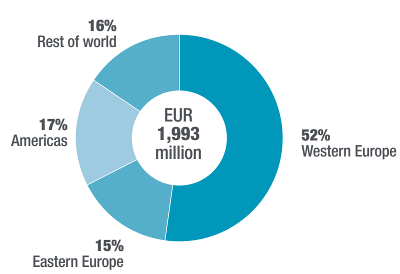
Breakdown of 2016 turnover by division



Breakdown of 2016 turnover by product category



Geographical breakdown of 2016 turnover



Over **110** countries where Ontex is active

Over **11,000** employees

2.0 EUR billion of turnover

19 production sites

26 marketing and sales teams

International producer of **private label** and **own brands** disposable hygiene products

Financial communication
Philip Ludwig
Investor Relations
Tel.: +32 53 333 730
investorrelations@ontexglobal.com
www.ontex-global.com

Investment case

The growth of the industry in recent years has been supported by (i) the resilience of the business (hygiene basics), (ii) an ageing population in mature countries and (iii) the growth in population and product adoption rates for hygiene products in emerging countries.

Ontex should be able to continue to outperform the market thanks to (i) increases in market share for private label products, (ii) the premiumisation of its brands and (iii) its greater exposure to emerging countries and adults incontinence products.

Outlook

In 2017, Ontex is forecasting revenue growth above the underlying market in all its divisions, driven by commercial investments in its brand portfolio and that of its retail partners. The macroeconomic environment will remain challenging with, among other things, volatile exchange rates and certain pressures on raw materials prices. Ontex is maintaining its assumption of a moderate margin expansion over time.

2016 share price

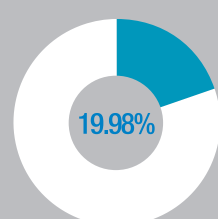
Market data and information on GBL's investment

Stock market data	**2016**	**2015**	**2014**
Number of shares issued (in thousands)	**74,861**	72,139	68,056
Market capitalisation (in EUR million)	**2,115**	2,363	1,614
Closing share price (in EUR/share)	**28.3**	32.8	23.7
Adjusted fully-diluted net income (in EUR/share)	**1.77**	1.50	0.95
Dividend (in EUR/share)	**0.55** (1)	0.46	0.19

GBL's investment			
Percentage of share capital (in %)	**19.98**	7.6	0.0
Percentage of voting rights (in %)	**19.98**	7.6	0.0
Market value of the investment (in EUR million)	**423**	181	0
Dividends collected by GBL (in EUR million)	**5.2**	1.0	0.0
Representatives in statutory bodies	**0**	0	0

(1) Subject to the approval of the 2017 Ontex General Shareholders' Meeting

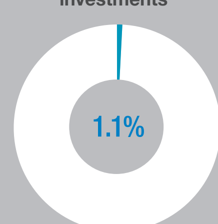
Capital held by GBL



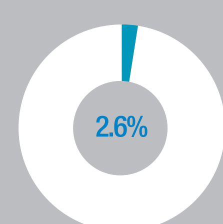
Representatives in statutory bodies

No representatives in statutory bodies

Ontex's contribution to the net dividends collected on GBL's investments



Ontex's contribution to GBL's portfolio



SIENNA CAPITAL

contact@sienna-capital.com
www.sienna-capital.com

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 subsidiary Sienna Capital.

Sienna Capital aims to generate attractive risk-adjusted returns by constructing a diversified portfolio of investment managers performing well in their area of expertise (e.g. private equity, debt and specific thematic funds).

Sienna Capital is an active and involved partner for the managers it invests in. Sienna Capital supports managers by helping them raise money, attract talent and source investment opportunities as well as by providing advice on good governance and best practices.

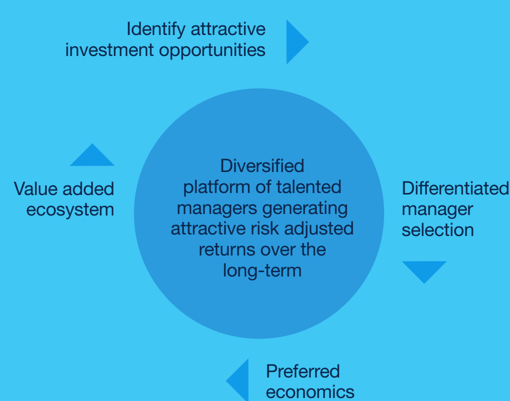
At the end of 2016, Sienna Capital's portfolio was composed of six managers deploying capital via twelve funds into almost a hundred companies. The portfolio includes investments in private equity funds (Ergon, Sagard), a debt fund (Kartesia), a healthcare growth capital fund (Mérieux Développement), a fund whose strategy consists of acquiring long-term shareholdings in mid-sized European companies (PrimeStone), and a fund which provides long-term capital to family- and founder-led businesses (BDT Capital Partners).
As of 31 December 2016, Sienna Capital was valued at EUR 955 million which represents 6% of GBL's portfolio.

Strategy

Sienna Capital offers a differentiated proposition to investment managers: long-term patient capital in exchange for attractive financial terms and a role as an active, value-added partner.

Its strategy consists of supporting the launch of new funds, as well as examining opportunities for direct investments in external managers.

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



Aurélie Comptour
CFO

Colin Hall
CEO

Vincent Cochet
Associate

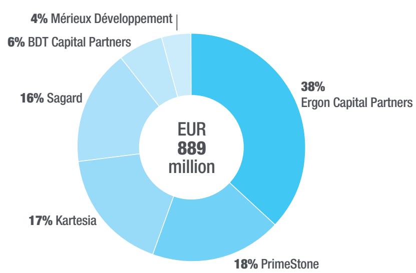
Key financial data

Sienna Capital's key figures – cumulative since inception

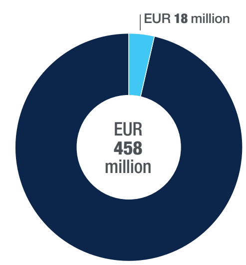
In EUR million at 31/12/2016	Ergon Capital Partners	Sagard	Kartesia	Mérieux Développement	PrimeStone	BDT Capital Partners	Total
Commitment	663	398	300	75	150	113	**1,699**
Capital invested	480	250	138	33	150	48	**1,098**
Remaining callable capital	183	149	163	42	-	65	**601**
Distribution received to date	322	194	10	-	-	-	**526**
Value of the stake (Sienna Capital's portfolio)	342	144	155	34	161	53	**889** (1)

(1) GBL's Adjusted Net Asset (p.24) mentions a valuation of Sienna Capital of EUR 955 million, including a receivable on Sagard 3 of EUR 66 million

Profile of Sienna Capital's portfolio
Value at 31/12/2016



Sienna Capital's share of the net dividends collected by GBL



Performance in 2016

In 2016 and through its underlying managers, Sienna Capital invested EUR 161 million. This amount includes the investment in Looping and DIH by Ergon Capital Partners III ("ECP III"), the investment in two holding companies, including Prosol - Grand Frais by Sagard 3, the investments in Keranova, NovaCap and Le Noble Age by Mérieux Participations II as well as the new investments completed by Kartesia, PrimeStone and BDT Capital Partners.

Sienna Capital received EUR 83 million, primarily from the sale of De Boeck and Larcier by ECP III and of FläktWoods by Sagard II.

In July 2016, Sienna Capital committed an additional amount of EUR 100 million in ECP III.

In December 2016, Sienna Capital took an additional commitment of EUR 17 million in Sagard 3.

In 2016, Sienna Capital's contribution to GBL's net dividends amounted to EUR 18 million.

Sienna Capital's key figures at 31/12/2016

In EUR million	Ergon Capital Partners	Sagard	Kartesia	Mérieux Développement	PrimeStone	BDT Capital Partners	Total
New commitments	100	17	150	-	-	-	**268**
Capital invested	58	36 (1)	23	14	-	30	**161**
Distribution received	58	18 (1)	7	-	-	-	**83**
Contribution to GBL's net dividends	18						**18**

(1) Excluding the impact of the size increase of the fund Sagard 3

ERGON CAPITAL PARTNERS

John Mansvelt, Chief Financial Officer
Tel.: +32 2 213 60 90
www.ergoncapital.com

Profile

Created in 2005, Ergon Capital Partners is a private equity fund operating in the mid-market segment. It invests between EUR 20 million and EUR 70 million in companies operating in niche markets in the Benelux, Italy, Spain, France, Germany and Switzerland, holding positions that are dominant and sustainable over the long term.

Sienna Capital & Ergon

ECP I was founded in 2005 with shareholders consisting of GBL and Parcom Capital, a subsidiary of ING. The first fund had EUR 150 million in assets. 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 EUR 350 million, ECP III. The size of ECP III has been increased by EUR 150 million, raising the size of the fund to EUR 500 million. Sienna Capital receives certain favourable financial terms for its support of Ergon.

Financial year 2016

During the year, ECP completed the sale of its participation in Stroili. Furthermore, ECP III invested in Looping and DIH and sold De Boeck and Larcier. In July 2016, the size of ECP III was successfully increased by EUR 150 million bringing the total commitment to EUR 500 million.

SAGARD PRIVATE EQUITY PARTNERS

Mariane Le Bourdiec, General Secretary
Tel.: +33 1 53 83 30 00
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. Working with company management, it supports them in their growth.

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 invested an initial 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, making a commitment to invest EUR 200 million. Sienna Capital receives certain preferential financial terms in relation to its support of Sagard 3.

Financial year 2016

During the year, Sagard II completed the sale of its participation in FläktWoods. Furthermore, Sagard 3 invested a.o. in Prosol - Grand Frais. Sagard 3 raised EUR 404 million of additional capital. Sienna Capital committed an additional amount of EUR 17 million in this context.

KARTESIA ADVISOR

Hana Witzke, General Secretary
Tel.: +352 27 860 783
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

In March 2015, Kartesia closed its fund at EUR 508 million, of which EUR 150 million from Sienna Capital. In exchange for its support since the launch of Kartesia, Sienna Capital benefits from favorable financial conditions.

In 2016, Kartesia launched a new fund, KCO IV, and Sienna Capital committed an amount of EUR 150 million.

Financial year 2016

At 31 December 2016, the fund invested EUR 468 million in primary and secondary transactions. In 2016, Kartesia has distributed to its investors an amount of EUR 24 million.

MERIEUX DEVELOPPEMENT

Christine Demode, Chief Financial Officer
Tel.: +33 4 78 87 37 00
www.mérieux-développement.com

Profile

Established in 2009, Mérieux Développement is an investment manager specialising in growth and venture capital investments in the healthcare sector. Mérieux Développement works alongside entrepreneurs whose products and services can bring genuine advances to the health of patients and consumers worldwide. Mérieux Développement is the financial arm of Institut Mérieux, which employs 16,500 persons globally and realized a turnover in excess of USD 3 billion in 2015.

Sienna Capital & Mérieux Développement

In 2014, Sienna Capital committed an amount of EUR 75 million dedicated to both funds managed by Mérieux Développement: Mérieux Participations I and Mérieux Participations II. Sienna Capital benefits from certain favourable financial terms for its support of Mérieux Participations II.

Financial year 2016

In 2016, Mérieux Participations II has invested in three new companies: Keranova, NovaCap and Le Noble Age for a total amount of EUR 40 million.

PrimeStone

Martin Donnelly, Chief Operating Officer
Tel.: +44 20 7072 3150
www.primestonecapital.com

Profile

PrimeStone was established in 2014 by three former partners from The Carlyle Group, specialising in buyouts, 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 2016

In 2016, PrimeStone completed six new investments.

BDT CAPITAL PARTNERS

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

Profile

BDT Capital Partners was created in 2009 by Byron Trott, a long-standing partner of Goldman Sachs, with the aim of meeting the strategic and financial needs of families and/or company founders around the globe. 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 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.

Financial year 2016

In 2016, BDTCP II completed three investments for a total of USD 2 billion.

Accounts at 31 December 2016

GBL

GBL

Consolidated financial statements

Consolidated balance sheet at 31 December

In EUR million	Notes	2016	2015	2014
Non-current assets		**17,945.3**	**17,124.1**	**15,707.4**
Intangible assets	8	**288.4**	338.9	202.5
Goodwill	9	**1,928.7**	1,743.2	1,181.8
Property, plant and equipment	10	**2,392.5**	2,192.1	2,008.3
Investments		**13,137.5**	12,646.0	12,178.7
Investments in associates	*2*	***360.5***	*329.9*	*3,513.0*
Available-for-sale investments	*3*	***12,777.0***	*12,316.1*	*8,665.7*
Other non-current assets	11	**99.6**	93.7	94.5
Deferred tax assets	12	**98.6**	110.2	41.6
Current assets		**3,927.5**	**3,281.5**	**3,977.4**
Inventories	13	**749.2**	776.1	697.8
Trade receivables	14	**685.1**	644.4	593.0
Trading financial assets	15	**1,023.5**	658.2	829.2
Cash and cash equivalents	16	**1,086.1**	898.0	1,420.8
Other current assets	17	**383.6**	304.8	436.6
Total assets		**21,872.8**	**20,405.6**	**19,684.8**
Shareholders' equity		**16,374.2**	**14,543.5**	**14,284.2**
Share capital	18	**653.1**	653.1	653.1
Share premium		**3,815.8**	3,815.8	3,815.8
Reserves		**10,398.1**	8,776.7	8,703.8
Non-controlling interests	28	**1,507.2**	1,297.9	1,111.5
Non-current liabilities		**3,226.5**	**4,379.6**	**4,236.9**
Financial liabilities	16	**2,383.5**	3,488.6	3,371.9
Provisions	19	**345.8**	306.1	262.0
Pensions and post-employment benefits	20	**304.5**	329.6	330.0
Other non-current liabilities	21	**63.1**	135.9	195.9
Deferred tax liabilities	12	**129.6**	119.4	77.1
Current liabilities		**2,272.1**	**1,482.5**	**1,163.7**
Financial liabilities	16	**1,270.2**	476.5	207.4
Trade payables		**483.3**	496.0	449.7
Provisions	19	**23.6**	20.8	24.3
Tax liabilities		**104.6**	70.9	63.2
Other current liabilities	22	**390.4**	418.3	419.1
Total shareholders' equity and liabilities		**21,872.8**	**20,405.6**	**19,684.8**

Consolidated statement of comprehensive income at 31 December

In EUR million	Notes	2016	2015	2014
Share of profit (loss) of associates	2	**24.2**	(82.8)	72.5
Net dividends from investments	3	**338.4**	323.5	316.5
Other operating income (expenses) from investing activities	4	**(48.2)**	(52.4)	(37.2)
Gains (losses) on disposals and impairment losses (reversals) on non-current assets from investing activities		**(1,023.9)**	749.8	495.8
Investments in equity-accounted entities	*2*	***(0.1)***	*441.6*	*-*
Available-for-sale investments	*3*	***(1,023.5)***	*308.6*	*494.2*
Other non-current assets		***(0.3)***	*(0.4)*	*1.6*
Financial income (expenses) from investing activities	6	**37.5**	52.4	(123.6)
Profit (loss) from investing activities		**(672.0)**	**990.5**	**724.0**
Turnover	7	**4,531.7**	4,392.4	3,918.8
Raw materials and consumables		**(1,434.2)**	(1,416.1)	(1,283.6)
Employee expenses	4	**(982.2)**	(948.9)	(806.2)
Depreciation/amortisation of property, plant, equipment and intangible assets	8, 10	**(261.8)**	(256.0)	(233.2)
Other operating income (expenses) from operating activities	4	**(1,299.5)**	(1,302.5)	(1,166.3)
Gains (losses) from disposals, impairments and reversals of non-current assets from operating activities	5	**30.7**	(268.9)	11.9
Financial income (expenses) from operating activities	6	**(73.9)**	(69.2)	(51.0)
Profit (loss) from consolidated operating activities		**510.8**	**130.8**	**390.4**
Income taxes	12	**(149.7)**	**(65.4)**	**(121.3)**
Consolidated profit (loss) for the year		**(310.9)**	**1,055.9**	**993.1**
Attributable to owners of the Company		**(457.7)**	1,026.4	875.3
Attributable to non-controlling interests	28	**146.8**	29.5	117.8
Other comprehensive income [(1)]				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains (losses)	20	**9.4**	44.3	(81.3)
Share of other comprehensive income (loss) of associates	2	**-**	3.4	(3.6)
Total items that will not be reclassified to profit or loss		**9.4**	**47.7**	**(84.9)**
Items that may be reclassified subsequently to profit or loss				
Available-for-sale investments - change in revaluation reserves	3	**1,581.7**	(657.7)	304.0
- recycling in result on disposals/impairment	3	**879.2**	(258.7)	(494.6)
Share of other comprehensive income (loss) of associates	2	**-**	285.3	227.1
Currency translation adjustments for consolidated companies		**76.0**	12.3	167.0
Cash flow hedges		**16.8**	(0.6)	(8.0)
Total items that may be reclassified to profit or loss		**2,553.7**	**(619.4)**	**195.5**
Other comprehensive income (loss) after tax		**2,563.1**	**(571.7)**	**110.6**
Comprehensive income (loss)		**2,252.2**	**484.2**	**1,103.7**
Attributable to owners of the Company		**2,056.8**	437.8	945.0
Attributable to non-controlling interests	28	**195.4**	46.4	158.7
Consolidated earnings per share	26			
Basic		***(2.95)***	*6.61*	*5.64*
Diluted		***(2.95)***	*6.52*	*5.47*

(1) These items are presented net of tax. The tax impacts are described in Note 12

Consolidated statement of changes in shareholders' equity

In EUR million	Capital	Share premium	Revaluation reserves	Treasury shares	Currency translation adjustments	Retained earnings	Shareholders' equity – group's share	Non-controlling interests	Shareholders' equity
At 31 December 2013	**653.1**	**3,815.8**	**2,756.3**	**(257.9)**	**(607.7)**	**6,305.6**	**12,665.2**	**1,025.6**	**13,690.8**
Consolidated profit (loss) for the year	-	-	-	-	-	875.3	875.3	117.8	993.1
Other comprehensive income (loss)	-	-	(190.6)	-	324.3	(64.0)	69.7	40.9	110.6
Total comprehensive income (loss)	**-**	**-**	**(190.6)**	**-**	**324.3**	**811.3**	**945.0**	**158.7**	**1,103.7**
Dividends	-	-	-	-	-	(421.9)	(421.9)	(56.6)	(478.5)
Share-based payments: grants of stock options	-	-	-	-	-	0.5	0.5	-	0.5
Treasury share transactions	-	-	-	9.2	-	-	9.2	-	9.2
Other movements	-	-	-	-	-	(25.3)	(25.3)	(16.2)	(41.5)
At 31 December 2014	**653.1**	**3,815.8**	**2,565.7**	**(248.7)**	**(283.4)**	**6,670.2**	**13,172.7**	**1,111.5**	**14,284.2**
Consolidated profit (loss) for the year	-	-	-	-	-	1,026.4	1,026.4	29.5	1,055.9
Other comprehensive income (loss)	-	-	(836.8)	-	210.5	37.7	(588.6)	16.9	(571.7)
Total comprehensive income (loss)	**-**	**-**	**(836.8)**	**-**	**210.5**	**1,064.1**	**437.8**	**46.4**	**484.2**
Dividends	-	-	-	-	-	(433.2)	(433.2)	(61.0)	(494.2)
Share-based payments: grants of stock options	-	-	-	-	-	0.1	0.1	-	0.1
Treasury share transactions	-	-	-	3.9	-	-	3.9	-	3.9
Other movements	-	-	-	-	-	64.3	64.3	201.0	265.3
At 31 December 2015	**653.1**	**3,815.8**	**1,728.9**	**(244.8)**	**(72.9)**	**7,365.5**	**13,245.6**	**1,297.9**	**14,543.5**
Consolidated profit (loss) for the year	-	-	-	-	-	(457.7)	(457.7)	146.8	(310.9)
Other comprehensive income (loss)	-	-	2,460.9	-	39.4	14.2	2,514.5	48.6	2,563.1
Total comprehensive income (loss)	**-**	**-**	**2,460.9**	**-**	**39.4**	**(443.5)**	**2,056.8**	**195.4**	**2,252.2**
Dividends	-	-	-	-	-	(444.5)	(444.5)	(64.5)	(509.0)
Treasury share transactions	-	-	-	8.8	-	-	8.8	-	8.8
Other movements	-	-	-	-	-	0.3	0.3	78.4	78.7
At 31 December 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**

During 2016, shareholders' equity was mainly impacted by:

- the distribution of GBL's gross dividend of EUR 2.86 per share (EUR 2.79 in 2015), less treasury shares, for a net total amount of EUR - 445 million (see Note 18);
- the increase in revaluation reserves by EUR 2,461 million (see Note 3);
- the positive change in foreign currency translation adjustments; and
- the consolidated net result for the period of EUR - 311 million.

Consolidated statement of cash flows

In EUR million	Notes	2016	2015	2014
Net cash from (used in) operating activities		**551.1**	**1,223.5**	**488.3**
Consolidated profit (loss) for the year before tax		**(161.2)**	1,121.3	1,114.4
Adjustments for non-cash items:				
Interest income (expenses)	6	**105.0**	99.1	104.0
Share of profit (loss) of associates	2	**(28.6)**	72.7	(75.6)
Dividends from investments in non-consolidated companies	3	**(338.4)**	(323.5)	(316.5)
Net depreciation and amortisation expense	8, 10	**263.9**	258.7	234.8
Gains (losses) on disposals and impairment losses (reversals) on non-current assets		**974.7**	(469.8)	(549.6)
Other (1)		**(47.2)**	(73.8)	154.4
Interest received		**18.1**	15.1	21.0
Interest paid		**(102.4)**	(105.3)	(102.4)
Dividends received from investments in non-consolidated companies and associates		**410.0**	385.6	412.0
Income taxes paid		**(101.8)**	(100.4)	(143.5)
Changes in working capital:				
Inventories		**56.5**	4.7	(55.2)
Trade receivables		**(27.1)**	54.0	(18.9)
Trade payables		**(13.6)**	(22.0)	28.4
Other receivables and payables (2)		**(456.8)**	307.1	(319.0)
Net cash from (used in) investing activities		**549.7**	**(1,284.4)**	**22.9**
Acquisitions of:				
Investments		**(1,458.4)**	(1,203.6)	(437.7)
Subsidiaries, net of cash acquired		**(213.1)**	(445.5)	(107.0)
Property, plant and equipment and intangible assets	8, 10	**(301.2)**	(296.4)	(265.9)
Other financial assets		**-**	(0.1)	(1.2)
Disposals/divestments of:				
Investments		**2,398.5**	636.5	753.0
Subsidiaries, net of cash paid		**97.9**	15.1	71.9
Property, plant and equipment and intangible assets		**30.6**	7.3	8.4
Other financial assets		**(4.6)**	2.3	1.4
Net cash from (used in) financing activities		**(938.6)**	**(439.4)**	**(176.1)**
Capital increase from non-controlling interests		**58.1**	27.8	(27.0)
Dividends paid by the parent company to its shareholders		**(444.5)**	(433.2)	(421.9)
Dividends paid by the subsidiaries to non-controlling interests		**(64.5)**	(61.0)	(56.6)
Proceeds from financial liabilities		**702.8**	453.5	685.9
Repayments of financial liabilities		**(1,193.6)**	(417.3)	(351.0)
Net change in treasury shares		**8.8**	3.9	9.2
Other		**(5.7)**	(13.1)	(14.7)
Effect of exchange rate fluctuations on funds held		**25.9**	**(22.5)**	**10.3**
Net increase (decrease) in cash and cash equivalents		**188.1**	**(522.8)**	**345.4**
Cash and cash equivalents at 1 January	16	**898.0**	1,420.8	1,075.4
Cash and cash equivalents at 31 December	16	**1,086.1**	898.0	1,420.8

(1) Primarily includes non-monetary expenses of EUR 30 million and 98 million generated during the conversion of bonds exchangeable into Suez shares in 2015 and 2014, and the non-monetary impact relating to convertible and exchangeable bonds (EUR - 72 million, EUR - 88 million and EUR 96 million in 2016, 2015 and 2014 respectively), see Note 6
(2) Primarily comprises cash inflow/(outflow) following the variation of investments in money market funds (SICAV) (see Note 15)

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 31 December 2016. They were approved by its Board of Directors on 17 March 2017 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 2016:

- Improvements to the IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015);
- Improvements to the IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 1 *Presentation of Financial Statements – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 19 *Employee Benefits – Employee Contributions* (applicable for annual periods beginning on or after 1 February 2015); and
- Amendments to IAS 27 *Separate Financial Statements – Equity Method* (applicable for annual periods beginning on or after 1 January 2016).

These new and amended standards and interpretations have not significantly affected GBL's consolidated financial statements.

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 31 December 2016, namely:

- IFRS 9 *Financial Instruments* and subsequent amendments (applicable for annual periods beginning on or after 1 January 2018). IFRS 9 should in particular affect the treatment of unconsolidated investments that are not held for trading purposes. The group should in particular choose between the accounting of gains and losses on these investments under profit or loss or in shareholders' equity. However, the choices related to the treatment of the accounting gains and losses will be done in 2017 by the group. The other aspects of IFRS 9 (credit risk and hedge accounting) should not have significant impacts on the group's accounts;
- IFRS 14 *Regulatory Deferral Accounts* (applicable for annual periods beginning on or after 1 January 2016, but not yet adopted at European level);
- IFRS 15 *Revenue from Contracts with Customers* (applicable for annual periods beginning on or after 1 January 2018). With regard to IFRS 15, an analysis of the different types of sales contracts for Imerys' Monolithic Refractories activity, the main activity affected by this subject, has made it possible to conclude that the impact of this new standard's provisions is not significant;
- IFRS 16 *Leases* (applicable for annual periods beginning on or after 1 January 2019, but not yet adopted at European level). IFRS 16 abolishes, for the lessee in a lease, the current distinction between operating leases, recorded in expenses, and finance leases, recorded in property, plant and equipment against a financial liability, to require, for all leases, the recognition of a right of use against a financial liability. The application of this standard will primarily affect Imerys and its level of capital invested, its depreciation costs recorded in operating income, its interest costs recorded in financial income, its impairment tests and the financial ratios that Imerys is obliged to comply with for a part of its financing transactions. This standard has been monitored by Imerys since the publication of the initial exposure draft in August 2010. The work carried out to gradually limit the contracts falling within the scope of the standard was extended in 2016 seeking IT solutions to manage the volume of contracts identified;
- Improvements to the IFRS (2014-2016) (applicable for annual periods beginning on or after 1 January 2017 or 2018, but not yet adopted at European level);
- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions* (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level);
- Amendments to IFRS 4 *Insurance Contracts – Applying IFRS 9*

Financial Instruments with IFRS 4 (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level);
- 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 7 *Statement of Cash Flows – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2017, but not yet adopted at European level);
- Amendments to IAS 12 *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses* (applicable for annual periods beginning on or after 1 January 2017, but not yet adopted at European level);
- Amendments to IAS 40 *Transfers of Investment Property* (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level); and
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (applicable for annual periods beginning on or after 1 January 2018, but not yet adopted at European level).

The future application of these new and amended standards and interpretations is not expected to significantly affect the consolidated financial statements, apart from the new IFRS 9 and IFRS 16, described above.

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 31 December.

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.

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.

Extraction rights are recorded as intangible assets and are initially valued at acquisition cost. They are amortised on the basis of the extracted production units.

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.

Available-for-sale investments (AFS)

Available-for-sale investments include investments in companies in which the group does not exercise a significant influence, as defined above.

These investments are recorded at fair value based on the share price for listed companies.

Shares in the "Funds", namely Sagard, Sagard II and 3, PrimeStone, BDT Capital Partners II and Mérieux Participations I are revalued at their fair value, determined by the managers of the funds according to their investment portfolio.

Any changes between two reporting dates in the fair value of those investments are recorded in shareholders' equity. When an investment is sold, the difference between the net proceeds of the sale and the carrying amount (the accounting value of the asset on the date of sale, adjusted by the amount of shareholders' equity accumulated through periodic revaluation to fair value of the investment) is recorded as a credit or debit in the income statement.

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 and turnover

The turnover is primarily generated from sales of goods. These sales are recognised upon transfer of the risks, rewards and control. Their incoterms are multiple due to the specificities of packaging and freight and represent the key indicator for the recognition of sales of goods. The services mainly consist of the reinvoicing of product transportation costs and this reinvoicing is usually recognised when the product transported is sold. Furthermore, for both goods and services, a sale is recognised only if the corresponding receivable is recoverable and if the amounts of the transaction and of the costs required for its completion can be valued reliably. Sales of goods and services rendered are valued at fair value of the transaction less trade and volume rebates, as well as discounts for early payment.

Subsequent to their initial recognition, trade receivables are valued at amortised cost. A receivable transferred to a banking institution for financing purposes is derecognised only if the factoring contract also transfers to the factor all risks and rewards inherent to the receivable.

Other financial assets

Bonds considered as investments held to maturity (if the group has the expressed intention and the ability to hold them to maturity) and the other loans and receivables issued by the group are valued at their amortised cost, i.e. the amount at which they were initially recognised in the accounting records plus or minus the accumulated amortisation of any difference between this initial amount and the amount at maturity, and less any amounts recorded for impairment or non-recoverability. These bonds and other loans and receivables are recorded under the heading "Other current assets" or "Other non-current assets" depending on their maturity.

Trading financial assets include other instruments held for transaction purposes and are valued at fair value at the reporting date. Changes in fair value between two reporting dates are recognised in profit or loss.

Cash and cash equivalents

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.

Impairment of assets

Available-for-sale investments (AFS)

When there is an objective indication of impairment of an available-for-sale investment, an impairment test must be carried out. The group considers a significant (more than 30%) or prolonged (longer than one year) decline in fair value below cost as an objective indication of impairment. If the tested investment is considered as impaired, the impairment loss recorded in the revaluation reserves is reclassified to profit or loss. The amount of the impairment loss recorded is the difference between the acquisition cost of the investment and its fair value (based on share price) at the reporting date. From the first recorded impairment, each future negative change (stock price decline) will be recognised in profit or loss. In accordance with IFRS, any increase in value above the carrying amount may only be recognised in equity and cannot be recorded in profit or loss.

Investments in equity-accounted entities

When there is an objective indication of impairment of an available-for-sale investment, 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

When the occurrence of a credit event makes the carrying amount of a trade receivable partially or fully irrecoverable, it is individually written down to its recoverable value by means of a writedown in accordance with the conditions existing at the reporting date.

Other financial assets

For financial assets accounted for at amortised cost, the amount of the impairment loss is equal to the difference between the carrying amount and the present value of the estimated future cash flows at the financial asset's original effective interest rate.

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 7 November 2002 have not been recorded in the consolidated financial statements in accordance with the transitional provisions of IFRS 2 *Share-Based Payments*.

Incentive plans granted as from 7 November 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 Citigroup Bond Yield USD and iBoxx GBP Corporate AA indexes.

Net retirement benefit expense under these types of plans is recorded under "Employee expenses" or "Other operating income (expenses) from investing activities", with the exception of the accretion of obligations and the normative yield on assets, which are accounted for under "Financial income (expenses) from operating activities", and amendments, reductions and liquidations related to restructuring, which are recorded under "Other operating income (expenses) from operating 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 and convertible bonds issued by the group are considered as 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. 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, 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.

Trade payables and other liabilities are measured at amortised cost.

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 IAS 39 *Financial Instruments* are given the accounting treatments described hereafter are given the accounting treatments described hereafter.

Changes in the fair value of financial instruments that do not qualify for hedge accounting are immediately recognised in profit or loss.

All transactions qualified as hedge accounting are 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.

Derivatives recorded as assets or liabilities are classified in the headings "Other non-current assets and liabilities" and "Other current assets and liabilities" depending on their maturity date and that of the underlying transactions. 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 entities.

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 monitored periodically and managed dynamically, as necessary.

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 is recognised in shareholders' equity and the ineffective portion in profit or loss. When the transaction is recognised, the effective portion in equity is reclassified as profit or loss simultaneously with the recognition 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.

Interest

Interest income and expenses include interest to be paid on loans and interest to be received on investments. Interest income received is recorded prorata temporis in the consolidated statement of comprehensive income, taking into account the effective interest rate on the investment.

Dividends

Dividends relating to available-for-sale investments or trading securities are booked on the date on which their distribution is decided upon. 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 principal estimates are as follows:

- the principal assumptions used in impairment testing of associates (Note 2)
- the principal assumptions related to goodwill impairment testing (Note 9)
- an estimate of the useful life of intangible assets with limited life (Note 8) and property, plant and equipment (Note 10); and
- actuarial assumptions for defined benefit plans (Note 20).

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) available-for-sale assets (IAS 39), 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%, 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.

Relating to Ontex, held for 19.98% at the closing date, no indication of significant influence is met.

As far as SGS and Umicore are concerned, held for 16.20% and 17.01% respectively at the end of 2016, the representation of GBL on the Board of Directors of those companies is not sufficient to demonstrate the existence of significant influence. Moreover, GBL's 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 Shareholders' General Meeting.

Taking these different factors into account, GBL has entered into the accounting treatment of its investments in Ontex, Umicore and SGS as available-for-sale financial assets at 31 December 2016.

Exchange rates used

	2016	2015	2014
Closing rate			
US Dollar	**1.05**	1.09	1.21
Swiss franc	**1.07**	1.09	1.20
Average rate			
US Dollar	**1.11**	1.11	1.33

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 (Lafarge until 30 June 2015) and non-consolidated operating companies (SGS, Pernod Ricard, adidas, LafargeHolcim, Umicore, Ontex, Total, …); and
- **Consolidated operating activities**
  Components of income from consolidated operating activities, i.e. from consolidated operating companies (Imerys as well as the sub-groups De Boeck, ELITech, Benito, Sausalitos, Golden Goose, Looping, ...).

Scope of consolidation, associates and changes in group structure

Fully consolidated subsidiaries

Name	Registered office	Interest and voting rights (in %) 2016	2015	2014	Main activity
Belgian Securities B.V.	Amsterdam	**100.0**	100.0	100.0	Holding
Brussels Securities S.A.	Brussels	**100.0**	100.0	100.0	Holding
Cofinergy S.A.	Brussels	**-**	100.0	100.0	Holding
GBL Finance & Treasury S.A.	Brussels	**100.0**	100.0	100.0	Holding
Sagerpar S.A.	Brussels	**100.0**	100.0	100.0	Holding
GBL Participations S.A.	Brussels	**100.0**	100.0	-	Holding
URDAC S.A.	Brussels	**100.0**	100.0	-	Holding
FINPAR S.A.	Brussels	**100.0**	-	-	Holding
LTI One S.A.	Isnes	**100.0**	100.0	100.0	Holding
LTI Two S.A.	Isnes	**100.0**	100.0	100.0	Holding
GBL Verwaltung GmbH (in liquidation)	Gütersloh	**100.0**	100.0	100.0	Holding
GBL Verwaltung S.A.	Luxembourg	**100.0**	100.0	100.0	Holding
GBL Energy S.à r.l.	Luxembourg	**100.0**	100.0	100.0	Holding
GBL R S.à r.l.	Luxembourg	**100.0**	100.0	100.0	Holding
Serena S.à r.l.	Luxembourg	**100.0**	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**	-	-	Holding
GBL Overseas Finance N.V.	Willemstad	**-**	100.0	100.0	Holding
GBL Investments Limited	Dublin	**100.0**	100.0	100.0	Holding
Imerys S.A. (and subsidiaries)	Paris	**53.9**	53.9	56.5	Operational
Sienna Capital S.à r.l.	Luxembourg	**100.0**	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**	100.0	100.0	Sienna Capital
E.V.E. S.A.	Luxembourg	**100.0**	100.0	100.0	Holding
EVONG S.A.	Luxembourg	**74.3**	74.3	74.3	Holding
ELITech Group S.A.S. (and subsidiaries)	Puteaux	**64.4**	64.4	64.4	Operational
Publihold S.A.	Brussels	**100.0**	92.0	92.0	Holding
Editis Belgium S.A. (group De Boeck and subsidiaries)	Brussels	**-**	100.0	100.0	Operational
E.V.U. S.A.	Luxembourg	**100.0**	100.0	100.0	Holding
Urbe Group S.A.	Luxembourg	**100.0**	100.0	100.0	Holding
Benito Artis S.L. (and subsidiaries)	Barcelona	**98.3**	99.4	99.4	Operational
Egerton S.A.	Luxembourg	**98.2**	98.2	98.2	Holding
E.V.S. S.A.	Luxembourg	**96.2**	96.2	100.0	Holding
Frisco Bay Holding GmbH (group Sausalitos and subsidiaries)	Munich	**77.2**	77.2	77.2	Operational
E.V.G. S.A.	Luxembourg	**84.5**	85.8	-	Holding
G.G.D.B. Holding S.p.A.	Milan	**65.3**	65.7	-	Holding
Golden Goose S.p.A. (and subsidiaries)	Milan	**86.7**	86.7	-	Operational
E.V.R. S.A.	Luxembourg	**78.6**	-	-	Holding
Ride Holding S.A.S.	Saint-Malo	**51.1**	-	-	Holding
Financière Looping Holding S.A.S. (and subsidiaries)	Saint-Malo	**100.0**	-	-	Operational
E.V.C. S.A.	Luxembourg	**86.6**	-	-	Holding
Care Holding Luxembourg S.à.r.l.	Luxembourg	**65.8**	-	-	Holding
Care Holding Germany B.V. (group DIH and subsidiaries)	Amsterdam	**100.0**	-	-	Operational

The percentage of voting rights is identical to the percentage interest, with the exception of Imerys, for which the voting rights are 69.7%. 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. (formely Kartesia Credit Opportunities I S.C.A.)	Lafarge S.A.	Ergon Capital Partners S.A.	Ergon Capital Partners II S.A.	IPE S.R.L., subsidiary of ECP III	Mérieux Participations II S.A.S.
Office		**Luxembourg**	**Luxembourg**	**Paris**	**Brussels**	**Brussels**	**Bologne**	**Lyon**
Activity		**Sienna Capital**	**Sienna Capital**	**Building materials**	**Sienna Capital**	**Sienna Capital**	**Luxury home furnishing**	**Sienna Capital**
Participations								
2016	**Interest**	**22.2**	**29.6**	**-**	**50.0**	**42.4**	**65.6**	**37.8**
	Voting rights	**22.2**	**29.6**	**-**	**50.0**	**42.4**	**65.6**	**37.8**
	Consolidation	**22.2**	**29.6**	**-**	**50.0**	**42.4**	**65.6**	**37.8**
2015	Interest	40.0	29.6	-	43.0	42.4	65.6	37.8
	Voting rights	40.0	29.6	-	43.0	42.4	65.6	37.8
	Consolidation	40.0	29.6	-	43.0	42.4	65.6	37.8
2014	Interest	40.0	39.1	21.1	43.0	42.4	65.6	37.8
	Voting rights	40.0	39.1	29.3	43.0	42.4	65.6	37.8
	Consolidation	40.0	39.1	21.1	43.0	42.4	65.6	37.8

Following the merger between Lafarge and Holcim in 2015, since 10 July 2015 the investment in LafargeHolcim is now classified as an "Asset available for sale" (see Note 2.2.).

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. 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.F. 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.

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 was therefore reclassified as an available-for-sale investment and is measured at fair value at each reporting date.

Changes in group structure

The most significant changes in group structure in 2016 are described below.

Sienna Capital

Companies entering the group structure

On 1 March 2016, Ergon Capital Partners III acquired an indirect majority stake in the company Financière Looping Holding S.A.S, an amusement park operator. The purchase price was EUR 71 million. The net cash impact of this transaction amounts to EUR 41 million. The goodwill generated by this acquisition, after acquisition accounting, is EUR 53 million. This acquisition contributed EUR 0 million (group's share) to the group's net income for the financial year.

On 20 December 2016, Ergon Capital Partners III also acquired a majority stake in the company Deutsche Intensivpflege Holding GmbH, active in the sector of intensive care services. The purchase price was EUR 134 million. The net cash impact of this acquisition amounts to EUR 127 million. The preliminary goodwill generated by this transaction is EUR 114 million. This acquisition contributed EUR - 2 million (group's share) to the group's net income for the financial year.

Companies leaving the group structure

During the second quarter of 2016, Ergon Capital Partners III concluded agreements regarding the sale of De Boeck Education S.A., De Boeck Digital S.A. and Larcier Holding S.A., generating a capital gain on disposals of EUR 51 million (attributable to GBL).

Finally, Ergon Capital Partners announced on 19 July 2016 the completion of the fund-raising of EUR 150 million, increasing the size of its third fund (ECP III) to EUR 500 million. This size increase was subscribed by Sienna Capital S.à.r.l. as well as other European institutional investors active in private equity, resulting in a dilution from 100% to 89.9% for Sienna Capital S.à.r.l. The gain on dilution, recorded under the shareholder equity of the group, amounts to EUR 5 million.

Notes

GBL

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**: comprising 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**: consists 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, BDT Capital Partners II, Kartesia and Mérieux Participations I and II and, on the other, under consolidated operating activities, the operating subsidiaries of ECP III (sub-groups ELITech, De Boeck, Benito, Sausalitos, Golden Goose, Looping, 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 31 December 2016

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	-	-	24.2	24.2
Net dividends from investments	338.4	-	-	338.4
Other operating income (expenses) from investing activities	(30.3)	-	(17.9)	(48.2)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	(1,037.9)	-	14.0	(1,023.9)
Financial income (expenses) from investing activities	49.1	-	(11.6)	37.5
Profit (loss) from investing activities	**(680.7)**	**-**	**8.7**	**(672.0)**
Turnover	-	4,165.2	366.5	4,531.7
Raw materials and consumables	-	(1,303.3)	(130.9)	(1,434.2)
Employee expenses	-	(898.6)	(83.6)	(982.2)
Depreciation/amortisation of property, plant, equipment and intangible assets	-	(232.7)	(29.1)	(261.8)
Other operating income (expenses) from operating activities	-	(1,213.4)	(86.1)	(1,299.5)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(25.2)	55.9	30.7
Financial income (expenses) from operating activities	-	(55.1)	(18.8)	(73.9)
Profit (loss) from consolidated operating activities	**-**	**436.9**	**73.9**	**510.8**
Income taxes	(0.1)	(142.2)	(7.4)	(149.7)
Consolidated profit (loss) for the year	**(680.8)**	**294.7**	**75.2**	**(310.9)**
Attributable to the owners of the Company	(680.8)	159.6	63.5	(457.7)

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	-	1.6	27.0	**28.6**
Depreciation/amortisation of property, plant, equipment and intangible assets	(2.1)	(232.7)	(29.1)	**(263.9)**
Impairment of non-current assets	(1,746.3)	(24.2)	(1.7)	**(1,772.2)**

For the period ended 31 December 2015

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	(100.4)	-	17.6	(82.8)
Net dividends from investments	323.5	-	-	323.5
Other operating income (expenses) from investing activities	(37.6)	-	(14.8)	(52.4)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	729.5	-	20.3	749.8
Financial income (expenses) from investing activities	56.3	-	(3.9)	52.4
Profit (loss) from investing activities	**971.3**	**-**	**19.2**	**990.5**
Turnover	-	4,086.7	305.7	4,392.4
Raw materials and consumables	-	(1,299.5)	(116.6)	(1,416.1)
Employee expenses	-	(877.7)	(71.2)	(948.9)
Depreciation/amortisation of property, plant, equipment and intangible assets	-	(229.1)	(26.9)	(256.0)
Other operating income (expenses) from operating activities	-	(1,229.7)	(72.8)	(1,302.5)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	(269.8)	0.9	(268.9)
Financial income (expenses) from operating activities	-	(55.4)	(13.8)	(69.2)
Profit (loss) from consolidated operating activities	**-**	**125.5**	**5.3**	**130.8**
Income taxes	**(0.1)**	**(56.4)**	**(8.9)**	**(65.4)**
Consolidated profit (loss) for the year	**971.2**	**69.1**	**15.6**	**1,055.9**
Attributable to the owners of the Company	**971.2**	**36.9**	**18.3**	**1,026.4**

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	(100.4)	8.0	19.7	**(72.7)**
Depreciation/amortisation of property, plant, equipment and intangible assets	(2.7)	(229.1)	(26.9)	**(258.7)**
Impairment of non-current assets	588.5	(271.9)	(4.4)	**312.2**

For the period ended 31 December 2014

In EUR million	Holding	Imerys	Sienna Capital	Total
Share of profit (loss) of associates	30.1	-	42.4	72.5
Net dividends from investments	316.5	-	-	316.5
Other operating income (expenses) from investing activities	(29.5)	-	(7.7)	(37.2)
Gains (losses) on disposals, impairments and reversals of non-current assets from investing activities	479.8	-	16.0	495.8
Financial income (expenses) from investing activities	(116.5)	-	(7.1)	(123.6)
Profit (loss) from investing activities	**680.4**	**-**	**43.6**	**724.0**
Turnover	-	3,688.2	230.6	3,918.8
Raw materials and consumables	-	(1,199.4)	(84.2)	(1,283.6)
Employee expenses	-	(746.4)	(59.8)	(806.2)
Depreciation/amortisation of property, plant, equipment and intangible assets	-	(212.0)	(21.2)	(233.2)
Other operating income (expenses) from operating activities	-	(1,106.6)	(59.7)	(1,166.3)
Gains (losses) on disposals, impairments and reversals of non-current assets from operating activities	-	11.9	-	11.9
Financial income (expenses) from operating activities	-	(45.1)	(5.9)	(51.0)
Profit (loss) from consolidated operating activities	**-**	**390.6**	**(0.2)**	**390.4**
Income taxes	**-**	**(117.3)**	**(4.0)**	**(121.3)**
Consolidated profit (loss) for the year	**680.4**	**273.3**	**39.4**	**993.1**
Attributable to the owners of the company	**680.4**	**153.7**	**41.2**	**875.3**

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	30.1	2.7	42.8	**75.6**
Depreciation/amortisation of property, plant, equipment and intangible assets	(1.6)	(212.0)	(21.2)	**(234.8)**
Impairment of non-current assets	(3.3)	(36.6)	(8.4)	**(48.3)**

1.2. Segment information - consolidated balance sheet

Consolidated balance sheet at 31 December 2016

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**12,413.0**	**4,343.3**	**1,189.0**	**17,945.3**
Intangible assets	-	81.6	206.8	288.4
Goodwill	-	1,674.7	254.0	1,928.7
Property, plant and equipment	12.1	2,271.9	108.5	2,392.5
Investments	12,400.9	130.6	606.0	13,137.5
Investments in associates	-	*122.5*	*238.0*	*360.5*
Available-for-sale investments	*12,400.9*	*8.1*	*368.0*	*12,777.0*
Other non-current assets	-	90.2	9.4	99.6
Deferred tax assets	-	94.3	4.3	98.6
Current assets	**1,273.9**	**2,389.1**	**264.5**	**3,927.5**
Inventories	-	712.5	36.7	749.2
Trade receivables	0.1	608.1	76.9	685.1
Trading financial assets	1,019.5	4.0	-	1,023.5
Cash and cash equivalents	212.5	809.6	64.0	1,086.1
Other current assets	41.8	254.9	86.9	383.6
Total assets	**13,686.9**	**6,732.4**	**1,453.5**	**21,872.8**
Non-current liabilities	**507.6**	**2,356.7**	**362.2**	**3,226.5**
Financial liabilities	477.4	1,601.7	304.4	2,383.5
Provisions	0.5	343.8	1.5	345.8
Pensions and post-employment benefits	4.7	295.4	4.4	304.5
Other non-current liabilities	16.4	43.1	3.6	63.1
Deferred tax liabilities	8.6	72.7	48.3	129.6
Current liabilities	**695.4**	**1,461.5**	**115.2**	**2,272.1**
Financial liabilities	655.8	595.4	19.0	1,270.2
Trade payables	2.1	422.7	58.5	483.3
Provisions	-	22.6	1.0	23.6
Tax liabilities	7.6	79.1	17.9	104.6
Other current liabilities	29.9	341.7	18.8	390.4
Total liabilities	**1,203.0**	**3,818.2**	**477.4**	**5,498.6**

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	278.7	22.3	301.2

Consolidated balance sheet at 31 December 2015

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**11,995.8**	**4,189.1**	**939.2**	**17,124.1**
Intangible assets	-	105.1	233.8	338.9
Goodwill	-	1,631.3	111.9	1,743.2
Property, plant and equipment	13.7	2,141.9	36.5	2,192.1
Investments	11,982.1	129.3	534.6	12,646.0
Investments in associates	-	*126.2*	*203.7*	*329.9*
Available-for-sale investments	*11,982.1*	*3.1*	*330.9*	*12,316.1*
Other non-current assets	-	77.0	16.7	93.7
Deferred tax assets	-	104.5	5.7	110.2
Current assets	**1,142.8**	**1,979.7**	**159.0**	**3,281.5**
Inventories	-	738.3	37.8	776.1
Trade receivables	-	578.1	66.3	644.4
Trading financial assets	644.7	13.5	-	658.2
Cash and cash equivalents	436.1	415.1	46.8	898.0
Other current assets	62.0	234.7	8.1	304.8
Total assets	**13,138.6**	**6,168.8**	**1,098.2**	**20,405.6**
Non-current liabilities	**1,896.7**	**2,224.2**	**258.7**	**4,379.6**
Financial liabilities	1,797.0	1,500.0	191.6	3,488.6
Provisions	0.5	304.2	1.4	306.1
Pensions and post-employment benefits	3.0	322.9	3.7	329.6
Other non-current liabilities	91.5	44.3	0.1	135.9
Deferred tax liabilities	4.7	52.8	61.9	119.4
Current liabilities	**45.8**	**1,272.7**	**164.0**	**1,482.5**
Financial liabilities	-	427.3	49.2	476.5
Trade payables	2.5	441.0	52.5	496.0
Provisions	-	19.2	1.6	20.8
Tax liabilities	3.2	50.4	17.3	70.9
Other current liabilities	40.1	334.8	43.4	418.3
Total liabilities	**1,942.5**	**3,496.9**	**422.7**	**5,862.1**

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	-	270.9	25.5	296.4

Consolidated balance sheet at 31 December 2014

In EUR million	Holding	Imerys	Sienna Capital	Total
Non-current assets	**11,839.9**	**3,341.5**	**526.0**	**15,707.4**
Intangible assets	-	78.3	124.2	202.5
Goodwill	-	1,106.8	75.0	1,181.8
Property, plant and equipment	14.6	1,962.9	30.8	2,008.3
Investments	11,825.3	86.7	266.7	12,178.7
Investments in associates	*3,255.9*	*83.3*	*173.8*	*3,513.0*
Available-for-sale investments	*8,569.4*	*3.4*	*92.9*	*8,665.7*
Other non-current assets	-	72.1	22.4	94.5
Deferred tax assets	-	34.7	6.9	41.6
Current assets	**1,735.8**	**2,080.9**	**160.7**	**3,977.4**
Inventories	-	670.0	27.8	697.8
Trade receivables	-	538.8	54.2	593.0
Trading financial assets	805.2	24.0	-	829.2
Cash and cash equivalents	741.3	656.4	23.1	1,420.8
Other current assets	189.3	191.7	55.6	436.6
Total assets	**13,575.7**	**5,422.4**	**686.7**	**19,684.8**
Non-current liabilities	**1,969.2**	**2,121.6**	**146.1**	**4,236.9**
Financial liabilities	1,770.4	1,494.3	107.2	3,371.9
Provisions	0.5	258.4	3.1	262.0
Pensions and post-employment benefits	20.3	306.5	3.2	330.0
Other non-current liabilities	175.7	19.3	0.9	195.9
Deferred tax liabilities	2.3	43.1	31.7	77.1
Current liabilities	**177.9**	**830.3**	**155.5**	**1,163.7**
Financial liabilities	58.2	68.8	80.4	207.4
Trade payables	1.8	411.9	36.0	449.7
Provisions	-	24.3	-	24.3
Tax liabilities	48.4	3.0	11.8	63.2
Other current liabilities	69.5	322.3	27.3	419.1
Total liabilities	**2,147.1**	**2,951.9**	**301.6**	**5,400.6**

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	1.1	241.3	23.5	265.9

A breakdown of the group's turnover by type of activity is shown in Note 7. The breakdown of the group's turnover and non-current assets by geographic region is as follows:

In EUR million	2016	2015	2014
Turnover			
Belgium	97.8	117.8	114.2
Other European countries	2,177.0	2,097.3	1,865.4
North America	1,143.0	1,115.6	974.7
Other	1,113.9	1,061.7	964.5
Total	**4,531.7**	**4,392.4**	**3,918.8**
Non-current assets (1)			
Belgium	102.8	175.5	174.1
Europe	2,543.5	2,154.6	1,328.1
North America	1,209.3	1,040.7	1,089.0
Other	754.0	903.4	801.4
Total	**4,609.6**	**4,274.2**	**3,392.6**

(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	2016	2015	2014
Lafarge	**-**	77.1	60.5
ECP II	**18.2**	16.1	27.1
Kartesia	**-**	1.1	-
Other (Imerys)	**5.6**	7.4	1.6
Total	**23.8**	**101.7**	**89.2**

Profit (loss) of associates (group's share)

In EUR million	2016	2015	2014
Lafarge	**-**	(477.0)	143.0
ECP I & II	**(1.7)**	28.0	101.0
Kartesia	**75.1**	15.1	(1.1)
Mérieux Participations II	**6.9**	3.2	-
I.P.E.	**4.3**	3.1	0.9
Associates related to consolidated operating activities (Imerys)	**1.6**	8.0	2.5
Total	**86.2**	**(419.6)**	**246.3**

Details concerning the change in the profit (loss) of associates are set out in the economic presentation of the consolidated result on pages 18 to 22, as well as in the section of the Annual Report dealing with investments.

GBL's share

In EUR million	2016	2015	2014
Lafarge	-	(100.4)	30.1
ECP I & II	**(0.6)**	11.9	42.8
Kartesia	**22.2**	4.5	(0.4)
Mérieux Participations II	**2.6**	1.2	-
Share of profit (loss) of associates – investing activities	**24.2**	**(82.8)**	**72.5**
Associates related to consolidated operating activities (shown under "Other operating income (expenses)")	**4.4**	**10.1**	**3.1**
Total	**28.6**	**(72.7)**	**75.6**

GBL does not make a distinction in its results between recurring and non-recurring items. The non-recurring items are presented below for information purposes:

2016

ECP I & II

The contribution of ECP I & II is not significant in 2016.

Kartesia

The contribution of Kartesia in 2016 includes, on the on hand, interests on loans of EUR 9 million and, on the other hand, gains on the revaluation to fair value of the loan portfolio of EUR 12 million.

2015

Lafarge

Lafarge was consolidated in GBL's net result according to the equity method until 30 June 2015. The net result of Lafarge, group's share, came in at EUR - 477 million at 30 June 2015, due to various non-recurring items such as impairment losses on some of the assets to be sold to CRH or the expenses related to the merger and other restructuring costs. Based on a participation rate of 21.0%, Lafarge contributed EUR - 100 million to GBL's revenue (compared with EUR 30 million in 2014).

ECP I & II

ECP I & II's contribution to GBL's net result was EUR 12 million in 2015 and mainly consisted of the net capital gain on the disposal of the investment in Joris Ide (EUR 14 million, attributable to GBL).

Kartesia

Kartesia's 2015 contribution primarily included interest on loans amounting to EUR 5 million.

2014

Lafarge

Lafarge's net income (group's share) amounted to EUR 143 million, compared with EUR 601 million in 2013. Despite a return to organic growth, net capital gains on disposals (EUR 292 million, stable over the year) and a fall in financial and restructuring expenses, the net income, group's share, fell in 2014, mostly due to non-recurring negative items such as asset impairments (EUR 385 million) and merger costs (EUR 126 million).

Based on a 21.1% shareholding, Lafarge contributed EUR 30 million to GBL's net result in 2014, compared with EUR 126 million in 2013.

ECP I & II

ECP I & II's contribution to GBL's net result was EUR 43 million in 2014 and mainly consisted of the net capital gains on disposals of the investments in Zellbios (EUR 25 million, attributable to GBL) and in Corialis (EUR 19 million, attributable to GBL).

Kartesia

Kartesia's contribution was not significant in 2014.

2.2. Value of investments (equity method)

In EUR million	Lafarge	ECP I & II	Kartesia	Mérieux Participations II	I.P.E.	Other	Total
At 31 December 2013	**3,054.8**	**103.1**	**13.7**	**-**	**-**	**85.4**	**3,257.0**
Investment	12.0	(36.1)	37.7	5.1	33.7	-	52.4
Profit (loss) for the year	30.1	42.8	(0.4)	-	0.5	2.6	75.6
Distribution	(60.5)	(27.1)	-	-	-	(1.6)	(89.2)
Foreign currency translation adjustments	230.5	-	-	-	-	-	230.5
Change in revaluation reserves/hedging	(3.4)	-	-	-	-	-	(3.4)
Actuarial gains (losses)	(3.6)	-	-	-	-	-	(3.6)
Other	(4.0)	-	0.8	-	-	(3.1)	(6.3)
At 31 December 2014	**3,255.9**	**82.7**	**51.8**	**5.1**	**34.2**	**83.3**	**3,513.0**
Investment	-	(35.9)	58.5	2.3	-	38.4	63.3
Profit (loss) for the year	(100.4)	11.9	4.5	1.2	2.1	8.0	(72.7)
Distribution	(77.1)	(16.1)	(1.1)	-	-	(7.4)	(101.7)
Foreign currency translation adjustments	105.9	-	-	-	-	-	105.9
Change in revaluation reserves/hedging	0.8	-	-	-	-	-	0.8
Actuarial gains (losses)	3.4	-	-	-	-	-	3.4
Reclassification as assets held for sale	(3,185.0)	-	-	-	-	-	(3,185.0)
Other	(3.5)	-	2.4	-	0.1	3.9	2.9
At 31 December 2015	**-**	**42.6**	**116.1**	**8.6**	**36.4**	**126.2**	**329.9**
Investment	-	(4.6)	15.7	13.3	-	(4.4)	20.0
Profit (loss) for the year	-	(0.6)	22.2	2.6	2.8	1.6	28.6
Distribution	-	(18.2)	-	-	-	(5.6)	(23.8)
Other	-	-	1.1	-	-	4.7	5.8
At 31 December 2016	**-**	**19.2**	**155.1**	**24.5**	**39.2**	**122.5**	**360.5**
Of which: Holding	-	-	-	-	-	-	-
Imerys	-	-	-	-	-	122.5	122.5
Sienna Capital	-	19.2	155.1	24.5	39.2	-	238.0

At 31 December 2016, no equity-accounted company was listed.

During the first half of 2015, the Boards of Directors of Holcim and Lafarge announced that they had reached an agreement on revised terms for the proposed merger of equals between both groups. The parties agreed on a new exchange ratio of 9 Holcim shares for 10 Lafarge shares. On 1 June 2015, Holcim launched its public exchange offer for all Lafarge shares. At the end of the reopening period, 96.4% of Lafarge shares were tendered.

At 30 June 2015, GBL considered the merger highly probable following events in the second quarter in relation to the advancement of the proposed merger. Consequently:

- GBL accounted for its investment in Lafarge in accordance with the equity accounting method until 30 June 2015; and
- This investment was reclassified as "assets held for sale" and was re-valued at its fair value at 30 June 2015, generating a partial reversal of the impairment that was previously recorded (EUR 403 million). That reversal stems from the fair value accounting method applied to the Lafarge stake on 30 June 2015, while the equity method was previously applied.

The following impacts were also recorded in the third quarter of 2015:

- an additional reversal of the impairment that was previously recognised for Lafarge following a loss of influence in the new LafargeHolcim group since 10 July 2015, and its classification as an asset available for sale, corresponding to the change in market value of the investment between (i) 30 June 2015 and (ii) 10 July 2015, i.e. EUR 217 million.
- the recycling as income of the other items of comprehensive income attributable to Lafarge and recorded in GBL's shareholders' equity since it was first recorded as an equity-accounted company, i.e. on 1 January 2008. This had a negative effect on GBL's net result of EUR - 179 million.

Gains (losses) from disposals, impairements and reversals of non-current assets from investing activities are shown in the table below:

In EUR million	2016	2015	2014
Reversals of impairment on non-current assets	-	620.2	-
Recycling of other comprehensive income related to Lafarge	-	(178.6)	-
Revaluation reserves	-	*(79.2)*	-
Translation adjustment	-	*(97.9)*	-
Hedges of cash flows	-	*(1.5)*	-
Other	**(0.1)**	-	-
Total	**(0.1)**	**441.6**	**-**

It is noteworthy that since the stake in LafargeHolcim is classified as an "Asset available for sale", it is subject to the accounting rules applicable to this category of assets, in particular concerning the contribution to result (dividend) and the future recording of impairments.

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., a significant group associate in 2016, Lafarge (until 30 June 2015) 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.	Other associated companies	Total
At 31 December 2016			
Non-current assets	522.2	494.9	1,017.1
Current assets	41.9	145.6	187.5
Non-current liabilities	38.1	213.0	251.1
Current liabilities	1.1	97.3	98.4
Non-controlling interests	-	0.5	0.5
Shareholder's equity (group's share)	**524.9**	**329.7**	**854.6**
Ownership interest in capital	29.6%	n.r.	n.r.
Share in equity	155.1	200.7	355.8
Goodwill	-	4.7	4.7
Carrying amount per 31 December 2016	**155.1**	**205.4**	**360.5**
Turnover	-	405.6	405.6
Result from continuing operations	75.5	13.3	88.8
Net result of the year (including non-controlling interests)	**75.5**	**13.3**	**88.8**
Net result of the year (group's share)	**75.5**	**10.7**	**86.2**
Other comprehensive income (loss)	**-**	**-**	**-**
Total comprehensive income (loss) for the year	**75.5**	**13.3**	**88.8**
Dividends received during the period	-	23.8	23.8
Share of the group in the profit (loss) for the year	**22.3**	**6.3**	**28.6**

	Lafarge	Other associated companies	Total
At 31 December 2015			
Non-current assets	-	720.8	720.8
Current assets	-	279.2	279.2
Non-current liabilities	-	195.0	195.0
Current liabilities	-	76.2	76.2
Shareholder's equity (group's share)	**-**	**728.8**	**728.8**
Ownership interest in capital	-	n.r.	n.r.
Share in equity	-	324.7	324.7
Goodwill	-	5.2	5.2
Carrying amount per 31 December 2015	**-**	**329.9**	**329.9**
Turnover	6,319.0	372.2	6,691.2
Result from continuing operations	(414.0)	69.6	(344.4)
Net result of the year (including non-controlling interests)	**(414.0)**	**69.6**	**(344.4)**
Net result of the year (group's share)	**(477.0)**	**57.4**	**(419.6)**
Other comprehensive income (loss)	**548.0**	**-**	**548.0**
Total comprehensive income (loss) for the year	**134.0**	**69.6**	**203.6**
Dividends received during the period	77.1	24.6	101.7
Share of the group in the profit (loss) for the year	**(100.4)**	**27.7**	**(72.7)**

	Lafarge	Other associated companies	Total
At 31 December 2014			
Non-current assets	28,933.0	620.4	29,553.4
Current assets	5,871.0	279.1	6,150.1
Non-current liabilities	12,099.0	211.3	12,310.3
Current liabilities	5,416.0	159.5	5,575.5
Non-controlling interests	1,836.0	-	1,836.0
Shareholder's equity (group's share)	**15,453.0**	**528.7**	**15,981.7**
Ownership interest in capital	21.1%	n.r.	n.r.
Share in equity	3,255.9	251.9	3,507.8
Goodwill	-	5.2	5.2
Carrying amount per 31 December 2014	**3,255.9**	**257.1**	**3,513.0**
Turnover	12,843.0	249.0	13,092.0
Result from continuing operations	274.0	107.6	381.6
Net result of the year (including non-controlling interests)	**274.0**	**107.6**	**381.6**
Net result of the year (group's share)	**143.0**	**103.3**	**246.3**
Other comprehensive income (loss)	**1,175.0**	**-**	**1,175.0**
Total comprehensive income (loss) for the year	**1,449.0**	**107.6**	**1,556.6**
Dividends received during the period	60.5	28.7	89.2
Share of the group in the profit (loss) for the year	**30.1**	**45.5**	**75.6**

3. LafargeHolcim, SGS, adidas, Pernod Ricard and other available-for-sale investments

3.1. Net dividends

In EUR million	2016	2015	2014
LafargeHolcim	**77.9**	-	-
SGS	**72.9**	67.1	62.3
Total	**49.1**	154.3	154.4
ENGIE	**46.5**	46.5	54.4
Pernod Ricard	**37.4**	35.8	32.6
Umicore	**24.8**	15.3	9.8
adidas	**18.8**	3.0	0.1
Ontex	**5.2**	1.0	-
Burberry	**5.8**	-	-
Suez	-	0.5	2.9
Total	**338.4**	**323.5**	**316.5**

In 2016, GBL recorded EUR 338 million in dividends (EUR 324 million in 2015).

This increase of EUR 15 million mainly comes from the dividend of LafargeHolcim and the rise of dividends coming from adidas, Umicore and Ontext following the acquisitions that were carried out. This effect is only partially offset by the disposals of Total.

3.2. Gains (losses) on disposals and impairment losses (reversals) on available-for-sale investments

In EUR million	2016	2015	2014
Impairment losses on available-for-sale securities	**(1,747.7)**	(31.7)	(11.3)
ENGIE	**(61.9)**	(31.7)	-
LafargeHolcim	**(1,682.5)**	-	-
Sienna Capital	**(1.4)**	-	(8.0)
Other	**(1.9)**	-	(3.3)
Gains (losses) on available-for-sale securities	**736.7**	340.3	505.5
Total	**732.0**	281.8	335.1
ENGIE	**(11.2)**	-	-
Suez	**-**	37.8	145.3
Sienna Capital	**15.8**	20.7	22.4
Other	**0.1**	-	2.7
Total cost related to the repurchase of bonds exchangeable into ENGIE shares	**(12.5)**	**-**	**-**
Total	**(1,023.5)**	**308.6**	**494.2**

Impairment losses on available-for-sale securities

At 31 December 2016, this item includes mainly:

- an impairment of EUR 1,682 million recorded on the investment in LafargeHolcim, adjusting the book value of these securities (EUR 66.49 per share) to their market value on 30 June 2016 (EUR 37.10 per share) ; and
- an additional impairment of EUR 62 million, recorded on the investment in ENGIE during the first and fourth quarter of 2016, adjusting the book value of these securities (EUR 14.44 per share at the end of December 2015 and EUR 13.64 per share at the end of March 2016) to their market value on 31 March 2016 and 31 December 2016 (EUR 13.64 per share and EUR 12.12 per share respectively).

At 31 December 2015, this item includes an additional impairment of EUR 32 million, accounted for in the ENGIE investment, adjusting the carrying amount of these securities (EUR 15.02 per share at the end of June 2015) to their market value on 30 September 2015 (i.e. EUR 14.44 per share).

In 2014, GBL recognised an impairment loss of EUR 8 million in relation to the Sagard funds.

Gains (losses) on available-for-sale securities

At 31 December 2016, this item includes the result of the disposal of 1.8% of Total for EUR 732 million as well as the consolidated capital gain on the disposal of FläktWoods by Sagard II (EUR 12 million) and the consolidated capital loss on the disposal of 1.8% of Engie for EUR 11 million.

In 2015, this item includes the capital gain from the sale of 0.5% of Total for EUR 282 million and from early conversions of the exchangeable bonds into Suez shares for EUR 38 million (corresponding to the recycling of the revaluation reserves of the shares related to the converted bonds, calculated on the basis of the average share price of Suez during the first nine months of 2015).

The capital gains on disposals in 2014 included the result of the sale of 0.6% of Total for EUR 335 million, 5.9% of the capital of Suez following the early conversions of exchangeable bonds for EUR 145 million, the capital gain on the disposal of Corialis by Sagard II, and the sale of Iberdrola shares for EUR 3 million.

Total cost related to the repurchase of bonds exchangeable into ENGIE shares

During the year 2016, GBL repurchased 6,910 bonds exchangeable into ENGIE shares for a nominal value of EUR 691 million. The total cost of these repurchases (including banking fees) amounted to EUR 13 million.

3.3. Fair value and changes

The investments in listed companies are valued on the basis of the share price at the reporting date.

Shares in “Funds”, namely Sagard, Sagard II and Sagard 3, PrimeStone, BDT Capital Partners II 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 the revaluation reserves (see Note 3.4.).

In EUR million	Lafarge-Holcim	SGS	adidas	Pernod Ricard	Umicore	Total	Ontex	ENGIE	Suez	Burberry	Funds	Other	Total fair value
At 31 December 2013	**-**	**1,961.7**	**-**	**1,647.3**	**228.2**	**3,818.0**	**-**	**934.7**	**455.9**	**-**	**101.0**	**30.8**	**9,177.6**
Funds' profit (loss)	-	-	-	-	-	-	-	-	-	-	15.5	-	15.5
Acquisitions	-	-	87.6	-	243.7	-	-	-	-	-	14.2	1.8	347.3
Disposals/Reimbursements	-	-	-	-	-	(316.0)	-	-	(294.8)	-	(45.5)	(47.1)	(703.4)
Change in revaluation reserves	-	33.6	(3.0)	188.0	(8.3)	(444.5)	-	127.6	(86.7)	-	8.2	(5.0)	(190.1)
(Impairment losses)/reversals	-	-	-	-	-	-	-	-	-	-	(2.3)	29.0	26.7
Other	-	-	-	-	-	(5.8)	-	-	-	-	(1.4)	(0.7)	(7.9)
At 31 December 2014	**-**	**1,995.3**	**84.6**	**1,835.3**	**463.6**	**3,051.7**	**-**	**1,062.3**	**74.4**	**-**	**89.7**	**8.8**	**8,665.7**
Funds' profit (loss)	-	-	-	-	-	-	-	-	-	-	18.7	-	18.7
Acquisitions	-	2.7	570.1	-	165.8	-	143.4	-	-	1.6	250.3	3.8	1,137.7
Disposals/Reimbursements	-	-	-	-	-	(273.6)	-	-	(51.0)	-	(36.8)	(5.0)	(366.4)
Change in revaluation reserves	(1,131.8)	68.9	235.2	257.4	88.3	(313.3)	37.2	(138.0)	(23.4)	-	5.9	(0.4)	(914.0)
(Impairment losses)/reversals	-	-	-	-	-	-	-	(31.7)	-	-	(0.1)	(0.9)	(32.7)
Reclassification	3,805.2	-	-	-	-	-	-	-	-	-	-	4.2	3,809.4
Other	0.8	-	-	-	2.5	(2.3)	-	-	-	-	-	(3.3)	(2.3)
At 31 December 2015	**2,674.2**	**2,066.9**	**889.9**	**2,092.7**	**720.2**	**2,462.5**	**180.6**	**892.6**	**-**	**1.6**	**327.7**	**7.2**	**12,316.1**
Funds' profit (loss)	-	-	-	-	-	-	-	-	-	-	4.5	-	4.5
Acquisitions	-	169.3	604.9	-	14.4	-	266.9	-	-	204.0	82.3	82.1	1,423.9
Disposals/Reimbursements	-	-	-	-	-	(983.6)	-	(942.1)	-	(2.0)	(97.5)	-	(2,025.2)
Change in revaluation reserves	1,865.4	208.3	861.2	(44.7)	297.0	(663.8)	(24.9)	(103.1)	-	24.7	42.6	2.1	2,464.8
(Impairment losses)/reversals	(1,682.5)	-	-	-	-	-	-	297.4	-	-	4.4	(1.5)	(1,382.2)
Other	-	-	-	-	-	(26.0)	-	-	-	1.6	-	(0.5)	(24.9)
At 31 December 2016	**2,857.1**	**2,444.5**	**2,356.0**	**2,048.0**	**1,031.6**	**789.1**	**422.6**	**144.8**	**-**	**229.9**	**364.0**	**89.4**	**12,777.0**
Of which: Holding	2,857.1	2,444.5	2,356.0	2,048.0	1,031.6	789.1	422.6	144.8	-	229.9		77.3	12,400.9
Imerys	-	-	-	-	-	-	-	-	-	-	-	8.1	8.1
Sienna Capital	-	-	-	-	-	-	-	-	-	-	364.0	4.0	368.0

The “Funds” item primarily includes capital gains on disposals at Sagard funds.

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3.4. Revaluation reserves

In EUR million	Lafarge-Holcim	SGS	adidas	Pernod Ricard	Umicore	Total	Ontex	ENGIE	Suez	Burberry	Funds	Other	Total
At 31 December 2013	**-**	**(46.2)**	**-**	**823.0**	**(3.4)**	**1,835.3**	**-**	**113.5**	**109.8**	-	**1.6**	**(77.3)**	**2,756.3**
Change resulting from the change in fair value	-	33.6	(3.0)	187.2 [1]	(8.3)	(100.2)	-	127.6	58.9 [1]	-	8.2	-	304.0
Transfers to profit (loss) (disposal/impairment)	-	-	-	-	-	(344.3)	-	-	(145.3)	-	-	(5.0)	(494.6)
At 31 December 2014	**-**	**(12.6)**	**(3.0)**	**1,010.2**	**(11.7)**	**1,390.8**	**-**	**241.1**	**23.4**	-	**9.8**	**(82.3)**	**2,565.7**
Change resulting from the change in fair value	(1,131.8)	68.9	234.2 [1]	256.4 [1]	88.1 [1]	(74.6)	37.0 [1]	(169.7)	14.4	-	19.8	-	(657.3)
Transfers to profit (loss) (disposal/impairment)	-	-	-	-	-	(238.7)	-	31.7	(37.8)	-	(13.9)	79.2	(179.5)
At 31 December 2015	**(1,131.8)**	**56.3**	**231.2**	**1,266.6**	**76.4**	**1,077.5**	**37.0**	**103.1**	**-**	-	**15.7**	**(3.1)**	**1,728.9**
Change resulting from the change in fair value	182.9	208.3	858.2 [1]	(44.5) [1]	295.8 [1]	155.1	(24.8) [1]	(127.8)	-	24.7	53.3	0.5	1,581.7
Transfers to profit (loss) (disposal/impairment)	1,682.5	-	-	-	-	(818.9)	-	24.7	-	-	(10.7)	1.6	879.2
At 31 December 2016	**733.6**	**264.6**	**1,089.4**	**1,222.1**	**372.2**	**413.7**	**12.2**	**-**	**-**	**24.7**	**58.3**	**(1.0)**	**4,189.8**

The changes in the fair value of available-for-sale investments (described in section 3.3.) are shown in the table above. The "Other" item mainly covers GBL's share of the changes in the revaluation reserves of associates (primarily Lafarge up to 30 June 2015) and the recycling of revaluation reserves relating to Lafarge for the third quarter of 2015 for EUR 79 million (see Note 2.2).

4. Other operating income (expenses) and employee expenses

4.1. Other operating income (expenses)

In EUR million	2016	2015	2014
Miscellaneous goods and services	**(26.6)**	(22.5)	(15.7)
Employee expenses	**(19.3)**	(27.2)	(22.0)
Depreciation and amortisation	**(2.1)**	(2.7)	(1.6)
Other operating expenses	**(0.9)**	(0.8)	(0.3)
Other operating income	**0.7**	0.8	2.4
Other operating income (expenses) - investing activities	**(48.2)**	**(52.4)**	**(37.2)**
Transport costs	**(501.9)**	(507.5)	(470.3)
Subcontracting costs	**(129.1)**	(126.7)	(113.5)
Operating leases	**(94.4)**	(90.3)	(74.0)
Fees	**(101.7)**	(102.8)	(89.4)
Various taxes	**(52.0)**	(54.0)	(49.1)
Other operating expenses	**(489.3)**	(495.9)	(424.0)
Other operating income	**64.5**	64.6	50.9
Share of profit (loss) of associates belonging to consolidated operating activities	**4.4**	10.1	3.1
Other operating income (expenses) - operating activities	**(1,299.5)**	**(1,302.5)**	**(1,166.3)**

Other operating expenses related to operating activities mainly consist of Imerys' maintenance and repair expenses (EUR 111 million, EUR 116 million and EUR 104 million in 2016, 2015 and 2014 respectively), restructuring expenses (EUR 53 million, EUR 79 million and EUR 83 million in 2016, 2015 and 2014) and research and development costs (EUR 18 million, EUR 22 million and EUR 21 million in 2016, 2015 and 2014 respectively).

(1) I Including the tax impact of EUR - 0.8 million and EUR 0.3 million on respectively Pernod Ricard and Suez in 2014, and EUR - 1.0 million, EUR - 1.0 million, EUR - 0.2 million, EUR - 0.2 million on Pernod Ricard, adidas, Umicore and Ontex respectively in 2015, and respectively EUR 0.2 million, EUR - 3.0 million, EUR - 1.2 million and EUR 0.1 million on Pernod Ricard, adidas, Umicore and Ontex in 2016

4.2. Employee expenses

In EUR million	2016	2015	2014
Remuneration	**(10.2)**	(17.2)	(15.0)
Social security contributions	**(1.2)**	(1.3)	(1.3)
Costs related to stock options	**(2.2)**	(4.3)	(3.7)
Contributions to pension plans	**(2.5)**	(2.9)	(1.7)
Other	**(3.2)**	(1.5)	(0.3)
Total employee expenses - investing activities	**(19.3)**	**(27.2)**	**(22.0)**

The details of the remuneration of GBL's directors are shown in note 29. The stock option plans are detailed in note 25.

Remuneration	**(783.9)**	(756.5)	(647.3)
Social security contributions	**(149.6)**	(152.2)	(129.7)
Costs related to stock options	**(10.5)**	(7.3)	(9.5)
Contributions to pension plans	**(35.1)**	(33.5)	(20.6)
Other	**(3.1)**	0.6	0.9
Total employee expenses - consolidated operating activities	**(982.2)**	**(948.9)**	**(806.2)**

5. Gains (losses) on disposals, impairments and reversals of non-current assets related to operating activities

In EUR million	2016	2015	2014
Impairment on intangible assets and goodwill	**(1.2)**	(158.0)	(30.6)
Impairment on property, plant and equipment, net reversals	**(21.8)**	(117.8)	(6.0)
Impairment on other non-current assets	**(1.2)**	-	-
Capital gain realised on disposals of investments and activities	**54.9**	6.9	48.5
Total	**30.7**	**(268.9)**	**11.9**

The impairments on intangible assets, goodwill and property, plant and equipment are detailed in the notes 8, 9 and 10 respectively.

The capital gains realised in 2016 mainly include the result of the disposal of the companies De Boeck Education S.A., De Boeck Digital S.A. and Larcier Holding S.A. by Sienna Capital (EUR 56 million). The capital gains generated in 2014 mainly included the result of the disposal of four calcium carbonate for paper plants by Imerys for EUR 40 million.

6. Financial income (expenses)

In EUR million	2016	2015	2014
Interest income on cash and cash equivalents and non-current assets	**5.1**	12.0	15.1
Interest expense on financial liabilities	**(39.9)**	(49.2)	(71.4)
Gains (losses) on trading securities and derivatives	**77.8**	95.2	(59.0)
Other financial income (expenses)	**(5.5)**	(5.6)	(8.3)
Financial income (expenses) - investing activities	**37.5**	**52.4**	**(123.6)**

Interest income on cash and cash equivalents and non-current assets	**12.3**	9.3	7.5
Interest expense on financial liabilities	**(82.5)**	(71.2)	(55.2)
Gains (losses) on trading securities and derivatives	**(1.0)**	(3.2)	3.8
Other financial expenses	**(2.7)**	(4.1)	(7.1)
Financial income (expenses) - operating activities	**(73.9)**	**(69.2)**	**(51.0)**

Financial income and expenses from investing activities totalled EUR 38 million (compared to EUR 52 million in 2015 and EUR - 124 million in 2014). They mainly consist of EUR 72 million from the impact of the mark to market valuation of the derivative component associated with bonds exchangeable into shares (ENGIE and Suez until 2015) and convertible bonds into GBL shares (EUR 88 million in 2015 and EUR - 96 million in 2014). The (non-monetary) income of EUR 72 million reflects the change in the value of the call options on underlying securities implicitly contained in the exchangeable and convertible bonds issued by GBL in 2013.

In 2015 and 2014, GBL received requests for the conversion of Suez exchangeable bonds maturing in September 2015. Following these notifications, GBL delivered 5.1 million Suez shares (29.9 million in 2014), mostly before the ex-dividend date. These conversions resulted in financial expense (income) of EUR - 14 million in 2015 (EUR 16 million of which was for a recovery of the implicit derivative value of the converted part, EUR - 30 million from the difference between the exchange price (EUR 11.45 per share) and the market price on the last reporting date before conversion). The impact of the conversions stood at EUR - 4 million in 2014.

Financial income (expenses) from consolidated operating activities essentially resulted from interest expenses on Imerys' debt of EUR 65 million (EUR 59 million in 2015 and EUR 47 million in 2014).

7. Turnover

In EUR million	2016	2015	2014
Sales of goods	**3,989.1**	3,834.7	3,370.3
Services provided	**541.6**	557.6	546.7
Other	**1.0**	0.1	1.8
Total	**4,531.7**	**4,392.4**	**3,918.8**

8. Intangible assets

In EUR million	Development costs	Software	Mining rights	Patents, licences and concessions	Other	Total
Gross carrying amount						
At 31 December 2013	64.9	79.6	14.0	58.4	113.5	**330.4**
Investments	12.5	3.8	0.2	9.1	2.4	**28.0**
Changes in group structure/Business combinations	-	0.1	-	-	33.0	**33.1**
Transfers between categories	-	12.3	-	0.1	(11.3)	**1.1**
Disposals and retirements	-	(0.8)	-	(0.1)	(0.5)	**(1.4)**
Foreign currency translation adjustments	0.8	5.6	0.9	0.5	4.5	**12.3**
Other	(3.8)	0.3	-	1.4	0.1	**(2.0)**
At 31 December 2014	74.4	100.9	15.1	69.4	141.7	**401.5**
Investments	13.8	3.0	-	0.7	46.0	**63.5**
Changes in group structure/Business combinations	-	5.8	-	26.0	131.2	**163.0**
Transfers between categories	(0.2)	1.5	(12.8)	3.1	(3.4)	**(11.8)**
Disposals and retirements	(0.3)	(15.6)	-	(0.1)	(0.1)	**(16.1)**
Foreign currency translation adjustments	0.8	5.0	(0.6)	0.8	5.1	**11.1**
Other		0.1	-	-	0.7	**0.8**
At 31 December 2015	88.5	100.7	1.7	99.9	321.2	**612.0**
Investments	5.8	3.0	0.1	0.8	9.8	**19.5**
Changes in group structure/Business combinations	(33.5)	(15.1)	-	(42.6)	2.0	**(89.2)**
Transfers between categories	(24.8)	(2.0)	1.0	(0.5)	(16.2)	**(42.5)**
Disposals and retirements	(0.2)	-	-	-	(0.3)	**(0.5)**
Foreign currency translation adjustments	(1.4)	1.0	-	0.5	2.6	**2.7**
Other	0.3	(7.6)	(1.4)	-	0.1	**(8.6)**
At 31 December 2016	**34.7**	**80.0**	**1.4**	**58.1**	**319.2**	**493.4**
Cumulated amortisation						
At 31 December 2013	(24.5)	(67.0)	(1.6)	(20.3)	(48.1)	**(161.5)**
Amortisation	(5.6)	(5.6)	(0.3)	(4.1)	(8.2)	**(23.8)**
Impairment (losses) reversals	-	-	(0.5)	-	-	**(0.5)**
Transfers between categories	-	(0.9)	-	-	(0.3)	**(1.2)**
Disposals and retirements	-	0.8	-	0.1	0.5	**1.4**
Foreign currency translation adjustments	(0.2)	(4.0)	(0.2)	(0.3)	(2.5)	**(7.2)**
Changes in group structure/Other	(3.1)	(0.1)	-	(1.5)	(1.5)	**(6.2)**
At 31 December 2014	(33.4)	(76.8)	(2.6)	(26.1)	(60.1)	**(199.0)**
Amortisation	(7.0)	(8.7)	-	(4.6)	(15.3)	**(35.6)**
Impairment (losses) reversals	-	(0.5)	-	(3.1)	(35.5)	**(39.1)**
Transfers between categories	0.9	-	-	0.2	(0.8)	**0.3**
Disposals and retirements	-	15.5	1.4	0.1	1.4	**18.4**
Foreign currency translation adjustments	(0.2)	(3.3)	-	(0.5)	(2.9)	**(6.9)**
Changes in group structure/Other	-	(5.5)	-	(1.3)	(4.4)	**(11.2)**
At 31 December 2015	(39.7)	(79.3)	(1.2)	(35.3)	(117.6)	**(273.1)**
Amortisation	(3.1)	(6.8)	(0.1)	(1.8)	(10.0)	**(21.8)**
Impairment (losses) reversals	-	-	-	-	(0.7)	**(0.7)**
Transfers between categories	(0.9)	0.1	(0.8)	0.8	12.9	**12.1**
Disposals and retirements	-	3.1	-	0.1	1.1	**4.3**
Foreign currency translation adjustments	0.2	(0.1)	-	(0.2)	(1.8)	**(1.9)**
Changes in group structure/Other	31.5	23.4	1.6	17.4	2.2	**76.1**
At 31 December 2016	**(12.0)**	**(59.6)**	**(0.5)**	**(19.0)**	**(113.9)**	**(205.0)**

In EUR million	Development costs	Software	Mining rights	Patents, licences and concessions	Other	Total
Net carrying amount						
At 31 December 2014	41.0	24.1	12.5	43.3	81.6	**202.5**
At 31 December 2015	48.8	21.4	0.5	64.6	203.6	**338.9**
At 31 December 2016	**22.7**	**20.4**	**0.9**	**39.1**	**205.3**	**288.4**
Of which: Holding	-	-	-	-	-	**-**
Imerys	3.6	19.2	0.9	29.8	28.1	**81.6**
Sienna Capital	19.1	1.2	-	9.3	177.2	**206.8**

The headings "Patents, licences and concessions" and "Other" include patents and trademarks with an indefinite useful life for the amounts of EUR 7 million and EUR 116 million respectively (EUR 7 million and EUR 114 million at 31 December 2015 and EUR 7 million and EUR 0 million at 31 December 2014).

The heading "Other" mainly consists of the trademarks and organisational concepts recognised in 2014 and 2015 following the acquisition accounting of Sausalitos and Golden Goose.

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 2016 amounted to EUR 18 million (EUR 22 million in 2015 and EUR 21 million in 2014).

9. Goodwill

In EUR million	2016	2015	2014
Gross carrying amount			
At 1 January	**1,835.6**	1,269.9	1,173.5
Changes in group structure/Business combinations	**211.3**	646.1	34.0
Foreign currency translation adjustments	**(2.3)**	37.1	62.4
Subsequent value adjustments	**-**	(121.2)	(3.3)
Disposals	**(25.2)**	-	-
Other	**-**	3.7	3.3
At 31 December	**2,019.4**	1,835.6	1,269.9
Cumulated impairment losses			
At 1 January	**(92.4)**	(88.1)	(51.7)
Impairment losses	**(0.5)**	(118.9)	(30.1)
Foreign currency translation adjustments	**2.2**	(3.1)	(6.3)
Other	**-**	117.7	-
At 31 December	**(90.7)**	(92.4)	(88.1)
Net carrying amount at 31 December	**1,928.7**	**1,743.2**	**1,181.8**
Of which: Holding	**-**	-	-
Imerys	**1,674.7**	1,631.3	1,106.8
Sienna Capital	**254.0**	111.9	75.0

At 31 December 2016, this item was made up of EUR 1,675 million of goodwill generated by Imerys' various business lines and EUR 254 million of goodwill on acquisitions by ECP III (EUR 1,631 million and EUR 112 million respectively at 31 December 2015).

Imerys' definition of cash generating units (CGUs) is based on the judgement of its executive management 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.

In the table below, the carrying amount and the goodwill impairment loss are presented by group of CGUs (Energy Solutions & Specialties; Filtration & Performance Additives; Ceramic Materials; and High Resistance Minerals) for goodwill from Imerys.

At Sienna Capital level, the goodwill is allocated to each respective investment.

The goodwill at 31 December has been allocated to the following CGUs:

In EUR million	2016		2015		2014	
	Net carrying amount	**Cumulated impairment losses**	**Net carrying amount**	**Cumulated impairment losses**	**Net carrying amount**	**Cumulated impairment losses**
Energy Solutions & Specialities (Imerys)	313.2	-	280.1	-	370.8	-
Filtration and Performance Additives (Imerys)	794.4	-	790.8	-	207.5	-
Ceramic Materials (Imerys)	274.9	(3.1)	277.9	(2.7)	254.6	(1.6)
High Resistance Minerals (Imerys)	291.4	(66.6)	281.8	(68.7)	273.2	(65.5)
De Boeck (Sienna Capital)	-	-	25.2	-	21.4	-
Benito (Sienna Capital)	4.3	(21.0)	4.3	(21.0)	4.3	(21.0)
ELITech (Sienna Capital)	39.3	-	38.8	-	35.6	-
Sausalitos (Sienna Capital)	13.7	-	13.7	-	13.7	-
Golden Goose (Sienna Capital)	29.9	-	29.9	-	-	-
Looping (Sienna Capital)	52.6	-	-	-	-	-
D.I.H. (Sienna Capital)	114.2	-	-	-	-	-
Holdings (Imerys)	0.8	-	0.7	-	0.7	-
Total	**1,928.7**	**(90.7)**	**1,743.2**	**(92.4)**	**1,181.8**	**(88.1)**

In accordance with IAS 36, group companies conduct a yearly impairment test on all their CGUs to the extent that they report goodwill.

For Imerys, the systematic performance of this annual test on each of its CGUs is mandatory due to the presence of goodwill in all of its CGUs.

In 2016, this test did not require the recognition of any impairement.

In 2015, this test required the recognition of a EUR 119 million goodwill impairment loss related to the Oilfield Solutions CGU of the Energy Solutions and Specialties division. The possibility of resuming this business, still conceivable at year start, became more remote in the second half of the year according to most oil industry observers.

In 2014, this test required the recognition of a EUR 30 million goodwill impairment loss related to the High Resistance Minerals' division's Zircon CGU.

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.

The projected cash flows used by Imerys to estimate the value in use are usually taken from their 2017 budget and the plan for the years 2018 to 2020. The key assumptions underlying these projections are firstly the level of the volumes and, to a lesser degree, the level of the prices. 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 2016 (6.75% in 2015) is adjusted for each CGU or individual asset tested for a country/market risk premium ranging from 0 to + 170 basis points (0 to + 200 basis points in 2015). The average discount rate after taxes was 6.78% in 2016 (6.96% in 2015). 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.

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:

	2016		2015		2014	
	Discount rate	Perpetual growth rate	Discount rate	Perpetual growth rate	Discount rate	Perpetual growth rate
Energy Solutions & Specialities (Imerys)	6.78%	1.94%	6.83%	1.89%	7.89%	1.94%
Filtration and Performance Additives (Imerys)	6.70%	2.00%	7.01%	2.00%	8.43%	2.00%
Ceramic Materials (Imerys)	6.77%	1.56%	6.89%	1.43%	7.79%	1.44%
High Resistance Minerals (Imerys)	7.01%	2.00%	7.21%	2.00%	8.44%	2.00%
Average rate	**6.78%**	**1.86%**	**6.96%**	**1.81%**	**8.04%**	**1.80%**

Annual impairment tests were also performed on goodwill related to Sienna Capital. These did not result in the recognition of a goodwill impairment loss in 2016 (EUR 0 million in 2015 and 2014).

The goodwill allocated to the "Holdings" business line undergoes systematic annual impairment tests by referring to the value of the underlying asset to which it relates.

Sensitivity to a change in the projected cash flows and discount rates

At Imerys level, 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. A 5.0% fall in projected cash flows would not require the recognition of an impairment loss. An increase of 100 basis points in the discount rates would not require the recognition of an significant impairment loss for the Oilfield Solutions CGU's goodwill. Finally, a decrease of 100 basis points in the perpetual growth rates would not require the recognition of an impairment loss for the Oilfield Solutions CGU's goodwill.

10. 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						
At 31 December 2013	509.3	699.3	3,048.1	284.2	25.2	**4,566.1**
Investments	6.9	45.4	58.6	123.5	3.5	**237.9**
Changes in group structure/Business combinations	5.1	(6.6)	26.5	4.8	0.3	**30.1**
Disposals and retirements	(2.4)	(1.4)	(39.8)	(0.2)	(0.5)	**(44.3)**
Foreign currency translation adjustments	22.7	48.8	174.3	13.1	1.6	**260.5**
Other	13.7	(19.0)	274.5	(299.4)	(2.4)	**(32.6)**
At 31 December 2014	**555.3**	**766.5**	**3,542.2**	**126.0**	**27.7**	**5,017.7**
Investments	4.6	53.8	34.2	136.8	3.5	**232.9**
Changes in group structure/Business combinations	46.4	83.2	354.3	8.1	2.3	**494.3**
Disposals and retirements	(4.0)	(0.8)	(46.0)	(0.9)	(0.3)	**(52.0)**
Foreign currency translation adjustments	1.3	10.0	94.0	0.7	1.5	**107.5**
Other	9.9	(21.4)	(70.0)	(83.9)	(3.0)	**(168.4)**
At 31 December 2015	**613.5**	**891.3**	**3,908.7**	**186.8**	**31.7**	**5,632.0**
Investments	7.4	50.7	71.3	145.0	7.3	**281.7**
Changes in group structure/Business combinations	40.4	13.1	58.3	(3.1)	41.7	**150.4**
Disposals and retirements	(3.1)	(0.3)	(71.9)	(0.2)	(3.2)	**(78.7)**
Foreign currency translation adjustments	12.7	19.7	20.1	7.5	0.5	**60.5**
Other	10.5	(39.4)	(3.3)	(145.9)	(2.6)	**(180.7)**
At 31 December 2016	**681.4**	**935.1**	**3,983.2**	**190.1**	**75.4**	**5,865.2**

In EUR million	Land and buildings	Mineral reserves	Fittings, machinery, equipment and rolling stock	Assets in progress	Other property, plant and equipment	Total
Cumulated depreciation						
At 31 December 2013	(220.6)	(271.1)	(2,197.8)	(2.2)	(9.6)	**(2,701.3)**
Depreciation	(14.3)	(48.5)	(146.6)	-	(1.6)	**(211.0)**
(Impairment losses)/reversals	(0.1)	-	(4.6)	(1.3)	-	**(6.0)**
Disposals and retirements	2.2	-	39.1	-	0.3	**41.6**
Foreign currency translation adjustments	(9.1)	(19.0)	(119.2)	-	(0.4)	**(147.7)**
Changes in group structure/Other	-	31.8	(19.3)	1.7	0.8	**15.0**
At 31 December 2014	(241.9)	(306.8)	(2,448.4)	(1.8)	(10.5)	**(3,009.4)**
Depreciation	(16.7)	(51.2)	(152.6)	-	(2.6)	**(223.1)**
(Impairment losses)/reversals	(19.0)	(4.8)	(93.1)	(0.9)	-	**(117.8)**
Disposals and retirements	3.2	0.8	47.0	-	0.2	**51.2**
Foreign currency translation adjustments	(1.2)	(8.5)	(71.9)	-	(0.3)	**(81.9)**
Changes in group structure/Other	(7.7)	31.5	(83.3)	-	0.6	**(58.9)**
At 31 December 2015	(283.3)	(339.0)	(2,802.3)	(2.7)	(12.6)	**(3,439.9)**
Depreciation	(20.5)	(51.8)	(160.4)	(0.2)	(9.2)	**(242.1)**
(Impairment losses)/reversals	(1.6)	(1.0)	(18.3)	(0.9)	-	**(21.8)**
Disposals and retirements	6.8	0.3	75.5	0.3	3.0	**85.9**
Foreign currency translation adjustments	(4.4)	(2.7)	2.5	-	0.2	**(4.4)**
Changes in group structure/Other	6.5	44.4	97.2	0.4	1.1	**149.6**
At 31 December 2016	**(296.5)**	**(349.8)**	**(2,805.8)**	**(3.1)**	**(17.5)**	**(3,472.7)**
Net carrying amount						
At 31 December 2014	313.4	459.7	1,093.8	124.2	17.2	**2,008.3**
At 31 December 2015	330.2	552.3	1,106.4	184.1	19.1	**2,192.1**
At 31 December 2016	**384.9**	**585.3**	**1,177.4**	**187.0**	**57.9**	**2,392.5**
Of which: Holding	-	-	1.0	-	11.1	**12.1**
Imerys	350.9	585.3	1,149.8	184.4	1.5	**2,271.9**
Sienna Capital	34.0	-	26.6	2.6	45.3	**108.5**

In 2016, impairment losses amounting to EUR 25 million were recorded by Imerys on its property, plant and equipment (EUR 119 million in 2015 and EUR 6 million in 2014). These impairment losses mainly concerned the divisions “Ceramic Materials” (EUR 7 million) and “High Resistance Minerals” (EUR 15 million).

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 2 million (EUR 2 million and EUR 3 million respectively at 31 December 2015 and 2014). They mainly consist of production equipment held by Imerys.

11. Other non-current assets

In EUR million		2016	2015	2014
Derivative financial instruments held for trading		**17.8**	15.0	11.7
Long-term advance payments, loans and deposits		**33.0**	33.8	26.7
Assets related to pension plans		**7.4**	6.8	6.8
Other non-current assets		**41.4**	38.1	49.3
Total		**99.6**	**93.7**	**94.5**
Of which:	Holding	**-**	-	-
	Imerys	**90.2**	77.0	72.1
	Sienna Capital	**9.4**	16.7	22.4

12. Income taxes

12.1. Analysis of income taxes

In EUR million	2016	2015	2014
Current taxes	**(132.2)**	(139.5)	(110.7)
For the year in progress	***(133.5)***	*(137.8)*	*(115.0)*
For previous years	***1.3***	*(1.7)*	*4.3*
Deferred taxes	**(17.5)**	74.1	(10.6)
Total	**(149.7)**	**(65.4)**	**(121.3)**

12.2. Reconciliation of the income tax expense for the year

In EUR million	2016	2015	2014
Profit (loss) before income taxes	**(161.2)**	1,121.3	1,114.4
Share of profit (loss) of equity-accounted entities	**(28.6)**	72.7	(75.6)
Profit (loss) before income taxes and before share of profit (loss) of equity-accounted entities	**(189.8)**	1,194.0	1,038.8
Taxes at Belgian rate (33.99%)	**64.5**	**(405.8)**	**(353.1)**
Impact of different tax rates in foreign countries	**(4.4)**	(15.3)	46.8
Tax impact of non-taxable income	**382.4**	457.1	269.6
Tax impact of non-deductible expenses	**(527.5)**	(88.5)	(26.0)
Tax impact of changes in tax rates for subsidiaries	**(6.5)**	2.8	(11.2)
Other	**(58.2)**	(15.7)	(47.4)
Income tax (expense) for the year	**(149.7)**	**(65.4)**	**(121.3)**

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 2016 was + 78.9%, compared to 2015 - 5.5% and 2014 - 11.7%. This is primarily the result of the non-deductibility of impairement losses accounted for during the year, increasing compared to previous years. The effective tax rates in 2015 and 2014 benefited from the non-taxed capital gains on disposals of investments and impairment reversals, more significant than in 2016.

12.3. Deferred tax by nature in the statement of financial position

In EUR million	Deferred tax assets 2016	Deferred tax assets 2015	Deferred tax assets 2014	Deferred tax liabilities 2016	Deferred tax liabilities 2015	Deferred tax liabilities 2014
Property, plant, equipment and intangible assets	**92.1**	119.0	56.9	**(264.3)**	(290.7)	(215.5)
Inventories, trade receivables, trade payables, provisions and other	**86.0**	76.7	56.1	**(17.3)**	(22.8)	(25.6)
Employee benefit obligations	**54.2**	66.7	63.2	**-**	-	-
Unused tax losses and credits	**23.6**	36.1	27.3	**-**	-	-
Other	**30.6**	31.5	36.4	**(35.9)**	(25.7)	(34.3)
Offsetting of assets/liabilities	**(187.9)**	(219.8)	(198.3)	**187.9**	219.8	198.3
Total	**98.6**	**110.2**	**41.6**	**(129.6)**	**(119.4)**	**(77.1)**
Of which: Holding	**-**	-	-	**(8.6)**	(4.7)	(2.3)
Imerys	**94.3**	104.5	34.7	**(72.7)**	(52.8)	(43.1)
Sienna Capital	**4.3**	5.7	6.9	**(48.3)**	(61.9)	(31.7)

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 1,317 million (EUR 1,558 million in 2015 and EUR 1,639 million in 2014). Other tax losses carried forward for an unlimited time and tax credits amounted to EUR 951 million (EUR 788 million in 2015 and EUR 931 million in 2014); for foreign subsidiaries, these items amounted to EUR 4,939 million (EUR 1,506 million in 2015 and EUR 1,487 million in 2014). This amount includes losses generated by Imerys of EUR 251 million and by ECP III and its operating subsidiaries of EUR 109 million (EUR 239 million and EUR 95 million respectively in 2015 and EUR 238 million and EUR 71 million in 2014).

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. At 31 December 2016, a total of EUR 24 million was recognised as deferred tax assets on tax losses and tax credits (EUR 36 million in 2015 and EUR 27 million in 2014).

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 at 31 December 2016 amount to EUR 19 million (EUR 16 million and EUR 18 million at 31 December 2015 and 2014 respectively).

Finally, the different taxes directly recorded under shareholders equity are shown in the following table:

In EUR million	2016	2015	2014
Actuarial gains (losses)	**9.4**	44.3	(81.3)
Of which amounts before taxes	*12.7*	*51.0*	*(102.0)*
Of which deferred taxes	*(3.3)*	*(6.7)*	*20.7*
Foreign currency translation adjustements	**76.0**	12.3	167.0
Of which amounts before taxes	*70.4*	*3.1*	*153.5*
Of which deferred taxes	*5.6*	*9.2*	*13.5*
Cash flow hedge	**16.8**	(0.6)	(8.0)
Of which amounts before taxes	*25.6*	*(2.1)*	*(10.9)*
Of which deferred taxes	*(8.8)*	*1.5*	*2.9*
Revaluation reserves	**2,460.9**	(916.4)	(190.6)
Of which amounts before taxes	*2,464.8*	*(914.0)*	*(190.1)*
Of which deferred taxes	*(3.9)*	*(2.4)*	*(0.5)*

13. Inventories

In EUR million	2016	2015	2014
Raw materials, consumables and parts	**330.2**	336.8	304.7
Work in progress	**77.0**	79.1	75.9
Finished goods and goods for resale	**396.1**	412.6	355.0
Other	**5.0**	6.9	6.6
Gross total (before writedowns)	**808.3**	**835.4**	**742.2**
Writedowns of inventory, of which:	**(59.1)**	(59.3)	(44.4)
Raw materials, consumables and parts	***(32.3)***	*(29.0)*	*(13.9)*
Work in progress	***(1.3)***	*(0.4)*	*(0.6)*
Finished goods and goods for resale	***(25.5)***	*(29.9)*	*(29.9)*
Total	**749.2**	**776.1**	**697.8**
Of which: Holding	**-**	-	-
Imerys	**712.5**	738.3	670.0
Sienna Capital	**36.7**	37.8	27.8

14. Trade receivables

In EUR million	2016	2015	2014
Trade receivables	**727.5**	683.3	622.4
Writedowns of doubtful receivables	**(42.4)**	(38.9)	(29.4)
Net total	**685.1**	**644.4**	**593.0**
Of which: Holding	**0.1**	-	-
Imerys	**608.1**	578.1	538.8
Sienna Capital	**76.9**	66.3	54.2

Trade receivables are mainly related to Imerys. Imerys set up a factoring contract in 2009 for an unlimited period for a maximum amount of EUR 125 million. At 31 December 2016, EUR 42 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 44 million at 31 December 2015 and EUR 46 million at 31 December 2014).

The following table shows the change in writedowns over the last three years:

In EUR million	2016	2015	2014
Writedowns of receivables at 1 January	**(38.9)**	**(29.4)**	**(24.0)**
Writedowns over the year	**(10.6)**	(17.3)	(7.8)
Utilisations	**6.9**	8.4	3.3
Reversals of writedowns	**-**	0.1	-
Foreign currency translation adjustments and other	**0.2**	(0.7)	(0.9)
Writedowns of receivables at 31 December	**(42.4)**	**(38.9)**	**(29.4)**

Trade receivables do not bear interest and generally have a 30 to 90-day maturity. 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	2016	2015	2014
Delay of no more than 1 month	**74.0**	53.8	65.0
Delay of 1 to 3 months	**27.0**	24.6	23.4
Delay of more than 3 months	**25.7**	27.9	16.6
Total trade receivables due and not written down	**126.7**	**106.3**	**105.0**
Trade receivables not due and trade receivables due and written down	**558.4**	538.1	488.0
Total trade receivables, net	**685.1**	**644.4**	**593.0**

15. Trading financial assets

In EUR million	2016	2015	2014
Money market funds (SICAV'S)	**974.6**	586.0	728.7
Other trading assets	**48.9**	72.2	100.5
Total	**1,023.5**	**658.2**	**829.2**
Of which: Holding	**1,019.5**	644.7	805.2
Imerys	**4.0**	13.5	24.0
Sienna Capital	**-**	-	-

Other trading assets mainly consist of the market value of the dividends paid in ENGIE shares not monetised (2 million shares).

16. Cash, cash equivalents and financial liabilities

16.1. Cash and cash equivalents

In EUR million	2016	2015	2014
Treasury bonds and treasury notes (corporate, sovereign)	**-**	15.0	-
Deposits (maturity < 3 months)	**240.9**	128.5	481.4
Current accounts	**845.2**	754.5	939.4
Total	**1,086.1**	**898.0**	**1,420.8**
Of which: Holding	**212.5**	436.1	741.3
Imerys	**809.6**	415.1	656.4
Sienna Capital	**64.0**	46.8	23.1

At 31 December 2016, cash was completely held in fixed-term deposits and current accounts with various financial institutions. Since 2015, commercial papers have been reclassified from other current assets to cash and cash equivalents.

16.2. Financial liabilities

In EUR million	2016	2015	2014
Non-current financial liabilities	**2,383.5**	**3,488.6**	**3,371.9**
Exchangeable bonds (GBL)	**-**	991.2	983.6
Convertible bonds (GBL)	**434.2**	425.3	416.7
Retail Bonds (GBL)	**-**	350.0	349.9
Bonds (Imerys)	**1,596.2**	1,491.2	1,479.6
Other non-current financial liabilities	**353.1**	230.9	142.1
Current financial liabilities	**1,270.2**	**476.5**	**207.4**
Exchangeable bonds (GBL)	**305.8**	-	58.2
Retail Bonds (GBL)	**350.0**	-	-
Bonds (Imerys)	**500.0**		
Bank borrowings (Imerys)	**65.4**	402.8	38.8
Other current financial liabilities	**49.0**	73.7	110.4

Exchangeable and convertible bonds issued by GBL

Bonds convertible into GBL shares

On 27 September 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 are 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 bear interest at an annual rate of 0.375% (effective rate of 2.46%). They will be redeemed on 9 October 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 may 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 has the option to redeem the bonds early, as from 31 October 2016, if the value of the shares exceeds 130% of the principal amount of the bonds over a specified period.

The bonds are admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange. The carrying amount of these bonds (excluding the option) is EUR 434 million. The option is assessed at fair value on the reporting date (EUR 10 million at 31 December 2016, shown under “Other non-current financial liabilities”).

Bonds exchangeable into ENGIE shares

On 24 January 2013, GBL Verwaltung S.A., a wholly owned subsidiary of GBL, issued bonds exchangeable into existing ordinary ENGIE shares for an amount of EUR 1.0 billion. This issue covered around 55 million ENGIE shares representing 2.3% of its share capital and voting rights. The bonds had a 4-year maturity and bore interest at an annual rate of 1.25% (effective rate of 2.05%).

GBL had the option to redeem the bonds at par as from 22 February 2016 if the value of the ENGIE share was 130% higher than the par value of the bonds over a specified period. The bonds also had a put option exercisable by investors at the par value of the bonds on 7 February 2016.

Bondholders could request the exchange of their bonds for ENGIE shares subject to the option of GBL to instead pay in cash all or part of the value of ENGIE shares in lieu of such exchange.

The bonds were redeemed in cash on 7 February 2017, for a total amount of EUR 306 million. The bonds were admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

In 2016, GBL repurchased 6,910 exchangeable bonds into ENGIE shares for a nominal value of EUR 691 million. The total cost related to these repurchases (including banking fees) amounted to EUR 13 million. The carrying amount of these bonds (excluding the option) was EUR 306 million at 31 December 2016. The option component was assessed at fair value at the reporting date (EUR 0 million, shown under “Other non-current liabilities”).

Bonds exchangeable into Suez shares

On 7 September 2012, GBL issued bonds exchangeable into existing ordinary Suez shares for an amount of EUR 401 million. This issue covered nearly all of the shares held by GBL, i.e. around 35 million of this group’s shares.

The bonds had a 3-year maturity and bore interest at an annual nominal rate of 0.125% (effective rate of 2.21%). GBL had the option to redeem the bonds at par as from 21 March 2014 if the value of the Suez share was above 125% of the bond’s par value over a specified period. The bonds were redeemed at par on 21 September 2015, subject to the option exercisable by GBL to deliver Suez shares to bondholders at a price of EUR 11.45 per share and pay in cash, if applicable, the balance between the value of the shares to be delivered and the nominal value of the bonds.

Bondholders could request the exchange of their bonds for Suez shares subject to the option of GBL to instead pay in cash all or part of the value of Suez shares in lieu of such exchange.

These bonds were fully reimbursed at 31 December 2015.

Bank borrowings (GBL)

Since 2011 and until 2016, GBL had drawn down its credit lines, in particular to finance its acquisition of a 25.6% interest in Imerys.

At 31 December 2016, total drawdowns amounted to EUR 0 million (EUR 200 million at 31 December 2015 and 2014 due in 2016). Since 2013 and until 2016, GBL made a bank deposit with the same characteristics as the bank drawdown, consisting of EUR 200 million maturing in 2016. In line with offsetting agreements signed with the counterparty, this deposit was offset against the corresponding bank borrowing, in accordance with IFRS. The bank debt in the balance sheet therefore amounted to EUR 0 million at 31 December 2016 (EUR 0 million at 31 December 2015 and EUR 0 million at 31 December 2014).

Bonds issued by GBL

GBL took advantage of favourable market conditions to issue on 11 June 2010 EUR 350 million in bonds maturing in December 2017. These bonds, which bear a 4% coupon payable yearly on 29 December, are listed on the Euronext Brussels and Luxembourg Stock Exchange regulated markets.

Bonds (Imerys)

Imerys has issued listed and non-listed bonds. The bond issues at 31 December 2016 are detailed below:

	Nominal value in currency In millions	Nominal interest rate	Effective interest rate	Listed/ Unlisted	Maturity	Fair value In EUR million	Carrying amount In EUR million
JPY	7,000	3.40%	3.47%	Unlisted	16/09/2033	84.0	57.2
USD	30	5.28%	5.38%	Unlisted	06/08/2018	30.8	29.1
EUR	300	2.50%	2.60%	Listed	26/11/2020	324.2	300.7
EUR	100	2.50%	1.31%	Listed	26/11/2020	108.1	100.3
EUR	500	5.00%	5.09%	Listed	18/04/2017	524.9	517.6
EUR	500	2.00%	2.13%	Listed	10/12/2024	509.8	500.6
EUR	300	0.88%	0.96%	Listed	31/03/2022	305.5	302.0
EUR	300	1.88%	1.92%	Listed	31/03/2028	314.5	304.2
Total						**2,201.8**	**2,111.7**

The bond issues at 31 December 2015 are detailed below:

	Nominal value in currency In millions	Nominal interest rate	Effective interest rate	Listed/ Unlisted	Maturity	Fair value In EUR million	Carrying amount In EUR million
JPY	7,000	3.40%	3.47%	Unlisted	16/09/2033	76.6	53.9
USD	30	5.28%	5.38%	Unlisted	06/08/2018	30.9	28.1
EUR	300	2.50%	2.60%	Listed	26/11/2020	319.9	300.7
EUR	100	2.50%	1.31%	Listed	26/11/2020	106.6	100.2
EUR	500	5.00%	5.09%	Listed	18/04/2017	547.2	517.6
EUR	500	2.00%	2.13%	Listed	10/12/2024	509.8	500.6
Total						**1,591.0**	**1,501.1**

The bond issues at 31 December 2014 are detailed below:

	Nominal value in currency In millions	Nominal interest rate	Effective interest rate	Listed/ Unlisted	Maturity	Fair value In EUR million	Carrying amount In EUR million
JPY	7,000	3.40%	3.47%	Unlisted	16/09/2033	68.3	48.7
USD	30	5.28%	5.38%	Unlisted	06/08/2018	28.5	25.2
EUR	300	2.50%	2.60%	Listed	26/11/2020	324.3	300.7
EUR	100	2.50%	1.31%	Listed	26/11/2020	108.1	100.2
EUR	500	5.00%	5.09%	Listed	18/04/2017	567.4	517.7
EUR	500	2.00%	2.13%	Listed	10/12/2024	514.0	500.6
Total						**1,610.6**	**1,493.1**

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.

Bank debts (Imerys)

At 31 December 2016, Imerys' bank borrowings included EUR 55 million of short-term borrowings and EUR 10 million of bank overdrafts (EUR 400 million and EUR 3 million respectively at 31 December 2015 and EUR 37 million and EUR 2 million respectively at 31 December 2014).

Undrawn credit lines

At 31 December 2016, the group had undrawn credit lines with various financial institutions totalling EUR 3,919 million (EUR 2,950 million at 31 December 2015). These credit facilities were available to GBL, Imerys and ECP III's operating subsidiaries in the amounts of EUR 2,150 million, EUR 1,769 million and EUR 0 million respectively (EUR 1,950 million, EUR 997 million and EUR 3 million respectively at 31 December 2015 and EUR 1,550 million, EUR 1,277 million and EUR 0 million respectively at 31 December 2014).

With regard to GBL, all credit lines mature in 2021. Undrawn 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. Other current assets

In EUR million	2016	2015	2014
Treasury notes	**-**	-	169.9
Tax assets other than those related to income taxes	**189.9**	172.0	139.0
Deferred expenses	**22.4**	25.1	16.8
Derivative financial instruments held for trading	**-**	5.0	6.1
Derivative financial instruments - Hedging	**14.9**	-	-
Other	**156.4**	102.7	104.8
Total	**383.6**	**304.8**	**436.6**
Of which: Holding	**41.8**	62.0	189.3
Imerys	**254.9**	234.7	191.7
Sienna Capital	**86.9**	8.1	55.6

Commercial papers (Holding sector) have been classified as cash and cash equivalents since 2015. The "Other" item primarily comprised the receivable for dividends in Total shares at GBL for an amount of EUR 20 million and EUR 47 million at 31 December 2016 and 2015 respectively, as well as receivables on private equity funds (EUR 71 million).

18. Share capital and dividends

18.1. Shares issued and outstanding and treasury shares

	Number of issued shares	Of which treasury shares
At 31 December 2013	161,358,287	(6,308,090)
Change	-	160,967
At 31 December 2014	161,358,287	(6,147,123)
Change	-	67,197
At 31 December 2015	161,358,287	(6,079,926)
Change	-	155,510
At 31 December 2016	**161,358,287**	**(5,924,416)**

Treasury shares

At 31 December 2016, the group held 5,924,416 treasury shares, or 3.7% of the issued capital. Their acquisition cost is deducted from shareholders' equity; 5,000,000 and 551,947 respectively are used to hedge the convertible bond and the stock option plans granted between 2007 and 2012 (see Note 25).

In 2016, GBL acquired 972,887 shares and sold 1,128,397 shares (1,376,643 shares and 1,443,840 shares, respectively, in 2015) for an overall net amount of EUR 9 million.

Information on acquisitions of treasury shares by GBL or its subsidiaries has been published since 1 July 2009 on the GBL website.

18.2. Dividends

On 5 May 2016, a dividend of EUR 2.86 per share (EUR 2.79 in 2015 and EUR 2.72 in 2014) was paid to shareholders.

The Board of Directors will propose a gross dividend of EUR 2.93 per share for the distribution relating to 2016, which will be payable on 4 May 2017. The General Shareholders Meeting of 25 April 2017 will vote on the proposed distribution, which is expected to amount to EUR 473 million based on the above-mentioned assumptions and the number of shares entitled to dividends (161,358,287 shares).

19. Provisions

In EUR million	Product guarantees	Environment	Legal, social and regulatory risks	Total
At 31 December 2013	**26.4**	**140.3**	**93.5**	**260.2**
Additions	5.6	10.0	58.5	**74.1**
Uses	(4.8)	(1.1)	(19.2)	**(25.1)**
Reversals	(1.6)	(1.5)	(13.7)	**(16.8)**
Impact of discounting	-	3.1	0.6	**3.7**
Changes in group structure/Business combinations	0.8	2.8	(10.1)	**(6.5)**
Foreign currency translation adjustments	0.1	8.3	4.1	**12.5**
Other	(1.0)	(7.9)	(6.9)	**(15.8)**
At 31 December 2014	**25.5**	**154.0**	**106.8**	**286.3**
Additions	6.5	1.4	38.2	**46.1**
Uses	(3.4)	(11.7)	(24.8)	**(39.9)**
Reversals	(1.3)	(1.7)	(11.7)	**(14.7)**
Impact of discounting	-	3.9	0.5	**4.4**
Changes in group structure/Business combinations	-	28.7	16.5	**45.2**
Foreign currency translation adjustments	0.1	8.8	0.2	**9.1**
Other	-	(0.1)	(9.5)	**(9.6)**
At 31 December 2015	**27.4**	**183.3**	**116.2**	**326.9**
Additions	7.5	10.9	44.1	**62.5**
Uses	(2.2)	(8.4)	(15.5)	**(26.1)**
Reversals	(1.8)	(0.4)	(20.6)	**(22.8)**
Impact of discounting	-	3.7	-	**3.7**
Changes in group structure/Business combinations	-	15.2	8.0	**23.2**
Foreign currency translation adjustments	-	(1.7)	3.6	**1.9**
Other	(0.2)	-	0.3	**0.1**
At 31 December 2016	**30.7**	**202.6**	**136.1**	**369.4**
Of which current provisions	-	7.1	16.5	**23.6**
Of which non-current provisions	30.7	195.5	119.6	**345.8**

The group's provisions totalled EUR 369 million at 31 December 2016 (EUR 327 million in 2015 and EUR 286 million in 2014). They mainly relate to Imerys.

Imerys' provisions to hedge product guarantees amounted to EUR 31 million (EUR 27 million in 2015 and EUR 26 million in 2014) and have a probable maturity ranging from 2017 to 2021.

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 203 million at 31 December 2016 (EUR 183 million in 2015 and EUR 154 million in 2014). Some EUR 79 million of the corresponding bonds are expected to mature between 2017 and 2021, EUR 83 million between 2022 and 2031 and EUR 41 million as from 2032.

Imerys is also exposed to legal actions and claims arising from the ordinary course of its business. These risks concern allegations by third parties of personal or financial injury implicating the civil liability of group entities; the potential breach of some of their contractual obligations or statutory and regulatory requirements regarding employees, property and the environment.

20. Retirement benefits

20.1. 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 13 million in 2016 (EUR 23 million and EUR 21 million in 2015 and 2014 respectively).

20.2. 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 68.5% of the group's total commitment at 31 December 2016. 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	31/12/04	31/03/10
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	31/03/15	31/12/14
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

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.

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. At 31 December 2016, the policy based on this approach covered 100.0% of the risk of an increase in the obligation associated with a fall in discount rates and a rise in inflation (89.0% at 31 December 2015 and 79.0% at 31 December 2014).

(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

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 1,266 million at 31 December 2016 (EUR 1,265 million and EUR 1,175 million at 31 December 2015 and 2014 respectively). Imerys also has reimbursement rights, in other words investments held directly by the group, which came to EUR 6 million at 31 December 2016 (EUR 6 million and EUR 6 million at 31 December 2015 and 2014). The obligation funding ratio therefore stood at 81.1% at 31 December 2016 (79.8% and 78.5% at 31 December 2015 and 2014). A provision of EUR 297 million was recognised at 31 December 2016 for the funded and unfunded plan deficit (EUR 323 million and EUR 323 million at 31 December 2015 and 2014), as the following table shows:

In EUR million	2016	2015	2014
Obligations funded by plan assets	**(1,402.9)**	(1,429.9)	(1,363.4)
Obligations funded by reimbursement rights	**(29.0)**	(26.5)	(30.2)
Fair value of plan assets	**1,266.3**	1,265.4	1,174.7
Fair value of reimbursement rights	**6.1**	6.2	6.0
Funding surplus (deficit)	**(159.5)**	**(184.8)**	**(212.9)**
Unfunded obligations	**(137.6)**	(138.0)	(110.3)
Assets/(provision)	**(297.1)**	**(322.8)**	**(323.2)**
Of which: Non-current liabilities	**(304.5)**	(329.6)	(330.0)
Non-current assets	**7.4**	6.8	6.8
Current assets	**-**	-	-

Fair value of plan assets

The assets held by the group to fund employee benefits generated real interest of EUR 181 million in 2016 (EUR 65 million and EUR 151 million in 2015 and 2014 respectively), 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 2016, amounting to EUR 42 million (EUR 42 million in 2015 and EUR 46 million in 2014), 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 139 million in 2016 (EUR 22 million and EUR 105 million in 2015 and 2014 respectively).

In EUR million	2016	2015	2014
Balance at 1 January	**1,265.4**	**1,174.7**	**1,034.0**
Employer's contributions	**20.8**	19.0	28.2
Participants' contributions	**-**	1.2	1.1
Benefits paid	**(77.3)**	(92.7)	(120.3)
Foreign currency translation adjustments	**(131.5)**	78.5	79.7
Real return on assets	**180.6**	64.6	151.2
Normative return (profit or loss)	***41.5***	*42.3*	*46.3*
Adjustment to the real return (shareholders' equity)	***139.1***	*22.3*	*104.9*
Changes in group structure/Business combinations	**8.3**	20.1	-
Other movements		-	0.8
Balance at 31 December	**1,266.3**	**1,265.4**	**1,174.7**

Distribution of plan assets

In %	2016	2015	2014
Shares	**38%**	41%	46%
Listed	***38%***	*41%*	*46%*
Unlisted	-	-	-
Bonds	**52%**	49%	42%
Listed	***52%***	*49%*	*42%*
Unlisted	-	-	-
Real estate	**5%**	4%	3%
Other	**5%**	6%	9%
Total	**100%**	**100%**	**100%**

Plan obligations – funded, unfunded and partially funded plans

In EUR million	2016	2015	2014
Balance at 1 January	**1,594.4**	**1,503.9**	**1,268.6**
Current service costs for the period	**15.9**	19.0	22.4
Interest expense	**47.3**	52.0	54.1
Actuarial losses (gains) from:	**126.4**	(28.7)	206.9
Changes to demographic assumptions	***3.7***	*(0.6)*	*17.2*
Changes to financial assumptions	***145.2***	*(22.8)*	*173.5*
Experience adjustments	***(22.5)***	*(5.3)*	*16.2*
Benefits paid	**(84.6)**	(105.9)	(126.2)
Changes in group structure/Business combinations	**12.6**	58.0	3.1
Foreign currency translation adjustments	**(134.1)**	93.0	92.2
Other movements	**(8.4)**	3.1	(17.2)
Balance at 31 December	**1,569.5**	**1,594.4**	**1,503.9**

Amounts relating to the plan recognised in comprehensive income

In EUR million	2016	2015	2014
Current service costs for the period	**15.9**	19.0	22.4
Interest expense	**47.3**	52.0	54.1
Normative return on the assets of defined benefit plans	**(41.5)**	(42.3)	(46.3)
Other	**(8.9)**	(3.4)	(19.8)
Amounts recognised in profit or loss	**12.8**	**25.3**	**10.4**
Surplus real return on assets above their normative return	**(139.1)**	(22.3)	(104.9)
Actuarial losses (gains) from post-employment benefits due to:	**126.4**	(28.7)	206.9
Changes to demographic assumptions	***3.7***	*(0.6)*	*17.2*
Changes to financial assumptions	***145.2***	*(22.8)*	*173.5*
Experience adjustments	***(22.5)***	*(5.3)*	*16.2*
Amounts recognised in shareholders' equity - (credit)/debit	**(12.7)**	**(51.0)**	**102.0**
Total	**0.1**	**(25.7)**	**112.4**

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	2016	2015	2014
Amounts recognised at 1 January	**322.8**	323.2	227.8
Net expense recognised in profit or loss	**12.8**	25.3	10.4
Contributions paid	**(28.1)**	(32.2)	(34.1)
Actuarial (gains) losses and ceiling on assets recognised in shareholders' equity	**(12.7)**	(51.0)	102.0
Changes in group structure/Business combinations/Foreign currency translation adjustments and other	**2.3**	57.5	17.1
Amounts recognised at 31 December	**297.1**	**322.8**	**323.2**
Of which: Holding	**4.7**	3.0	20.3
Imerys	**288.0**	316.1	299.7
Sienna Capital	**4.4**	3.7	3.2

During the financial year 2016, a net credit amount of EUR 9 million related to actuarial gains and losses and the ceiling on recognised assets was charged directly to shareholders' equity, i.e. EUR 13 million gross less EUR 4 million in related taxes (a net credit amount of EUR 44 million at 31 December 2015, i.e. EUR 51 million gross less EUR 7 million in related taxes, a net debit amount of EUR 81 million at 31 December 2014, i.e. EUR 102 million gross less EUR 21 million in related taxes).

Estimates

The actuarial assumptions used to value the defined benefit plans are presented below:

In %	2016	2015	2014
Discount rate	**1.6% - 3.9%**	1.7% – 4.0%	1.8% – 3.5%
Average salary increase rate	**2.2% - 5.8%**	2.2% – 5.8%	1.7% – 6.0%
Inflation rate	**1.8% - 2.2%**	1.8% – 1.9%	2.0% – 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 2016:

In %	United Kingdom	United States
Discount rate	2.7%	3.9%
Average salary increase rate	2.2%	0.0%
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 at 31 December 2016 (actual 2016). 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	Actual 2016	High simulation
United Kingdom			
Discount rate	2.2%	2.7%	3.2%
Obligation at the reporting date	999.4	933.4	872.1
Net interest in profit or loss for the period (1)	(0.6)	0.9	3.0
Current service costs in profit or loss for the period (2)	-	-	-
United States			
Discount rate	3.4%	3.9%	4.4%
Obligation at the reporting date	308.5	291.2	275.9
Net interest in profit or loss for the period (1)	(2.8)	(2.6)	(2.3)
Current service costs in profit or loss for the period	(1.2)	(1.1)	(1.0)

(1) Accretion of obligation, net of normative yield on assets
(2) Plan closed-frozen as of 1 April 2015

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 29 million for 2017.

21. Other non-current liabilities

In EUR million	2016	2015	2014
Derivative financial instruments held for trading	**11.8**	84.8	179.0
Derivative financial instruments – Hedging	**3.1**	0.2	-
Liabilities related to cash-settled share-based payments	**6.3**	8.5	4.2
Other non-current liabilities	**41.9**	42.4	12.7
Total	**63.1**	**135.9**	**195.9**
Of which: Holding	**16.4**	91.5	175.7
Imerys	**43.1**	44.3	19.3
Sienna Capital	**3.6**	0.1	0.9

22. Other current liabilities

In EUR million	2016	2015	2014
Share acquisition liabilities	**-**	-	1.1
Tax liabilities other than those related to income tax	**37.0**	50.5	42.9
Social security liabilities	**179.5**	169.2	147.6
GBL coupons to be paid	**3.7**	3.7	3.3
Derivative financial instruments held for trading	**15.2**	8.1	34.9
Derivative financial instruments – Hedging	**4.9**	13.4	12.0
Deferred income	**7.1**	10.9	10.5
Other	**143.0**	162.5	166.8
Total	**390.4**	**418.3**	**419.1**
Of which: Holding	**29.9**	40.1	69.5
Imerys	**341.7**	334.8	322.3
Sienna Capital	**18.8**	43.4	27.3

"GBL coupons to be paid" primarily represents GBL's coupons for the last three years, which were not cashed in.

Other current liabilities in the Holding sector primarily consist of derivative financial instruments (EUR 15 million in 2016 versus EUR 2 million in 2015 and EUR 32 million in 2014), interest payable (EUR 4 million in 2016 versus EUR 12 million in 2015 and EUR 12 million in 2014) and tax liabilities other than those relating to income taxes (EUR 8 million in 2016 versus EUR 16 million in 2015 and EUR 10 million in 2014).

23. 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. At 31 December 2016, 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 - 267 million and EUR 267 million on shareholder equity and EUR 0 million and EUR 0 million on the annual income statement. 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.

At 31 December 2016, 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 1,240 million and EUR - 1,240 million on shareholder equity and EUR - 20 million and EUR - 16 million on the annual income statement.

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.

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.

24. Derivative financial instruments

24.1. Fair values of short-term and long-term derivative financial instruments

The fair values of the derivative financial instruments held at 31 December 2016, 2015 and 2014 are shown in the following table:

In EUR million	2016	2015	2014
Assets	**32.7**	**20.0**	**17.8**
Of which non-current assets	***17.8***	*15.0*	*11.7*
Of which current assets	***14.9***	*5.0*	*6.1*
Composed of:			
Forwards, futures and currency swaps – Derivative instruments held for trading	**0.5**	6.1	6.7
Forwards, futures and currency swaps – Hedging	**8.1**	-	-
Interest rate swaps (IRS) – Derivative instruments held for trading	**17.3**	13.5	11.1
Futures and commodities options – Derivative instruments held for trading	**-**	0.4	-
Futures and commodities options – Hedging	**6.8**	-	-
Liabilities	**(35.0)**	**(106.5)**	**(225.9)**
Of which non-current liabilities	***(14.9)***	*(85.0)*	*(179.0)*
Of which current liabilities	***(20.1)***	*(21.5)*	*(46.9)*
Composed of:			
Forwards, futures and currency swaps – Derivative instruments held for trading	**(2.3)**	(7.4)	(10.3)
Forwards, futures and currency swaps – Hedging	**(7.5)**	(5.9)	(7.1)
Interest rate swaps (IRS) – Derivative instruments held for trading	**-**	(0.3)	(0.5)
Interest rate swaps (IRS) – Hedging	**(0.5)**	(0.2)	(0.1)
Futures and commodities options – Derivative instruments held for trading	**-**	(0.2)	(0.1)
Futures and commodities options – Hedging	**-**	(7.5)	(4.8)
Call and put options on shares – derivative instruments held for trading	**(24.7)**	(85.0)	(203.0)
Net position	**(2.3)**	**(86.5)**	**(208.1)**
Forwards, futures and currency swaps	**(1.2)**	(7.2)	(10.7)
Interest rate swaps (IRS)	**16.8**	13.0	10.5
Futures and commodities options	**6.8**	(7.3)	(4.9)
Call and put options on shares	**(24.7)**	(85.0)	(203.0)

The following table shows the maturity of the cash flow hedge derivatives for the reporting periods ended 31 December 2016, 2015 and 2014:

In EUR million	Total	Within the year	2 to 5 years	Over 5 years
Forwards, futures and currency swaps	**0.6**	3.2	(2.6)	-
Interest rate swaps (IRS)	**(0.5)**	-	(0.5)	-
Futures and commodities options	**6.8**	6.8	-	-
Total at 31 December 2016	**6.9**	**10.0**	**(3.1)**	**-**
Forwards, futures and currency swaps	**(5.9)**	(5.9)	-	-
Interest rate swaps (IRS)	**(0.2)**	-	(0.2)	-
Futures and commodities options	**(7.5)**	(7.5)	-	-
Total at 31 December 2015	**(13.6)**	**(13.4)**	**(0.2)**	**-**
Forwards, futures and currency swaps	**(7.1)**	(7.1)	-	-
Interest rate swaps (IRS)	**(0.1)**	(0.1)	-	-
Futures and commodities options	**(4.8)**	(4.8)	-	-
Total at 31 December 2014	**(12.0)**	**(12.0)**	**-**	**-**

24.2. Change in net financial position

In EUR million	2016	2015	2014
At 1 January – net derivatives position	**(86.5)**	(208.1)	(217.7)
Increase (decrease) recognised in profit or loss	**58.6**	124.1	21.6
Increase (decrease) recognised in shareholders' equity	**25.6**	(2.1)	(10.9)
Changes in group structure/Business combinations	**-**	(0.4)	-
Other	**-**	-	(1.1)
At 31 December – net derivatives position	**(2.3)**	**(86.5)**	**(208.1)**

24.3. Notional underlying amounts of derivative financial instruments

In EUR million	2016	2015	2014
Assets	**731.3**	**721.1**	**490.7**
Composed of:			
Forwards, futures and currency swaps	**559.5**	605.6	361.4
Interest rate swaps (IRS)	**133.6**	73.5	100.0
Futures and commodities options	**38.2**	42.0	29.3
Liabilities	**2,269.9**	**2,629.9**	**2,431.0**
Composed of:			
Forwards, futures and currency swaps	**823.5**	720.1	624.3
Interest rate swaps (IRS)	**133.6**	73.5	100.0
Futures and commodities options	**38.2**	42.0	29.3
Call and put options on shares	**1,274.6**	1,794.3	1,677.4

The item “Put and call options on shares” includes, among other things, the nominal value of bonds exchangeable and convertible into ENGIE and GBL shares respectively (see Note 16.2).

24.4. 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	**1,383.0**	1,383.0	-	-
Interest rate swaps (IRS)	**267.2**	263.2	4.0	-
Futures and commodities options	**76.4**	76.4	-	-
Call and put options on shares	**1,274.6**	824.6	450.0	-
Total at 31 December 2016	**3,001.2**	**2,547.2**	**454.0**	**-**
Forwards, futures and currency swaps	**1,325.7**	1,325.7	-	-
Interest rate swaps (IRS)	**147.0**	40.1	-	106.9
Futures and commodities options	**84.0**	84.0	-	-
Call and put options on shares	**1,794.3**	344.3	1,450.0	-
Total at 31 December 2015	**3,351.0**	**1,794.1**	**1,450.0**	**106.9**
Forwards, futures and currency swaps	**985.7**	985.7	-	-
Interest rate swaps (IRS)	**200.0**	78.2	25.4	96.4
Futures and commodities options	**58.6**	58.6	-	-
Call and put options on shares	**1,677.4**	227.4	1,450.0	-
Total at 31 December 2014	**2,921.7**	**1,349.9**	**1,475.4**	**96.4**

25. Stock options

GBL

In accordance with the provisions of the law dated 26 March 1999, which relates to the Belgian Employment Action Plan 1998 and includes various provisions, GBL has issued seven incentive plans (1999 and 2007 to 2012) based on GBL shares for its Executive Management and staff, as well as an incentive plan in 1999 based on Pargesa shares for the Executive Management only. The 1999 incentive plan expired on 30 June 2012. These plans are treated as equity-settled plans. The characteristics of the plans outstanding at 31 December 2016 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	01/01/2016	01/01/2015	01/01/2014	01/01/2013	01/01/2012	01/01/2011
Expiry date	26/04/2022	14/04/2021	15/04/2020	16/04/2019	9/04/2018 9/04/2023	24/05/2017 24/05/2022
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:

	2016		2015		2013	
	Number	Exercise price (in EUR)	Number	Exercise price (in EUR)	Number	Exercise price (in EUR)
At 1 January	**707,457**	**69.03**	**774,654**	**67.96**	**935,621**	**65.59**
Exercised by:						
Executive Management	**(80,288)**	**53.91**	(29,666)	51.95	(90,230)	51.95
Employees	**(75,222)**	**57.88**	(37,531)	60.55	(70,737)	57.05
At 31 December	**551,947**	**72.74**	**707,457**	**69.03**	**774,654**	**67.96**
2007 plan	**110,258**	**91.90**	110,258	91.90	110,258	91.90
2008 plan	**153,984**	**77.40**	153,984	77.40	153,984	77.40
2009 plan	**21,680**	**51.95**	34,973	51.95	78,098	51.95
2010 plan	**96,506**	**65.82**	118,455	65.82	128,278	65.82
2011 plan	**141,374**	**65.04**	172,844	65.04	187,093	65.04
2012 plan	**28,145**	**50.68**	116,943	50.68	116,943	50.68

On 3 May 2016, GBL issued an incentive plan concerning the shares of a sub-subsidiary of the group, FINPAR S.A. In total, 308,099 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 of EUR 10.00, corresponding with the value of the FINPAR S.A. share at the moment of the granting of the option. These options can be exercised not earlier than 3 May 2019 and not later than 2 May 2026. The options will be settled in cash or in shares.
This plan is treated as a cash-settled plan. The options were valued by using a Monte Carlo model. At 31 December 2016, the fair value of one option is EUR 4.95. A total liability of EUR 0 million was recorded on the item “Other non-current liabilities”.

On 5 May 2015, GBL issued an incentive plan relating to the shares of a group sub-subsidiary, URDAC S.A. A total of 257,206 options were granted to GBL’s employees and Executive Management. These options give beneficiaries the right to purchase a share for an exercise price of EUR 10.00, which is the value of the URDAC S.A. share when the options were granted. These options may be exercised or sold at the earliest as from 5 May 2018 and at the latest by 4 May 2025. These options will be settled in cash or shares. The plan is treated as a cash-settled plan. The options were valued using a Monte Carlo model. The fair value of an option was EUR 10.71 at 31 December 2016. A total liability of EUR 2 million has been recognised under the heading “Other non-current liabilities”.

On 29 April 2014, GBL issued an incentive plan relating to the shares of a group sub-subsidiary, LTI Two S.A. A total of 223,256 options were granted to GBL’s employees and Executive Management. These options give beneficiaries the right to purchase a share for an exercise price of EUR 10.00, which is the value of the LTI Two S.A. share when the options were granted. These options may be exercised or sold at the earliest as from 29 April 2017 and at the latest by 28 April 2024. These options will be settled in cash or shares. The plan is treated as a cash-settled plan. The options were valued using a Monte Carlo model. The fair value of an option was EUR 17.24 at 31 December 2016. A total liability of EUR 4 million has been recognised under the heading “Other non-current liabilities”.

On 29 April 2013, GBL issued an incentive plan relating to the shares of a group sub-subsidiary, LTI One S.A. A total of 254,000 options were granted to GBL’s employees and Executive Management. These options give beneficiaries the right to purchase a share for an exercise price of EUR 10.00, which is the value of the LTI One S.A. share when the options were granted. These options may be exercised or sold at the earliest as from 29 April 2016 and at the latest by 28 April 2023. These options will be settled in cash or shares. The plan is treated as a cash-settled plan. The options were valued using a Monte Carlo model. The fair value of an option was EUR 15.83 at 31 December 2016. A total liability of EUR 0 million has been recognised under the heading “Other non-current liabilities”. It corresponds to the fair value of the 7,200 options still in circulation at that date.

In 2016, the total cost for the group with respect to the stock option plans was recorded in operating expenses and amounted to EUR 2 million (EUR 4 million in 2015 and EUR 4 million in 2014), of which EUR 1 million for the Executive Management (EUR 2 million in 2015 and EUR 1 million in 2014).

At the end of 2016, 56% of the options were vested, but only 41% were exercisable.

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)
At 31 December 2013	3,090,546	53.01
Granted during the period	-	-
Cancelled during the period	(40,335)	54.27
Exercised during the period	(565,642)	48.40
At 31 December 2014	**2,484,569**	**54.04**
Exercisable at 31 December 2014	2,154,355	
At 31 December 2014	2,484,569	54.04
Granted during the period	-	-
Cancelled during the period	(66,305)	48.61
Exercised during the period	(958,592)	54.47
At 31 December 2015	**1,459,672**	**54.00**
Exercisable at 31 December 2015	1,459,672	
At 31 December 2015	1,459,672	54.00
Granted during the period	-	
Cancelled during the period	(298,668)	62.88
Exercised during the period	(295,383)	54.75
At 31 December 2016	**865,621**	**50.68**
Exercisable at 31 December 2016	865,621	

The number of options on Imerys shares is as follows:

			2016	**2015**	**2014**
Plan	**Maturity**	**Exercise price** (in EUR)	**Number**	**Number**	**Number**
05/2005	2015	53.58	**-**	-	247,474
05/2006	2016	63.53	**-**	275,746	449,561
11/2006	2016	62.31	**-**	41,701	43,543
05/2007	2017	65.61	**186,539**	276,564	395,922
04/2008	2018	54.19	**101,570**	132,834	260,025
08/2009	2019	34.54	**75,586**	84,536	112,786
04/2010	2020	46.06	**140,250**	169,950	305,050
11/2010	2020	44.19	**82,000**	82,000	82,000
04/2011	2021	53.05	**130,631**	180,248	257,994
04/2012	2022	43.62	**149,045**	216,093	330,214
Total			**865,621**	**1,459,672**	**2,484,569**

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 2016, Imerys granted 302,500 free performance bonus shares (330,250 in 2015). At 31 December 2016, 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 11 million (EUR 7 million in 2015 and EUR 10 million in 2014).

26. Earnings per share

26.1. Consolidated group profit (loss) for the year

In EUR million	2016	2015	2014
Basic	**(457.7)**	1,026.4	875.3
Diluted	**(468.7)**	1,048.9	879.1
of which impact of financial instruments with a diluting effect	**(11.0)**	22.5	3.8

26.2. Number of shares

In EUR million	2016	2015	2014
Issued shares at beginning of year	**161,358,287**	161,358,287	161,358,287
Treasury shares at beginning of year	**(6,079,926)**	(6,147,123)	(6,308,090)
Weighted changes during the period	**95,770**	32,762	89,048
Weighted average number of shares used to determine basic earnings per share	**155,374,131**	**155,243,926**	**155,139,245**
Impact of financial instruments with a diluting effect:			
Convertible/exchangeable bonds	**5,000,000**	5,000,000	5,000,000
Stock options (Note 25)	**441,689**	597,199	510,412
Weighted average number of shares used to determine diluted earnings per share	**160,815,820**	**160,841,125**	**160,649,657**

26.3. Summary of earnings per share

In EUR million	2016	2015	2014
Basic	**(2.95)**	**6.61**	**5.64**
Diluted	**(2.95)**	**6.52**	**5.47**

27. 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).

The tables below show a comparison of the carrying amount and the fair value of the financial instruments at 31 December 2016, 2015 and 2014 and the hierarchy of the fair value. 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
At 31 December 2016				
Financial assets				
Non-current assets				
Available-for-sale investments				
Listed companies	AFS	12,400.4	12,400.4	Level 1
Other companies	AFS	376.6	376.6	Level 3
Other non-current assets				
Derivative instruments	FVTPL	17.8	17.8	Level 2
Other financial assets	LaR	74.4	74.4	-
Current assets				
Trade receivables	LaR	685.1	685.1	-
Trading financial assets	FVTPL	1,023.5	1,023.5	Level 1
Cash and cash equivalents	LaR	1,086.1	1,086.1	-
Other current assets				
Derivative instruments - hedging	HeAc	14.9	14.9	Level 2
Other financial assets	LaR	100.6	100.6	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	17.3	17.3	Level 2
Other financial liabilities	OFL	2,366.2	2,480.7	Level 2
Other non-current liabilities				
Derivative instruments - hedging	HeAc	3.1	3.1	Level 2
Derivative instruments - other	FVTPL	11.8	11.8	Level 2
Current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	(2.2)	(2.2)	Level 2
Other financial liabilities	OFL	1,272.4	1,313.7	Level 2
Trade payables	OFL	483.3	483.3	
Other current liabilities				
Derivative instruments - hedging	HeAc	4.9	4.9	Level 2
Derivative instruments - other	FVTPL	15.2	15.2	Level 2
Other current liabilities	OFL	11.4	11.4	

In EUR million	Category according to IAS 39	Carrying amount	Fair value	Hierarchy of fair values
At 31 December 2015				
Financial assets				
Non-current assets				
Available-for-sale investments				
Listed companies	AFS	11,981.3	11,981.3	Level 1
Other companies	AFS	334.8	334.8	Level 3
Other non-current assets				
Derivative instruments	FVTPL	15.0	15.0	Level 2
Other financial assets	LaR	69.2	69.2	-
Current assets				
Trade receivables	LaR	644.4	644.4	-
Trading financial assets	FVTPL	658.2	658.2	Level 1
Cash and cash equivalents	LaR	898.0	898.0	-
Other current assets				
Derivative instruments	FVTPL	5.0	5.0	Level 2
Other financial assets	LaR	56.2	56.2	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	11.8	11.8	Level 2
Other financial liabilities	OFL	3,476.8	3,708.6	Level 2
Other non-current liabilities				
Other financial liabilities	OFL	8.5	8.5	Level 2
Derivative instruments - hedging	HeAc	0.2	0.2	Level 2
Derivative instruments - other	FVTPL	84.8	84.8	Level 2
Current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	(0.6)	(0.6)	Level 2
Other financial liabilities	OFL	477.1	477.1	Level 2
Trade payables	OFL	496.0	496.0	-
Other current liabilities				
Derivative instruments - hedging	HeAc	13.4	13.4	Level 2
Derivative instruments - other	FVTPL	8.1	8.1	Level 2
Other current liabilities	OFL	53.9	53.9	-

In EUR million	Category according to IAS 39	Carrying amount	Fair value	Hierarchy of fair values
At 31 December 2014				
Financial assets				
Non-current assets				
Available-for-sale investments				
Listed companies	AFS	8,567.2	8,567.2	Level 1
Other companies	AFS	98.5	98.5	Level 3
Other non-current assets				
Derivative instruments	FVTPL	11.7	11.7	Level 2
Other financial assets	LaR	73.9	73.9	-
Current assets				
Trade receivables	LaR	593.0	593.0	-
Trading financial assets	FVTPL	829.2	829.2	Level 1
Cash and cash equivalents	LaR	1,420.8	1,420.8	-
Other current assets				
Short-term investments	HTM	169.9	169.9	-
Derivative instruments	FVTPL	6.1	6.1	Level 2
Other financial assets	LaR	50.2	50.2	-
Financial liabilities				
Non-current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	8.3	8.3	Level 2
Other financial liabilities	OFL	3,363.6	3,699.0	Level 2
Other non-current liabilities				
Other financial liabilities	OFL	4.8	4.8	Level 2
Derivative instruments	FVTPL	179.0	179.0	Level 2
Current liabilities				
Financial liabilities				
Derivative instruments	FVTPL	3.6	3.6	Level 2
Other financial liabilities	OFL	203.8	218.5	Level 2
Trade payables	OFL	449.7	449.7	-
Other current liabilities				
Derivative instruments - hedging	HeAc	12.0	12.0	Level 2
Derivative instruments - other	FVTPL	34.9	34.9	Level 2
Other current liabilities	OFL	36.6	36.6	-

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 2016, 2015 and 2014.

28. 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	2016
Ownership percentage held by non-controlling interests	45.5%		
Voting rights held by non-controlling interests	30.2%		
Non-current assets	4,343.3		
Current assets	2,389.1		
Non-current liabilities	2,356.7		
Current liabilities	1,461.5		
Non-controlling interests (including those of the subsidiary)	52.7		
Equity (group's share)	2,861.5		
Non-controlling interests (including those of the subsidiary)	**1,354.9**	**152.3**	**1,507.2**
Turnover	4,165.2		
Net result of the period attributable to the shareholders of GBL (group's share)	159.6		
Net result of the period attributable to the non-controlling interests	**135.1**	**11.7**	**146.8**
Net result of the period (including non-controlling interests)	294.7		
Other comprehensive income attributable to the shareholders of GBL (group's share)	53.2		
Other comprehensive income attributable to the non-controlling interests	**47.8**	**0.8**	**48.6**
Total of other comprehensive income (including non-controlling interests)	101.0		
Total comprehensive income attributable to the shareholders of GBL (group's share)	212.8		
Total comprehensive income attributable to the non-controlling interests	**182.9**	**12.5**	**195.4**
Total comprehensive income (including non-controlling interests)	395.7		
Dividends paid to the non-controlling interests	62.6		
Net cash flows from operating activities	632.8		
Net cash flows from investing activities	(278.5)		
Net cash flows from financing activities	14.3		
Impact of exchange differences on funds held and impact of changes in scope of consolidation	25.9		
Increase/decrease of cash and cash equivalents	394.5		

In EUR million	**Imerys**	**Subsidiaries that are not individually material**	**2015**
Ownership percentage held by non-controlling interests	46.0%		
Voting rights held by non-controlling interests	30.2%		
Non-current assets	4,189.1		
Current assets	1,979.7		
Non-current liabilities	2,224.2		
Current liabilities	1,272.7		
Non-controlling interests (including those of the subsidiary)	27.8		
Equity (group's share)	2,644.1		
Non-controlling interests (including those of the subsidiary)	**1,243.8**	**54.1**	**1,297.9**
Turnover	4,086.7		
Net result of the period attributable to the shareholders of GBL (group's share)	36.9		
Net result of the period attributable to the non-controlling interests	**32.2**	**(2.7)**	**29.5**
Net result of the period (including non-controlling interests)	69.1		
Other comprehensive income attributable to the shareholders of GBL (group's share)	16.1		
Other comprehensive income attributable to the non-controlling interests	**13.9**	**3.0**	**16.9**
Total of other comprehensive income (including non-controlling interests)	30.0		
Total comprehensive income attributable to the shareholders of GBL (group's share)	53.0		
Total comprehensive income attributable to the non-controlling interests	**46.1**	**0.3**	**46.4**
Total comprehensive income (including non-controlling interests)	99.1		
Dividends paid to the non-controlling interests	61.0		
Net cash flows from operating activities	542.8		
Net cash flows from investing activities	(608.8)		
Net cash flows from financing activities	(152.8)		
Impact of exchange differences on funds held and impact of changes in scope of consolidation	(22.5)		
Increase/decrease of cash and cash equivalents	(241.3)		

In EUR million	Imerys	Subsidiaries that are not individually material	2014
Ownership percentage held by non-controlling interests	43.5%		
Voting rights held by non-controlling interests	28.1%		
Non-current assets	3,341.5		
Current assets	2,080.9		
Non-current liabilities	2,121.6		
Current liabilities	830.3		
Non-controlling interests (including those of the subsidiary)	26.1		
Equity (group's share)	2,444.4		
Non-controlling interests (including those of the subsidiary)	**1,086.9**	**24.6**	**1,111.5**
Turnover	3,688.2		
Net result of the period attributable to the shareholders of GBL (group's share)	153.7		
Net result of the period attributable to the non-controlling interests	**119.6**	**(1.8)**	**117.8**
Net result of the period (including non-controlling interests)	273.3		
Other comprehensive income attributable to the shareholders of GBL (group's share)	47.8		
Other comprehensive income attributable to the non-controlling interests	**38.7**	**2.2**	**40.9**
Total of other comprehensive income (including non-controlling interests)	86.5		
Total comprehensive income attributable to the shareholders of GBL (group's share)	201.5		
Total comprehensive income attributable to the non-controlling interests	**158.3**	**0.4**	**158.7**
Total comprehensive income (including non-controlling interests)	359.8		
Dividends paid to the non-controlling interests	56.6		
Net cash flows from operating activities	441.2		
Net cash flows from investing activities	(232.9)		
Net cash flows from financing activities	91.9		
Impact of exchange differences on funds held and impact of changes in scope of consolidation	10.3		
Increase/decrease of cash and cash equivalents	310.5		

29. 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 601 million at 31 December 2016 (EUR 413 million at end 2015 and EUR 520 million at end 2014).

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 27 January 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 252 million at 31 December 2016, of which EUR 59 million for 2017, EUR 103 million for the 2018-2021 period and EUR 90 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 32 million (EUR 34 million in 2015 and EUR 32 million in 2014);
- 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 326 million compared with EUR 230 million in 2015 and EUR 308 million in 2014);
- 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 57 million compared with EUR 42 million in 2015 and EUR 49 million in 2014); and
- other obligations (EUR 40 million compared with EUR 44 million in 2015 and EUR 23 million in 2014).

Commitments received totalled EUR 216 million at 31 December 2016 (EUR 170 million at 31 December 2015 and EUR 90 million at 31 December 2014).

30. Transactions with related parties

At 31 December 2016, 2015 et 2014, no transaction with Pargesa were recognised on the balance sheet. Remunerations paid to the Directors are shown in the table below:

In EUR million	2016	2015	2014
Fixed remuneration	**4.1**	5.0	6.9
Variable remuneration	**0.8**	1.6	-
Benefits after employment	**1.5**	0.6	0.8
Stock options' cost	**1.0**	1.7	1.3
Insurance	**0.1**	0.1	0.3
Total	**7.5**	**9.0**	**9.3**

31. Events after the reporting period

In February 2017, ECP III signed an agreement concerning the sale of its majority stake in Golden Goose, an Italian designer of shoes, clothes and contemporary accessories. This transaction, which was closed in the beginning of March 2017, generated a consolidated capital gain on disposals of approximately EUR 110 million (GBL's share).

On 7 February 2017, GBL redeemed in cash the balance of the bonds exchangeable into ENGIE shares, i.e. an amount of EUR 306 million. In 2017, GBL sold its residual ENGIE stake, accounted for under "Assets available for sale" (11.9 million shares for a total amount of EUR 145 million or 0.5% of the equity), generating a consolidated capital gain of EUR 1 million. The residual stake of GBL in ENGIE amounts currently to 0.1% of the capital.

Burberry Group Plc ("Burberry") announced on 28 February 2017 that GBL had crossed more than 3% of the voting rights of the company. The investment in Burberry fits with GBL's portfolio diversification strategy. At 31 December 2016, GBL held 2.95% of the capital of this company, representing a market value of EUR 230 million. Listed on the London Stock Exchange, Burberry has a market capitalization of around EUR 9 billion as at 28 february 2017. Burberry is a British luxury brand name which designs, manufactures and distributes high-end clothes and accessories. The products are sold globally through a network of directly-operated retail stores, online (www.Burberry.com), as well as through third-party retailers. Burberry has almost 11,000 employees and recorded a turnover of approximately GBP 2.5 billion for 2015-2016 financial year.

On 21 February 2017, GBL announced that it held 10.60% of the voting rights of Pernod Ricard (7.49% of the capital). This passive threshold of 10% crossing results from the allocation of double voting rights.

In February 2017, Sagard 3 announced the acquisition of a stake in the company Ipackchem, one of the global leaders in "barrier" packaging, whose products are mainly aimed at the transport and the storage of aromas, perfumes and agro-chemical products for which permeability, contamination and evaporation constraints are critical.

32. Statutory Auditor's fees

GBL's consolidated and statutory financial statements for the last three 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:

In EUR	2016	2015	2014
Audit assignment	**3,471,375**	3,506,735	3,460,693
of which GBL	***75,000***	*75,000*	*75,000*
Other attest assignments	**52,900**	229,900	123,500
Other assignments not related to the audit assignment	**1,619,740**	489,107	454,615
Total	**5,144,015**	**4,225,742**	**4,038,808**
Of which: Holding	348,980	287,757	197,595
Imerys	4,487,000	3,500,000	3,300,000
Sienna Capital	308,035	437,985	541,213

Statutory Auditor's report

Deloitte.

Statutory auditor's report to the shareholders' meeting of Groupe Bruxelles Lamberts SA/NV on the consolidated financial statements for the year ended 31 December 2016

As required by law, we report to you in the context of our appointment as the company's statutory auditor. This report includes our report on the consolidated financial statements together with our report on other legal and regulatory requirements. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

Report on the consolidated financial statements – Unqualified opinion

We have audited the consolidated financial statements of Groupe Bruxelles Lambert SA/NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. The consolidated balance sheet shows total assets of 21 872.8 million EUR and the consolidated income statement shows a consolidated loss (group share) for the year then ended of 457.7 million EUR.

Board of directors' responsibility for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of 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.

Statutory auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA) as adopted in Belgium. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the group's preparation and fair presentation of consolidated financial statements 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 group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements. We have obtained from the group's officials and the board of directors the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte Bedrijfsrevisoren / Reviseurs d'Entreprises
Burgerlijke vennootschap onder de vorm van een coöperatieve vennootschap met beperkte aansprakelijkheid /
Société civile sous forme d'une société coopérative à responsabilité limitée
Registered Office: Gateway building, Luchthaven Nationaal 1 J, B-1930 Zaventem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited

Unqualified opinion

In our opinion, the consolidated financial statements of Groupe Bruxelles Lambert SA give a true and fair view of the group's net equity and financial position as of 31 December 2016, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements.

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the consolidated financial statements:

- The directors' report on the consolidated financial statements includes the information required by law, is consistent with the consolidated financial statements and is free from material inconsistencies with the information that we became aware of during the performance of our mandate.

Zaventem, 17 March 2017

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Corine Magnin

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 181-182.

The Statutory Auditor's report on the annual accounts was unqualified.

Condensed statutory balance sheet at 31 December (after appropriation)

Assets

In EUR million	2016	2015	2014
Fixed assets	**14,422.7**	**15,287.4**	**15,464.0**
Start-up costs	**0.1**	0.2	0.4
Tangible assets	**1.8**	1.9	2.1
Financial assets	**14,420.8**	15,285.3	15,461.5
Current assets	**45.4**	**803.4**	**774.1**
Amounts receivable after more than one year	**-**	-	-
Amounts receivable within one year	**14.8**	516.6	235.6
Short-term investments	**20.2**	225.6	396.5
Cash at the bank and in hand	**9.4**	59.4	140.3
Deferred charges and accrued income	**1.0**	1.8	1.7
Total assets	**14,468.1**	**16,090.8**	**16,238.1**

Liabilities

In EUR million	2016	2015	2014
Capital and reserves	**11,366.1**	**10,853.9**	**11,878.2**
Capital	**653.1**	653.1	653.1
Share premium account	**3,519.6**	3,519.6	3,519.6
Reserves	**318.8**	318.8	318.8
Profit carried forward	**6,874.6**	6,362.4	7,386.7
Provisions and deferred taxation	**12.8**	**9.5**	**22.2**
Provisions for liabilities and charges	**12.8**	9.5	22.2
Creditors	**3,089.2**	**5,227.4**	**4,337.7**
Amounts payable after more than one year	**-**	350.0	550.0
Amounts payable within one year	**3,072.3**	4,861.9	3,777.8
Accrued charges and deferred income	**16.9**	15.5	9.9
Total liabilities	**14,468.1**	**16,090.8**	**16,238.1**

Income statement at 31 December

In EUR million	2016	2015	2014
Sales and services	**2.5**	**2.4**	**2.7**
Turnover	**1.7**	1.1	1.7
Other operating income	**0.8**	1.3	1.0
Operating charges	**20.7**	**23.9**	**33.0**
Miscellaneous goods and services	**14.3**	15.2	14.0
Remuneration, social security and pensions	**8.1**	9.7	6.8
Depreciation and amounts written off on start-up costs, intangible and tangible assets	**0.4**	0.6	2.9
Amounts written off inventories, contracts in progress and trade debtors	**-**	-	-
Provisions for liabilities and charges	**(2.7)**	(1.7)	9.1
Other operating expenses	**0.6**	0.1	0.2
Loss of operating activities	**(18.2)**	**(21.5)**	**(30.3)**
Financial income	**1,054.2**	**600.2**	**822.5**
Recurring financial income	**206.7**	242.6	226.6
Income from financial assets	**177.0**	217.8	199.5
Income from current assets	**4.0**	3.2	6.3
Other financial income	**25.7**	21.6	20.8
Non-recurring financial income	**847.5**	357.6	595.9
Financial expenses	**51.0**	**1,141.6**	**55.4**
Recurring financial expenses	**50.3**	30.8	39.2
Debt expenses	**35.2**	21.5	33.4
Amount written off current assets	**2.8**	0.4	(0.6)
Other financial expenses	**12.3**	8.9	6.4
Non-recurring financial expenses	**0.7**	1,110.8	16.2
Profit (loss) for the year before income taxes	**985.0**	**(562.9)**	**736.8**
Income taxes on result	**-**	**-**	**-**
Taxes	**-**	**-**	(0.2)
Adjustment of taxes and release of tax provisions	**-**	**-**	-
Profit for the year	**985.0**	**(562.9)**	**736.6**

GBL

Dividend policy

The profit appropriation policy proposed by the Board of Directors aims at maintaining a balance between an attractive cash 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 6,362,364,637.84 and the profit for the year of EUR 985,030,292.85, the amount available for appropriation is EUR 7,347,394,930.69. The Board of Directors will propose the following appropriation to the General Meeting on 25 April 2017:

In EUR	
Dividend on 161,358,287 shares	472,779,780.91
To be carried forward	6,874,615,149.78

Appropriation of profit by Groupe Bruxelles Lambert (non-consolidated accounts)

In EUR million	2016	2015	2014
Profit available for appropriation	**7,347.4**	6,823.8	7,836.9
Profit (loss) for the year available for appropriation	**985.0**	(562.9)	736.6
Profit carried forward from the previous year	**6,362.4**	7,386.7	7,100.3
Profit to be carried forward	**6,874.6**	6,362.4	7,386.7
Profit to be carried forward	**6,874.6**	6,362.4	7,386.7
Profit to be distributed	**472.8**	461.5	450.2
Dividends	**472.8**	461.5	450.2

Dividend per share

In EUR	2016		2015		2014	
	Gross	**Net (1)**	**Gross**	**Net (2)**	**Gross**	**Net (3)**
Share	**2.93**	**2.051**	2.86	2.0878	2.79	2.0925

(1) Dividend excluding a 30% withholding tax
(2) Dividend excluding a 27% withholding tax
(3) Dividend excluding a 25% withholding tax

Historical data

Summary of GBL's investment history since 2014

2016

Sale of Total shares

During the first quarter of 2016, GBL sold an additional fraction of Total shares representing 1.1% of the group's capital (27.5 million shares for a gross amount of EUR 1.1 billion) and generating a consolidated capital gain of EUR 428 million. These disposals were carried out, on the one hand, through sales in the market (10.4 million shares) and, on the other hand, through a private placement by way of an accelerated bookbuilding reserved for institutional investors (17.1 million shares). During the fourth quarter of 2016, GBL disposed, at the maturity of the forward sales, of 16.0 million shares (or 0.7% of the capital) for a net amount of EUR 666 million, which generated a consolidated capital gain of EUR 304 million.

Buy-back of exchangeable bonds into ENGIE shares and disposal of ENGIE shares

Throughout 2016, GBL repurchased 6,910 bonds exchangeable into ENGIE shares for a nominal value of EUR 691 million. During the fourth quarter of 2016, GBL disposed, at the maturity of the forward sales, of 42.7 million ENGIE shares for a net amount of EUR 572 million, generating a consolidated capital loss of EUR 11 million. Forward sales concerning 4.5 million shares were also concluded during this period for a net amount of EUR 55 million. These have generated at their maturity, in January 2017, a nil result.

Further purchase of adidas shares

GBL pursued increasing its stake in adidas. At 31 December 2016, GBL held 7.5% of this company (4.7% at end of December 2015), for a market value of EUR 2.4 billion. The General Shareholders' Meeting of 12 May 2016 approved the entrance of Ian Gallienne in the Supervisory Board of the company. Given the size of this investment and the presence of GBL on the Supervisory Board, adidas is considered a Strategic Investment since 30 June 2016.

Further purchase of Umicore shares

GBL slightly increased its stake in Umicore and held 17.0% of the company's capital at 31 December 2016 (16.6% at end of December 2015), for a market value of EUR 1.0 billion. On 26 April 2016, the General Shareholders' Meeting of Umicore appointed Colin Hall as a Director, conferring to GBL a second representative on the company's Board of Directors. Given the size of this investment and the representation of GBL on the Board of Directors, Umicore is considered a Strategic Investment since 30 September 2016.

Further purchase of SGS shares

GBL increased its stake in SGS. At 31 December 2016, GBL held 16.2% of this company (15.0% at end of December 2015), for a market value of EUR 2.4 billion.

Crossing the 15% threshold in the capital of Ontex

GBL notified Ontex that, on 19 May 2016, it had crossed the statutory threshold of 15% in the capital of the company.

At 31 December 2016, GBL held 19.98% of the capital (7.6% at 31 December 2015), representing a market value of EUR 423 million.

Investment in Burberry

At 31 December 2016, GBL held 2.95 % of the capital of Burberry, representing a market value of EUR 230 million.

Contemplated acquisition of Kerneos by Imerys

On 11 December 2016, Imerys announced the contemplated acquisition of Kerneos, global leader in calcium aluminate based high performance binders, from Astorg for a total amount estimated in enterprise value of EUR 880 million. This transaction, entirely financed by available resources of Imerys, remains subject to consultation of staff representation bodies as well as to approval by regulatory authorities concerned.

Acquisitions, sales and fund-raising by Ergon Capital Partners

In March 2016, Ergon Capital Partners III (ECP III) acquired an indirect majority stake in the company Financière Looping Holding S.A.S. (Looping). With turnover of around EUR 60 million, Looping is a European leader on the amusement park market. ECP III also reached agreements during the second quarter of 2016 related to the sale of De Boeck Education S.A., De Boeck Digital S.A. and Larcier Holding S.A., generating a capital gain of EUR 51 million (GBL share). In addition, in July 2016, ECP III raised EUR 150 million, increasing the size of the fund to EUR 500 million. This fund raising was subscribed by Sienna Capital for EUR 100 million, as well as by other leading European institutional investors. Finally, in December 2016, ECP III acquired an indirect majority stake in the company Deutsche Intensivpflege Holding GmbH (DIH), one of the main providers in outpatient intensive care services in Germany.

Various transactions for Sagard

In March 2016, a group of investors led by Sagard announced that they had signed an agreement with Denis Dumont, founder of and majority shareholder in Grand Frais, to acquire a minority stake in Prosol, the parent company of the group. Grand Frais is a French chain of stores specialised in the sale of fresh products. Sagard and Equistone also committed to sell FläktWoods to Triton. This transaction, finalised in October 2016, generated a consolidated capital gain of EUR 12 million (GBL share). Finally, during the fourth quarter of 2016, Sagard 3 raised EUR 404 million in additional capital, subscribed by Sienna Capital for EUR 17 million, as well as by nine other European institutional investors.

A new fund for Kartesia

At 31 December 2016, through its fund KCO I renamed KCO III, Kartesia invested EUR 468 million in primary and secondary transactions. In addition, Kartesia launched a new investment fund (KCO IV), in which Sienna Capital committed an amount of EUR 150 million.

Acquisitions by Mérieux Développement

In June 2016, Mérieux Développement via Mérieux Participations II (MP II) acquired a minority stake for EUR 22 million in Novacap, an international player in the chemical field. MP II also acquired, in November 2016, a minority stake for a total amount of EUR 15 million in Le Noble Age (LNA), active in the healthcare sector.

Six new investments for PrimeStone

In 2016, PrimeStone completed six new investments. Among others, it invested in (i) Volution, a supplier of ventilation systems, and (ii) Johnson Services Group, a provider of textile-related services to corporates and consumers in the United Kingdom.

Acquisitions by BDT Capital Partners

In March 2016, in partnership with the majority shareholder JAB Holding Co, BDT Capital Partners finalised the acquisition of Keurig Green Mountain via its Fund II. With a panel of more than 80 brands and 575 specialty beverages, Keurig is a group specialised in coffee and personalised beverage systems. In October 2016, BDT Capital Partners II acquired a majority stake in Lou Maluti's Pizzeria, a famous Chicago-style pizza brand. In December 2016, BDT Capital Partners II invested in Athletico Physical Therapy, one of the main providers of orthopaedic rehabilitation services in the US.

2015

Sale of Total shares

Sale of 12.1 million Total shares for EUR 556 million during 2015, generating a consolidated capital gain of EUR 282 million.

At 31 December 2015, GBL retains a 2.4% stake in Total, which remains one of the group's first assets with a market value of c. EUR 2.5 billion.

Commitment of EUR 113 million to BDT by Sienna Capital

In December 2015, commitment of EUR 113 million by Sienna Capital into BDT Capital Partners II (EUR 18 million paid in 2015), a private equity fund currently managing approximately USD 6 billion.

Investment in adidas

As part of its portfolio diversification strategy, and more specifically through the development of its "Incubator"-type investments, announcement on 24 July that GBL had crossed the statutory threshold of 3% in the share capital of adidas, a global group specialised in the design and distribution of sports equipment. At 31 December 2015, GBL held 4.7% of the capital of this company, representing a market value of EUR 890 million.

Strengthening of the position in Umicore

Increase in the stake in Umicore, with GBL holding 16.6% of the capital at 31 December 2015 (12.4% at the end of December 2014), representing a market value of EUR 720 million.

EUR 386 million invested by Kartesia

EUR 386 million invested at 31 December 2015 (corresponding to 76% of the total commitments since inception), in primary and secondary transactions.

Investment in Ontex

Acquisition of a 7.6% stake in the capital of the Belgian listed company Ontex, a major player in the disposable personal hygiene products market. At 31 December 2015, this represented a value of EUR 181 million.

Maturity of the exchangeable bonds in Suez shares

Maturity of the bonds exchangeable into Suez shares in September 2015. During the first nine months of 2015, GBL delivered 5.1 million Suez shares in exchange for bonds with a nominal value of EUR 59 million. These conversions generated a net gain of EUR 24 million in GBL's consolidated net result in 2015, which corresponds to an economic capital gain of EUR 8 million realised upon delivery of these shares, the balance mainly representing the reversal of the negative mark to market previously recorded in the financial statements (EUR 16 million).

Acquisitions and sale by Sagard 3

New acquisitions by Sagard 3 during 2015 : Safic-Alcan, Délices des 7 Vallées and Alvest. This fund also successfully completed the disposal of the Santiane group in September 2015, generating a capital gain of EUR 7 million (GBL share).

Sale of Cérélia by Sagard II

In July 2015, sale of Sagard II's stake in Cérélia, generating a capital gain of EUR 14 million (GBL share).

Successful merger between Lafarge and Holcim

Launch on 1 June 2015 by Holcim of its public exchange offer for all Lafarge shares. At the end of the reopening period, 96.4% of Lafarge shares were tendered. A squeeze-out procedure was therefore initiated and was closed on 23 October 2015. Otherwise, the new LafargeHolcim entity issued a scrip dividend in September 2015, in the proportion of one new LafargeHolcim share for each 20 existing shares, without any impact on GBL's income statement, in accordance with IFRS. At 31 December 2015, GBL held 9.4% of the new entity and this stake has been accounted as an asset available for sale since 10 July 2015.

Acquisition of Golden Goose by Ergon Capital Partners III

On 19 May 2015, acquisition by Ergon Capital Partners III of a majority stake in Golden Goose, an Italian designer of contemporary footwear, clothing and accessories.

Acquisition of S&B by Imerys

Completion of the acquisition by Imerys of the Greek group S&B on 26 February 2015. The purchase price was set at EUR 624 million for all the shares, including a performance amount of EUR 21 million. Through this acquisition, partly paid in Imerys shares, the founding shareholder of S&B, the Kyriacopoulos family, holds a stake of around 4.7% in Imerys' capital. GBL's shareholding was slightly diluted, to 53.9% at the end of 2015 (from 56.5% at 31 December 2014).

Investment of EUR 150 million in PrimeStone by Sienna Capital

In February 2015, EUR 150 million investment by Sienna Capital in PrimeStone, a new fund whose strategy consists in taking medium- to long-term positions in European mid-cap listed companies.

Sale by Ergon Capital Partners II of its shareholding in Joris Ide

During the first quarter of 2015, sale by Ergon Capital Partners II of its majority stake in Joris Ide, leading manufacturer of insulated panels and steel profiles. This transaction generated consolidated net profit of EUR 14 million (attributable to GBL) in 2015. As a reminder, this participation accounted for under the equity method had already generated a EUR 14 million profit (attributable to GBL) in the past. This sale enabled the distribution of a EUR 16 million dividend (GBL share) during the last quarter in 2015.

2014

Sale of a 0.6% interest in Total

In 2014, disposal of an additional fraction of 14.0 million Total shares (representing 0.6% of the share capital) for EUR 650 million. The consolidated ca pital gain from these disposals amounted to EUR 335 million.

Following this transaction, GBL retains a 3.0% stake in Total, which remains one of the group's largest assets, with a market value of EUR 3.1 billion.

Further purchases of Umicore shares

Further purchases of Umicore shares as part of the development of the Incubator investments. GBL held 12.4% of the company's share capital at 31 December 2014 (5.6% at the end of December 2013), for a total investment of EUR 464 million.

Partial conversion of exchangeable bonds into Suez Environnement shares

In 2014, requests for early conversion of exchangeable bonds into Suez Environnement shares maturing in September 2015. Following these notifications, GBL delivered 29.9 million Suez Environnement shares, mostly before the ex-dividend date, for a nominal value of EUR 342 million, reducing GBL's stake from 7.2% at year-end 2013 to 1.1% (1) at 31 December 2014. These conversions generated a net gain of EUR 141 million in GBL's 2014 consolidated net income, which corresponds to EUR 47 million for economic capital gain realised upon delivery of Suez Environnement shares, the balance representing primarily the reversal of the negative mark to market previously recorded in the financial statements (EUR 104 million).

(1) Of wich 0.2% trading securities

Combination between Imerys and S&B

On 5 November 2014, announcement by Imerys of a combination with the Greek group S&B with a view to acquire its main activities in industrial minerals, notably in the bentonite field. In 2014, S&B's activities (excluding the bauxite activity not taken in the transaction perimeter), located in 22 countries, generated a turnover of EUR 412 million. The transaction was completed on 26 February 2015.

The purchase price was determined on the basis of an equity value of EUR 525 million for 100% of the shares, increased by a performance amount not exceeding EUR 33 million. Through this acquisition, partially paid in Imerys shares, S&B's founding shareholder, the Kyriacopoulos family, holds a 4.7% stake in Imerys capital.

GBL's shareholding is slightly diluted to 53.8% (56.5% at 31 December 2014). A shareholders' agreement has been entered into by the Kyriacopoulos family and GBL with no intent to act in concert. Under this agreement, the nomination of Ulysses Kyriacopoulos to Imerys' Board of Directors will be proposed at the next General Meeting.

Sale of shareholdings in Corialis and Zellbios

Completion by Ergon Capital Partners II ("ECP II") and Sagard II on 30 October 2014 of the sale of their shareholding in Corialis, a leading European manufacturer of extruded, coated and insulated aluminium profiles for doors, windows and verandas. The transaction generated consolidated net profit of EUR 41 million (attributable to GBL) in 2014. This profit is in addition to the capital gain generated by ECP II during the first quarter of 2014 from the sale of Zellbios, a leading producer of active pharmaceutical ingredients (EUR 25 million, GBL's share).

Continued development of the Financial Pillar: Mérieux Développement, Kartesia, Visionnaire and Sausalitos

In the fourth quarter of 2014, commitment by Sienna Capital of EUR 75 million to Mérieux Développement's investment companies, vehicles specialised in growth and venture capital investments in the healthcare sector.

In accordance with its investment strategy, Kartesia invested more than EUR 100 million at 31 December 2014, in more than ten secondary and/or primary transactions. In this context and since the fund inception, Sienna Capital has contributed to Kartesia's calls for capital for an amount of EUR 53 million. Besides, as of today, the fund has reached the size of EUR 489 million, compared to EUR 227 million after its first round of fund raising, closed in September 2013 (EUR 150 million of which was financed by Sienna Capital).

Ergon Capital Partners III ("ECP III") acquired a majority shareholding in Visionnaire, an Italian leading supplier of luxury home furnishing solutions (www.ipe.it) on 16 April 2014, as well as in Sausalitos, a chain of restaurants in Germany based on an original concept and experiencing high growth (www.sausalitos.de), the purchase of which was completed in mid-July 2014.

Merger of Holcim and Lafarge

On 7 April 2014, announcement by Holcim and Lafarge of their intention to combine their companies through a merger between equals, unanimously approved by their respective Boards of Directors. As Lafarge's largest shareholder, GBL, with a 21.1% shareholding, supports this merger and has committed to contribute all its Lafarge shares to the public exchange offer, which will be initiated by Holcim after the regulatory authorisations have been received. GBL would hold a shareholding of around 10% in the new entity. The financial and accounting impacts resulting from this transaction will be determined as it progresses. It should be noted that, at 31 December 2014, GBL recognised no impact related to the change in the accounting treatment of its investment in Lafarge.

Total sale of the stake in Iberdrola

At the start of 2014, sale of the residual stake (0.1% of the share capital) in Iberdrola for EUR 21 million, generating a capital gain of EUR 3 million.

Consolidated figures IFRS over 10 years

In EUR million	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Balance sheet										
Non-current assets	**17,945.3**	17,124.1	15,707.4	15,730.9	14,488.0	15,778.2	14,723.1	14,694.7	12,894.7	17,519.3
Current assets	**3,927.5**	3,281.5	3,977.4	3,226.8	2,933.8	2,361.2	818.7	632.2	1,141.1	1,863.2
Total assets	**21,872.8**	**20,405.6**	**19,684.8**	**18,957.7**	**17,421.8**	**18,139.4**	**15,541.8**	**15,326.9**	**14,035.8**	**19,382.5**
Shareholders' equity – Group's share	**14,867.0**	13,245.6	13,172.7	12,665.2	12,391.1	12,658.3	14,740.6	14,828.8	13,417.2	18,868.6
Non-controlling interests	**1,507.2**	1,297.9	1,111.5	1,025.6	1,000.6	972.3	9.5	-	-	-
Non-current liabilities	**3,226.5**	4,379.6	4,236.9	4,266.9	2,996.7	3,076.6	685.0	428.4	425.3	422.3
Current liabilities	**2,272.1**	1,482.5	1,163.7	1,000.0	1,033.4	1,432.2	106.7	69.7	193.3	91.6
Total liabilities and shareholders' equity	**21,872.8**	**20,405.6**	**19,684.8**	**18,957.7**	**17,421.8**	**18,139.4**	**15,541.8**	**15,326.9**	**14,035.8**	**19,382.5**
Income statement										
Net earnings from associated companies	**24.2**	(82.8)	72.5	135.8	69.5	135.9	262.2	161.1	324.9	90.3
Net dividends on investments	**338.4**	323.5	316.5	368.0	436.4	500.3	450.7	550.3	479.8	446.0
Other operating income and expenses related to investing activities	**(48.2)**	(52.4)	(37.2)	(37.7)	(27.9)	(34.4)	(27.9)	(24.3)	(20.3)	(23.9)
Earnings on disposals. impairments and reversals of non-current assets	**(1,023.9)**	749.8	495.8	192.2	(323.9)	(604.8)	(18.8)	391.3	(1,436.4)	214.7
Financial income and expenses from investing activities	**37.5**	52.4	(123.6)	(169.5)	(46.6)	(43.8)	(24.4)	(21.8)	(36.5)	38.0
Result arising from investing activities	**(672.0)**	**990.5**	**724.0**	**488.8**	**107.5**	**(46.8)**	**641.8**	**1,056.6**	**(688.5)**	**765.1**
Turnover	**4,531.7**	4,392.4	3,918.8	3,904.5	4,077.8	2,951.0	-	-	-	-
Raw materials and consumables	**(1,434.2)**	(1,416.1)	(1,283.6)	(1,355.7)	(1,463.2)	(1,039.3)	-	-	-	-
Personnel costs	**(982.2)**	(948.9)	(806.2)	(807.1)	(839.3)	(573.6)	-	-	-	-
Depreciation on intangible and tangible assets	**(261.8)**	(256.0)	(233.2)	(229.6)	(236.4)	(167.7)	-	-	-	-
Other operating income and expenses related to operating activities	**(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 related to operating activities	**30.7**	(268.9)	11.9	-	-	-	-	-	-	-
Financial income and expenses of the operating activities	**(73.9)**	(69.2)	(51.0)	(60.0)	(78.0)	(54.7)	-	-	-	-
Result arising from consolidated operating activities	**510.8**	**130.8**	**390.4**	**340.8**	**387.0**	**302.0**	**(4.3)**	**-**	**-**	**-**
Income taxes on result	**(149.7)**	(65.4)	(121.3)	(104.9)	(119.0)	(88.5)	0.9	1.1	1.0	13.8
Non-controlling interests	**(146.8)**	(29.5)	(117.8)	(104.1)	(119.9)	(90.6)	2.4	-	-	-
Consolidated result of the period – Group's share	**(457.7)**	**1,026.4**	**875.3**	**620.6**	**255.6**	**71.1**	**640.8**	**1,057.7**	**(687.5)**	**778.9**
Gross dividend (in EUR)	**2.93**	2.86	2.79	2.72	2.65	2.60	2.54	2.42	2.30	2.09
Coupon number for dividend	**19**	18	17	16	15	14	13	12	11	10
Adjusted net assets per share (in EUR)	**105.31**	94.13	94.58	92.45	82.10	71.65	88.77	94.40	79.39	122.37
Share price (in EUR)	**79.72**	78.83	70.75	66.73	60.14	51.51	62.93	66.05	56.86	87.87
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	**5,924,416**	6,079,926	6,147,123	6,308,090	6,134,514	6,099,444	6,099,444	6,054,739	5,576,651	5,261,451

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 6 June 2010, and which may be consulted at http://www.corporategovernancecommittee.be.

GBL has gradually increased the number of women on its Board and its Committees and should achieve the one-third quota after the 2017 General Shareholders' Meeting according to the law of 28 July 2011 aimed at guaranteeing the presence of women on the Board of Directors of listed companies. Indeed, if the General Shareholders' Meeting of 25 April 2017 approves the appointment of Laurence Danon Arnaud, the Board will include six female Directors out of a total of eighteen members and will, furthermore, have five independent Directors.

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 Company's 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. It was last amended on 29 July 2016 mainly to adapt it to the new regulations on statutory audit and on market abuse as well as to the decisions taken in 2016 by the Board of Directors and the General Shareholders' Meeting regarding the remuneration policy. The document thus amended is available on the Company's website (www.gbl.be).

This chapter 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 31 December 2016 and the period between this financial year and the Board of Directors' meeting on 17 March 2017. 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. Lastly, it summarises the broad outlines of GBL's Corporate Social Responsibility strategy and their application to the Company's operation.

1. Board of Directors

1.1. Composition at 31 December 2016

	Current term of office
Chairman of the Board of Directors	
Gérald Frère	2015-2019
Vice-Chairmen, Directors	
Paul Desmarais, Jr.	2015-2019
Thierry de Rudder	2016-2020
Co-CEOs	
Ian Gallienne	2016-2020
Gérard Lamarche	2015-2019
Directors	
Victor Delloye	2013-2017
Paul Desmarais III	2014-2018
Cédric Frère	2015-2019
Ségolène Gallienne	2015-2019
Count Maurice Lippens	2013-2017
Michel Plessis-Bélair	2013-2017
Gilles Samyn	2015-2019
Amaury de Seze	2013-2017
Arnaud Vial	2013-2017
Independent Directors	
Countess Antoinette d'Aspremont Lynden	2015-2019
Christine Morin-Postel	2013-2017
Marie Polet	2015-2019
Martine Verluyten	2013-2017
General Secretary and Compliance Officer	
Ann Opsomer	
Honorary Chairman	
Baron Frère	
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 the Ordinary General Shareholders' Meeting of 26 April 2016

Board of Directors of GBL

18 members

5 women

13 men

4 Independent Directors

Participation in Board Committees and/or in the Executive Management
Member of the Standing Committee
Member of the Standing Committee
Chairman of the Standing Committee
Member of the Standing Committee Member of the Executive Management
Member of the Standing Committee Member of the Executive Management
Member of the Standing Committee
Member of the Standing Committee
Member of the Standing Committee
Member of the Standing Committee [1]
Chairman of the Nomination and Remuneration Committee
Member of the Standing Committee
Member of the Standing Committee and the Audit Committee
Member of the Standing Committee
Member of the Standing Committee and the Audit Committee
Chairwoman of the Audit Committee
Member of the Nomination and Remuneration Committee
Member of the Audit Committee [1] and the Nomination and Remuneration Committee
Member of the Audit Committee

1.1.1. Composition of the Board of Directors

The composition of GBL's Board of Directors reflects the Company's controlling shareholder structure. GBL 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, 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 18 December 2012 and will expire in 2029 if not renewed.

At 31 December 2016, out of a total of eighteen members, GBL's Board includes ten representatives proposed 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 could dominate the decision-making.

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) at 31 December 2016.

Concerned by the proper application of corporate governance provisions and respect of the interests of all of the Company's shareholders, the Board of Directors ensures the presence and contribution of a sufficient number and level of independent Directors.

In addition, GBL is continuing its efforts to promote diversity on the Board of Directors. In this context, the 2017 General Shareholders' Meeting will be asked to renew the term of office of Christine Morin-Postel and Martine Verluyten as independent Directors. The Shareholders' Meeting will also be asked to decide on the appointment of Laurence Danon Arnaud as independent Director. Based on these proposals, the number of women on the Board will increase to six, five of which will be independent Directors.

1.1.2. Appointments proposed to the 2017 Ordinary General Shareholders' Meeting

The terms of office of Victor Delloye, Maurice Lippens, Michel Plessis-Bélair, Christine Morin-Postel, Amaury de Seze, Martine Verluyten and Arnaud Vial will expire after the Ordinary General Shareholders' Meeting of 25 April 2017.

Maurice Lippens and Michel Plessis-Bélair are not seeking the renewal of their terms of office since they have exceeded the age limit provided by the GBL Charter. The Ordinary General Shareholders' Meeting will be asked to renew the terms of office of the other Directors for a four-year term, until the end of the 2021 General Shareholders' Meeting called to approve the accounts for the 2020 financial year.

The General Shareholders' Meeting will also be requested to appoint Laurence Danon Arnaud and Jocelyn Lefebvre as Directors.

Laurence Danon Arnaud

Born on 6 January 1956, in Caudéran (Gironde), France, French nationality.

Laurence Danon Arnaud joined the Ecole Normale Supérieure Paris in 1977. She became an associate professor of Physical Sciences in 1980. After two years of research in the laboratories of the CNRS (French National Centre for Scientific Research), she entered the École Nationale Supérieure des Mines in 1981 and left as a Corps des Mines Engineer in 1984.

After five years at the Ministry of Industry and at its Hydrocarbons Division, Laurence Danon Arnaud joined the ELF group in 1989. From 1989 to 2001, she held various positions in the Chemicals branch of TOTAL FINA ELF group including in particular, between 1996 and 2001, the position of CEO of BOSTIK, the number 2 worldwide 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 investment bank Leonardo & Co. SAS (subsidiary of the Italian group Banca Leonardo). Following the sale of Leonardo & Co. SAS to NATIXIS in 2015, she devoted herself to her family office, PRIMROSE SAS.

Laurence Danon Arnaud has been a Director of the company Amundi since 2015 and is Chairwoman of the Strategic Committee. She has also been a member of the Board of Directors of TF1 since 2010 and chairs its Audit Committee. On the other hand, she was a member of the Boards of Directors of other companies, such as the UK company Diageo (2006 to 2015), Plastic Omnium (2003-2010), Experian Plc (2007-2010), Rhodia (2008-2011) and of the Supervisory Board of BPCE (2009-2013), where she chaired the Nomination and Remuneration Committee.

Moreover, Laurence Danon Arnaud was the Chairwoman of Committees at MEDEF (French employers' federation) from 2005 to 2013.

From 2000 to 2003, she was Chairwoman of the Board of Directors of the École des Mines de Nantes and, between 2004 and 2006, Chairwoman of the Fondation de l'École Normale Supérieure Paris.

Jocelyn Lefebvre

Born on 22 December 1957, in Quebec, Canada, Canadian and French nationality.

Jocelyn Lefebvre is graduate from the Ecole des Hautes Etudes Commerciales in Montreal and is also a member of the Ordre des Comptables Professionnels Agréés du Québec (CPA, 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 manufacturing 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 CEO 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 held a seat on the Boards of Directors of group companies (Imerys, Parfinance, RTL, Suez-Tractebel, Kartesia, AFE, Orior Food). Today he is CEO of Sagard Private Equity and is also a member of the Management Board of Parjointco N.V. and of Power Financial Europe B.V.

Finally, the General Shareholders' Meeting will be asked to recognise the independent status of Laurence Danon Arnaud, Christine Morin-Postel and Martine Verluyten, subject to their appointment being approved.

To qualify for independent status, a Director must, in accordance with the Charter, meet the criteria listed in Article 526ter of the Belgian Companies Code. The Board of Directors believes that Laurence Danon Arnaud, Christine Morin-Postel and Martine Verluyten qualify for independent status. The latter confirmed, in writing, their independence, respectively on 9 February 2017, 23 January 2017 and 18 February 2017.

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 from pages 184 to 197 of this report. The list of offices held in listed companies during the 2016 financial year is given in point 1.2.4.

(1) As communicated individually to the Company by each member of the Board of Directors

Gérald Frère
Chairman of the Board of Directors

Born on 17 May 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 Managing Director. He is also Chairman of the Board of Directors of Loverval Finance S.A. and a Regent of the National Bank of Belgium.

He was appointed to the Board of Directors of Groupe Bruxelles Lambert in 1982. In 1993, he was named Managing Director 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 1st January 2012.

Business address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Paul Desmarais, Jr.
Vice-Chairman of the Board of Directors

Born on 3 July 1954, in Sudbury, Ontario, Canada, Canadian nationality

Paul Desmarais, Jr. obtained a Bachelor of commerce from McGill University in Montreal and an MBA from INSEAD in Fontainebleau.

He joined Power Corporation of Canada in 1981 and assumed the position of Vice-President the following year. In 1984, he led the creation of Power Financial Corporation to consolidate Power's major financial holdings, as well as 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 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 as Executive Co-Chairman from 2008 until today. 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.

Business address
Power Corporation of Canada
751, square Victoria
Montreal, Quebec H2Y 2J3 (Canada)

Thierry de Rudder
Vice-Chairman of the Board of Directors

Born on 3 September 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 (ULB). 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 Managing Director until December 2011.

Business address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Ian Gallienne
Co-CEO

Born on 23 January 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 manager of a consulting firm specialised in the reorganisation of ailing companies in France. From 1998 to 2005, he was Director at the private equity funds Rhone Capital LLC in New York and London. In 2005, he founded the private equity fund Ergon Capital in Brussels and was its Managing Director until 2012.

In 2012, he became Co-CEO of Groupe Bruxelles Lambert of which he had been a Director of since 2009.

Business address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Gérard Lamarche
Co-CEO

Born on 15 July 1961, in Huy, Belgium, Belgian nationality.

Gérard Lamarche is a graduate in Economics Sciences 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 transactions 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 Senior Vice President in charge of Planning, Control and Accounting.

In 2000, Gérard Lamarche pursued his career in the industrial sector by joining NALCO (the US subsidiary of the Suez group, world leader in industrial water treatment) as General Managing Director. 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 1st January 2012.

Business address
Groupe Bruxelles Lambert
24, avenue Marnix
1000 Brussels (Belgium)

Antoinette d'Aspremont Lynden
Director

Born on 24 October 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 Bank Brussels Lambert in Brussels. She was then a Management professor for twenty years at Charles-de-Gaulle University (Lille 3). In addition, 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 Chairwoman of the Royal Philanthropic Society in Brussels, Treasurer of St Michael and St Gudula's Cathedral in Brussels, Chairwoman of the French-speaking jury for the Queen Paola Prize for education, 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.

Business address
23, avenue du Général de Gaulle
1050 Brussels (Belgium)

Victor Delloye
Director

Born on 27 September 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 S.A. (CNP/NPM). He is also Vice-Chairman of the Association Belge des Sociétés Cotées A.S.B.L.

He has been a Director of Groupe Bruxelles Lambert since 1999.

Business address
Loverval Finance S.A.
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Paul Desmarais III
Director

Born on 8 June 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 worked in project management at Imerys in France and in 2012, joined Great-West Lifeco (Canada) as Assistant Vice-President in 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.

Business address
Power Corporation of Canada
751, square Victoria
Montreal, Quebec H2Y 2J3 (Canada)

Cédric Frère
Director

Born on 13 April 1984, in Charleroi, Belgium, Belgian and French nationality.

Cédric Frère has a Bachelor of Arts in Business and Economics from Vesalius College in Brussels, Vrije Universiteit Brussel (VUB).

He began his career in the banking sector (at Goldman Sachs in Paris and at the Royal Bank of Scotland in London). In 2008, he moved into the Private Deals department of Banque Degroof in Brussels.

In 2010, he joined CNP/NPM, where he is now an investment manager.

He is currently a Director of various companies, including Frère-Bourgeois, CNP/NPM, Erbe S.A., Cheval Blanc Finance SAS and Pargesa Holding S.A. He is also a tenured Director of Cheval des Andes.

He has been a Director of Groupe Bruxelles Lambert since 2015.

Business address
Loverval Finance S.A.
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Ségolène Gallienne
Director

Born on 7 June 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).

Her previous positions include Head of Public Relations at Belgacom (now Proximus) and Head of Communication at Dior Fine Jewellery.

She is currently a Director of various French and international companies (including Christian Dior S.A., 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.

Business address

Frère-Bourgeois
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Maurice Lippens
Director

Born on 9 May 1943, Belgian nationality.

Maurice Lippens has a degree in law from the Université Libre de Bruxelles (ULB) and an MBA from Harvard Business School.

He began his career in corporate turnarounds and venture capital. He served successively as Director, Managing Director and Chairman-Managing Director of AG group, which became Fortis in 1990. He served as Executive Chairman of Fortis until 2000 and non-executive Chairman from 2000 to 1st October 2008.

He has been a Director of Groupe Bruxelles Lambert since 2001.

Business address

161, avenue Winston Churchill box 12
1180 Brussels (Belgium)

Christine Morin-Postel
Director

Born on 6 October 1946, in Paris, France, French nationality.

Born on 6 October 1946, in Paris, France, French nationality.

After completing her studies in political science and management, Christine Morin-Postel began her career in the area of technology transfer and venture capital. In October 1979 she joined Lyonnaise des Eaux and later became Chief Operating Officer for international operations.

She joined Banque Indosuez in June 1993 as Managing Partner of Financière Indosuez and subsequently became CEO of the Crédisuez group, a subsidiary of the Suez group dedicated to real estate financing and mortgage lending. From February 1998 to March 2001, she was Managing Director and Chairwoman of the Executive Committee of Société Générale de Belgique. She joined the Executive Committee of the Suez group in September 2000, in charge of human resources. She retired in April 2003 and became an independent Director of several industrial and financial groups, including 3i Group plc, Pilkington, Alcan and Royal Dutch Shell. She was also Director of British American Tobacco plc. until December 2016. Today, she is a Director of Hightech Payment Systems S.A. and member of the Investment Committee of Copmezzanine 2.

She has been a Director of Groupe Bruxelles Lambert since 2013.

Business address

45, boulevard de la Saussaye
92200 Neuilly-sur-Seine (France)

Michel Plessis-Bélair
Director

Born on 26 March 1942, in Montreal, Canada, Canadian nationality.

Michel Plessis-Bélair holds a Master of Business from the HEC (Montreal) and an MBA from Columbia University in New York. He is also a Fellow of the Quebec Order of Chartered Professional Accountants.

He began his career with Samson Bélair, moving on in 1975 to Société Générale de Financement du Québec, where he held various management positions and was also a Director. In 1986, he joined Power Corporation of Canada and Power Financial Corporation, where he served until his retirement on 31 January 2008 respectively as Vice-Chairman of the Board and Chief Financial Officer and as Executive Vice-President and Chief Financial Officer. He remains Vice-Chairman of the Board of Power Corporation of Canada and is also Vice-Chairman of the Board of Power Financial Corporation.

He has been a Director of Groupe Bruxelles Lambert since 1990.

Business address
Power Corporation of Canada
751, square Victoria
Montreal, Quebec H2Y 2J3 (Canada)

Marie Polet
Director

Born on 5 December 1954, in Eupen, Belgium, Belgian nationality.

After obtaining a Bachelor's degree in Economics, Marie Polet joined British American Tobacco (BAT), the world's second largest tobacco company.

She worked in marketing before being promoted to Corporate Management positions. She was a Managing Director of British American Tobacco Belgium until July 2008. She also spent a lot of time abroad for the BAT group, in the United States, 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 1 October 2011 to 16 January 2015, she served as Chairwoman & CEO of Imperial Tobacco Canada, which has its head office in Montreal. Since then she has been Group Director Strategy, Planning and Insights in London.

She has been a Director of Groupe Bruxelles Lambert since 2015.

Business address
British American Tobacco
4, Temple Place
London WC2R 2PG (United Kingdom)

Gilles Samyn
Director

Born on 2 January 1950, in Cannes, France, Belgian and French nationality.

Gilles Samyn holds a Commercial Engineering degree from the Solvay Brussels School of Economics & Management (ULB), where he has held research and teaching positions since 1969.

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 as self-employed, he started working for the Frère-Bourgeois group in 1983 and is now a Managing Director, as well as Chairman of the Board of Directors of CNP/NPM.

He has been a Director of Groupe Bruxelles Lambert since 1987.

Business address
Compagnie Nationale à Portefeuille S.A.
12, rue de la Blanche Borne
6280 Loverval (Belgium)

Amaury de Seze
Director

Born on 7 May 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, Lead Board Director of Carrefour S.A. and Chairman of PAI Partners.

He has been a Director of Groupe Bruxelles Lambert since 1994.

Business address
24, avenue Marnix
1000 Brussels (Belgium)

Martine Verluyten
Director

Born on 14 April 1951, in Leuven, Belgium, Belgian nationality.

Martine Verluyten has a degree in applied economics from the Catholic University of Leuven (KU 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 3i Group plc, 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 has a seat on the Nomination Committee. She is a member of the Valuation Committee, the Nomination Committee and the Audit Committee of 3i Group plc.

She has been a Director of Groupe Bruxelles Lambert since 2013.

Business address
24/33, avenue Van Becelaere
1170 Bruxelles (Belgium)

Arnaud Vial
Director

Born on 3 January 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). In 1988 he joined Pargesa group. Since 1997, he has been Senior Vice-Chairman of Power Corporation of Canada and Power Financial Corporation. He was appointed Managing Director of Pargesa Holding S.A. on 1st June 2013. He has been a Director of Imerys since May 2016.

He has been a Director of Groupe Bruxelles Lambert since 2004.

Business address
Power Corporation of Canada
751, square Victoria
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. 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. 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 31 December 2016, 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 Directors. 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	4 / 3	National Bank of Belgium (B) Power Financial Corporation (CDN) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Paul Desmarais, Jr.	9 / 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) Total S.A. (F)
Thierry de Rudder	1 / 1	Groupe Bruxelles Lambert (B)
Ian Gallienne	6 / 1	Groupe Bruxelles Lambert (B) adidas AG (D) Imerys (F) Pernod Ricard (F) SGS S.A. (CH) Umicore (B)
Gérard Lamarche	4 / 1	Groupe Bruxelles Lambert (B) LafargeHolcim (CH) SGS S.A. (CH) Total S.A. (F)
Antoinette d'Aspremont Lynden	2 / 2	BNP Paribas Fortis (B) Groupe Bruxelles Lambert (B)
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)
Cédric Frère	2 / 1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Ségolène Gallienne	3 / 2	Christian Dior S.A. (F) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B)
Maurice Lippens	1 / 1	Groupe Bruxelles Lambert (B)
Christine Morin-Postel	2 / 2	Groupe Bruxelles Lambert (B) Hightech Payment Systems S.A. (Maroc)
Michel Plessis-Bélair	2 / 1	Pargesa Holding S.A. (CH) (1) Groupe Bruxelles Lambert (B)
Marie Polet	2 / 2	British American Tobacco (UK) Groupe Bruxelles Lambert (B)
Gilles Samyn	5 / 1	Groupe Flo S.A. (F) (2) Métropole Télévision (M6) (F) (2) Pargesa Holding S.A. (CH) (2) Groupe Bruxelles Lambert (B) Pernod Ricard (F)
Amaury de Seze	4 / 3	Carrefour S.A. (F) Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) RM2 S.A. (UK)
Martine Verluyten	4 / 4	3i Group plc. (UK) Groupe Bruxelles Lambert (B) STMicroelectronics N.V. (NL) Thomas Cook Group plc. (UK)
Arnaud Vial	3 / 1	Pargesa Holding S.A. (CH) Groupe Bruxelles Lambert (B) Imerys (F)

(1) Offices exercised within Power group
(2) 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 Cédric Frère and the brother of Ségolène Gallienne.
- Ian Gallienne is married to Ségolène Gallienne.
- Thierry de Rudder is the uncle of Cédric 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.

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.

However, Maurice Lippens was charged in connection with his office held in the Fortis group. As of today, he has not been sent before the Criminal Court.

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 for the last five years.

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 Vice-Chairman and CEO of Pargesa Holding S.A., Director of Power Financial Corporation and holds various directorships in the Frère-Bourgeois group.
- Cédric Frère is a Director of Pargesa Holding S.A. and holds various 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., CEO of Frère-Bourgeois and a Director 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, Michel Plessis-Bélair 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. and Erbe S.A., a Frère-Bourgeois group company, and Vice-Chairman of Power Financial Corporation.
- Arnaud Vial is Senior Vice-President of Power Corporation of Canada and Power Financial Corporation. He is Managing Director of Pargesa Holding 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. Investments held in GBL's capital (shares and options) at 17 March 2017

Shares

- Gérald Frère owns 275,744 GBL shares.
- Ian Gallienne owns 20,000 GBL shares.
- Gérard Lamarche owns 5,800 GBL shares.
- Maurice Lippens owns 1,000 GBL shares.
- Christine Morin-Postel owns 285 GBL shares.
- Thierry de Rudder owns 85,000 GBL shares.
- Martine Verluyten owns 1,430 GBL shares.

No other Director directly holds any shares in GBL's capital.

Stock options on GBL shares / sub-subsidiary of the group

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 1st January 2012, when they were replaced by Ian Gallienne and Gérard Lamarche as Co-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

(1) One option gives the right to acquire one GBL share
(2) One option gives the right to acquire one LTI One share, a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares
(3) One option gives the right to acquire one LTI Two share, a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares
(4) One option gives the right to acquire one URDAC share, a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares
(5) One option gives the right to acquire one FINPAR share, a GBL sub-subsidiary whose portfolio is mainly composed of GBL shares

The other members of the Board of Directors are not affected by these option plans.

1.2.12. 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 they own, except for the stipulations regarding black-out periods and closed periods.

1.3. Executive Management

1.3.1. Composition

At 31 December 2016, GBL's day-to-day management was entrusted to two Co-CEOs who, acting collectively, form the Company's Executive Management.

At its meeting of 18 March 2016, the Board of Directors had decided to again entrust the Company's day-to-day management to Ian Gallienne, subject to the renewal of his term of office as Director by the General Shareholders' Meeting of 26 April 2016. Since his term of office was renewed by this General Shareholders' Meeting, the day-to-day management of the Company continues to be carried out by Ian Gallienne and Gérard Lamarche who, together, form the Executive Management.

1.3.2. Powers and functioning of the Executive Managementif

The Executive Management ensures the group's operational 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.).

1.3.3. 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 2016 financial year was held on 4 November 2016 (for more details, see "Effectiveness and assessment of the Board" on page 163 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 2016 and Directors' attendance

The Board of Directors met seven times in 2016, with a weighted average attendance rate by Directors of 92.06% for all the meetings. Some members attended five of these meetings by telephone.

The Directors' individual attendance rates for these meetings are as follows:

Directors	Attendance rate
Gérald Frère	100.00%
Paul Desmarais, Jr.	100.00%
Thierry de Rudder	100.00%
Ian Gallienne	100.00%
Gérard Lamarche	100.00%
Antoinette d'Aspremont Lynden	100.00%
Victor Delloye	100.00%
Paul Desmarais III	57.00%
Cédric Frère	71.00%
Ségolène Gallienne	100.00%
Maurice Lippens	100.00%
Christine Morin-Postel	86.00%
Michel Plessis-Bélair	86.00%
Marie Polet	100.00%
Gilles Samyn	86.00%
Amaury de Seze	100.00%
Martine Verluyten	71.00%
Arnaud Vial	100.00%
Total	**92.06%**

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 31 December and 30 June. 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 the portfolio rotation strategy involving various investment and divestment projects.

Extraordinary Board meetings were organised on 25 January and 11 February 2016 to discuss the continued implementation of the rotation strategy and, in particular, the disposal of an additional EUR 1 billion block of Total shares. Furthermore, the Board meeting of 11 February agreed to the principle of the merger with COFINERGY under a so-called "simplified merger" regime.

The Board of Directors' meeting of 18 March 2016 discussed the Ordinary and Extraordinary General Shareholders' Meetings, of which it agreed the agendas and, in particular, the proposal to the General Shareholders' Meeting to increase the annual remuneration of non-executive Directors from EUR 25,000 to EUR 27,500 per Director and to raise the overall amount of compensation for their duties on the Board and in the Committees from EUR 1.4 million to EUR 1.6 million. This same Board meeting proposed the renewal of the directorships of Ian Gallienne and Thierry de Rudder and approved the appointment of Ségolène Gallienne as a member of the Standing Committee and of Marie Polet as a new member of the Audit Committee. It furthermore adopted the new long-term incentive plan for the Executive Management and staff of the GBL group and defined its conditions.

Finally, it agreed to a personal pension commitment in favor of Gérard Lamarche.

The Board meeting of 3 May 2016 approved the principle of a partial repurchase of the bonds exchangeable into ENGIE shares still in circulation and determined the conditions for these acquisitions. It also updated the authorisations for the use of derivatives.

On 29 July 2016, the Board adopted the new text of the Corporate Governance Charter. It decided not to renew the services agreement between GBL and Frère-Bourgeois, and took note of the questionnaire for the triennial assessment of the Board of Directors' performance.

The Board meeting of 20 September 2016 was informed of the latest developments having occurred at LafargeHolcim. It discussed the transactions carried out in the context of the yield enhancement strategy and updated the parameters for this policy.

On 4 November 2016, the Board discussed the projected results for 2016. It took note of the scoring of the portfolio companies based on their financial strength and their resilience to external shocks.

It was informed of the decision of Maurice Lippens and Michel Plessis-Bélair not to extend their directorships at the end of the 2017 General Shareholders' Meeting. It acknowledged the resignation of Maurice Lippens from the Nomination and Remuneration Committee with effect from 1st January 2017 and appointed Amaury de Seze as a new member and Chairman of this Committee from that date. In addition to the renewal of five directorships ending in 2017, it furthermore proposed to submit to the General Shareholders' Meeting the appointment of Laurence Danon Arnaud and Jocelyn Lefebvre as new Directors.

Finally, it appointed the members of the various Board Committees, subject to the approval of these appointments by the General Shareholders' Meeting.

It also assessed, in the absence of the Executive Management, the interaction between the non-executive Directors and Executive Management in 2016.

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 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. 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 begun in the second quarter of 2016. The results were reported to the Board at its meeting of 4 November 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 2016 financial year, was held on 4 November 2016. The following issues were dealt with:

- the quality of the relation 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 to meet the Executive Management outside of the Board meetings.

Each of these points were globally 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 a directorship implicitly confirms the contribution and effectiveness of the Director to 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

At 31 December 2016, the Standing Committee had thirteen members, ten of which 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 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%
Gérard Lamarche	2015-2019	100.00%
Ségolène Gallienne (1)	2016-2019	100.00%
Victor Delloye	2015-2017	100.00%
Paul Desmarais III	2015-2018	80.00%
Cédric Frère	2015-2019	100.00%
Michel Plessis-Bélair	2013-2017	80.00%
Gilles Samyn	2015-2019	100.00%
Amaury de Seze	2013-2017	100.00%
Arnaud Vial	2013-2017	100.00%
Total		**98.41%** (2)

(1) As from the General Shareholders' Meeting of 26 April 2016. Attendance rate calculated based on the meetings held during the person's term as a Committee member
(2) Attendance rated calculated based on the weighted attendance of all members during their term as Committee members

At its meeting of 18 March 2016, the Board of Directors decided to reappoint Thierry de Rudder and Ian Gallienne as members of the Standing Committee and to appoint Thierry de Rudder as Chairman of this Committee, subject to the approval of the renewal of their terms of office.

Furthermore, it also appointed Ségolène Gallienne from 26 April 2016 as a new member of the Standing Committee until 2019, when her directorship ends.

2.1.2. Frequency of meetings and deliberations

The Standing Committee met five times in 2016. As shown in the table above, there was a 98.41% Directors weighted average attendance rate for all the meetings in 2016.

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, including the sale of Total shares;
- the investment projects;
- the follow-up of the LafargeHolcim and adidas investments;
- the review of the valuation of the group's Strategic Investments and of GBL's TSR;
- the monitoring of the Incubator Investments;
- the scoring of the portfolio companies based on their financial strength and their resilience to external shocks;
- cash earnings forecasts and proposed dividend;
- medium-term cash earnings forecasts;
- the group's cash and investment capacity;
- the repurchase of the exchangeable bonds into ENGIE shares;
- the yield enhancement policy through derivatives.

2.2. Nomination and Remuneration Committee

2.2.1. Composition

At 31 December 2016, the Committee had three members. The Committee is chaired by Maurice Lippens.

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
Maurice Lippens, Chairman	2013-2017	100.00%
Christine Morin-Postel	2013-2017	100.00%
Marie Polet	2015-2019	100.00%
Total		**100.00%**

All the members of the Nomination and Remuneration Committee are non-executive Directors, two of which are independent.

In 2016, Michel Plessis-Bélair and Gilles Samyn were invited to participate in the meetings as representatives of the controlling shareholder.

The Committee has the necessary expertise in the area of remuneration policy.

The Board of Directors' meeting on 4 November 2016 took note of the resignation of Maurice Lippens from the Nomination and Remuneration Committee with effect from 1st January 2017 and appointed Amaury de Seze as new member and Chairman of the Committee from that date.

Furthermore, this Board meeting also appointed Gilles Samyn and Laurence Danon Arnaud (subject to the approval of her appointment as independent Director by the General Shareholders' Meeting) as members of the Nomination and Remuneration Committee with effect from the end of the 2017 General Shareholders' Meeting. As a result of these decisions, the Committee will be composed of five members, including three independent Directors.

2.2.2. Frequency of meetings and deliberations

The Nomination and Remuneration Committee met three times in 2016. 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 to renew various directorships (2016-2017), to appoint two new Directors (2017) and to acknowledge the independent status of three Directors (2017);
- appointment of the members of the various Committees of the Board of Directors (2016-2017);
- resignation of the Chairman of the Nomination and Remuneration Committee and appointment of a new member and Chairman of this Committee;
- review of the Executive Management's remuneration;
- proposal for a new option plan to be granted in 2016 to the Executive Management and setting of the exercise parameters and conditions;
- review of the remuneration of the non-executive Directors and of the overall envelope for this remuneration;
- proposal to subscribe a personal pension commitment in favor of Gérard Lamarche;
- 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 2015 annual report;
- drafting of the Nomination and Remuneration Committee's report to the Ordinary General Shareholders' Meeting of 26 April 2016;
- preparation for the triennial assessment of the performance of the Board of Directors and of its Committees as well as of the annual assessment of the interaction between the Executive Management and the non-executive Directors.

Furthermore, on 15 March 2017, at the end of the meeting, the Committee formulated specific proposals to the Board of Directors' meeting of 17 March for the fixed remuneration of the Executive Management.

The same Committee prepared the remuneration report to be published in the 2016 annual report as well as the report of the Committee's Chairman to the Ordinary General Shareholders' Meeting of 25 April 2017 as required by the Belgian Companies Code.

2.3. Audit Committee

2.3.1. Composition

At 31 December 2016, the Audit Committee had five members. It is chaired by Antoinette d'Aspremont Lynden.

At its meeting of 18 March 2016, the Board of Directors appointed Marie Polet, independent Director, as a member of the Audit Committee with effect from the General Shareholders' Meeting of 26 April 2016. Therefore, from this date, three members of the Committee are independent within the meaning of Article 526ter of the Belgian 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 (1)	2016-2019	100.00%
Gilles Samyn	2015-2019	100.00%
Martine Verluyten	2013-2017	75.00%
Arnaud Vial	2013-2017	100.00%
Total		**94.74%** (2)

(1) As from the General Shareholders' Meeting of 26 April 2016. Attendance rate calculated based on the meetings held during the person's term as a Committee member
(2) Attendance rated calculated based on the weighted attendance of all members during their term as Committee members

All of 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.

In accordance with the new text of Article 526bis §2 of the Belgian Companies Code, at its meeting of 16 March 2017, the Committee appointed Antoinette d'Aspremont Lynden as Chairwoman. She had been appointed by the March 2015 Board of Directors' meeting.

2.3.2. Frequency of meetings and deliberations

The Audit Committee met four times in 2016, with a weighted average attendance rate by Directors of 94.74% for all of the meetings, as shown in the table above.

One member of the Executive Management, the Chief Financial Officer, the Chief Legal Officer, the General Secretary as well as the Company's Statutory Auditor attended all the meetings.

At each of the 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 2016, 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;
- closing of the Company's annual and half-yearly financial statements;
- review of the draft press releases to be published, and particularly the draft annual, half-yearly and quarterly press releases;
- review of the forecasts;
- analysis of the financial position (cash, debt and commitments) and cash flows;
- monitoring of the investment capacity;
- review of the book value of investments, and particularly the investments in LafargeHolcim and ENGIE;
- review of the investments accounting treatment;
- analysis of the accounting of the exchangeable bonds into ENGIE shares repurchases and the forward sales of the underlying ENGIE shares;
- monitoring of changes in Sienna Capital and underlying activities;
- monitoring of trading activities and notably the management of derivatives;
- management of the risks and, in particular, management of the liquidity risk;
- review of risks and assessment by the Statutory Auditor of the effectiveness of the internal control and risk management systems: updating of the identification of the risks assessment (mapping) relating to the holding activities and testing of the operational efficiency of the staff management and remuneration cycle;
- analysis of the main regulatory changes concerning alternative performance indicators and of the conformity of the indicators used by GBL;
- review of the auditing reform and the possible consequences for the group;
- review and follow-up of the independence of the Statutory Auditor and the services provided by this latter, other than the tasks assigned by law (in particular the statutory auditing of the financial statements);
- follow-up of the main pending legal actions;
- review of the texts to be published in the 2015 annual report concerning:
  - the financial reporting;
  - the comments on internal control and risk management;
- review of the market and financial disclosure.

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 is 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 procedure for establishing the remuneration policy and setting the remuneration level for members of the Board is determined by the Board of Directors on the basis of proposals from the Nomination and Remuneration Committee.

Non-executive Directors

The remuneration 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.

Co-CEOs (Executive Management)

The nature and amount of the remuneration, and any severance payments, for the two Co-CEOs, are decided by the Board of Directors based on a proposal from the Nomination and Remuneration Committee, which is assisted in its work by an external consultant.

Incentive plans of the Company are determined by the Board of Directors on a proposal from the Nomination and Remuneration Committee. These plans as well as their maximum value must first be approved by the shareholders.

3.2. Remuneration policy

This chapter describes the remuneration policy for non-executive Directors and for the Executive Management for the 2016 financial year and for the following two financial years.

3.2.1. Non-executive Directors

The non-executive Directors receive a fixed remuneration and attendance fees. They do not receive any variable remuneration.

Since 1st January 2016, the following matrix is in place:

	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 maximum envelop of remuneration paid to non-executive Directors approved by the General Shareholders' Meeting on 26 April 2016 is EUR 1,600,000.

The members of the Executive Management do not receive any remuneration for their term of office as Director as such.

The non-executive Directors are covered by an officers' liability insurance (D&O).

3.2.2. Executive Management

Remuneration		Operating mode	Amount	Link with performance
Fixed	Base salary	The fixed remuneration of the Co-CEOs is partly paid by several portfolio companies due to their term of office as Director in those and the balance is paid by GBL. In view of various tax systems applicable to those remunerations, and in order to preserve the pay equity between the two Co-CEOs, the fixed remuneration is defined in net. The base salary of the Co-CEOs is occasionally reviewed, depending on economic circumstances or specific events.	The amount of the fixed remuneration of the Co-CEOs is determined according to market practices (regularly evaluated by the Nomination and Remuneration Committee with the help of an independent consultant).	Not applicable.
	Pension and other benefits	The Co-CEOs benefit from a defined contribution pension plan yearly contributed by GBL for 21% of their net remuneration as well as an insurance in case of invalidity and death, an officers' liability insurance (D&O) applicable to all Directors and a company car.		
Variable	Yearly	GBL is a holding company whose performances can hardly be evaluated on a short-term basis. The Co-CEOs therefore do not receive any variable yearly remuneration.		
	Long term	The Co-CEOs benefit from a stock option plan relating to a sub-subsidiary of GBL, mainly invested in GBL shares, acquired via equity and bank financing. The debt of this sub-subsidiary is guaranteed by GBL. Interests are financed via received dividends. This approach allows to align the interests of the Co-CEOs with those of the shareholders by remunerating total value creation, dividends included. The options can be exercised starting on the 3rd anniversary of the attribution, for a period of seven years, subject to the fulfilment of the performance condition set out below.	The underlying value of the options attributed to the Co-CEOs represents 225% of their reference fixed gross remuneration (itself defined as twice the fixed net remuneration).	The potential capital gains on options would directly reflect the GBL TSR (total value creation: growth in stock price and dividends). Moreover, each calendar year between the 4th and the 10th year of the plan, the options can only be exercised if the GBL TSR is at least 5% per year in average over the period since the attribution of the options. When the performance condition is not met a year, the options cannot be exercised until the following anniversary date. The Nomination and Remuneration Committee is in charge of verifying if the performance condition is fulfilled.
Rights of recovery		The allocation of the long-term variable remuneration of the Executive Management is not linked to an internal financial criterion. There is no recovery mechanism for the variable remuneration in case of erroneous financial information.		
Severance payments		The Co-CEOs may claim compensation equivalent to eighteen months of fixed remuneration if they are removed from office without serious ground. The amount of this benefit was set on the advice of the Nomination and Remuneration Committee.		

3.3. Implementation of the remuneration policy in 2016

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	-	37,000 (2)	-	85,500	0	**85,500**
Victor Delloye	48,500	30,000	-	-	78,500	80,000	**158,500**
Paul Desmarais, Jr. (3)	76,000 (4)	30,000	-	-	106,000	412,012	**518,012**
Paul Desmarais III	39,500	27,000	-	-	66,500	117,250	**183,750**
Gérald Frère	248,500 (5)	30,000	-	-	278,500	9,443	**287,943**
Cédric Frère	42,500	30,000	-	-	72,500	0	**72,500**
Ségolène Gallienne	48,500	19,000	-	-	67,500	0	**67,500**
Maurice Lippens	48,500	-	-	34,000 (2)	82,500	0	**82,500**
Christine Morin-Postel	45,500	-	-	21,500	67,000	0	**67,000**
Michel Plessis-Bélair	45,500	30,000	-	-	75,500	0	**75,500**
Marie Polet	48,500	-	17,333	21,500	87,333	0	**87,333**
Thierry de Rudder	76,000 (4)	45,000 (2)	-	-	121,000	36,490	**157,490**
Gilles Samyn	45,500	30,000	24,500	-	100,000	182,750	**282,750**
Amaury de Seze	48,500	30,000	-	-	78,500	92,500	**171,000**
Martine Verluyten	42,500	-	21,500	-	64,000	0	**64,000**
Arnaud Vial	48,500	30,000	24,500	-	103,000	31,167	**134,167**
Total	**995,000**	**337,000**	**124,833**	**77,000**	**1,533,833**	**961,612**	**2,495,445**

(1) Other remuneration in cash or in kind attached to the offices held within the group
(2) Chairman of a Committee (twice the fees of a Member)
(3) Of which CHF 47,222 received in LafargeHolcim shares during the 2016 financial year for the 2015 financial year
(4) Vice-Chairman of the Board (twice the fees of a Director)
(5) Chairman of the Board (EUR 200,000)

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.

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 Co-CEOs in 2016 is summarized below:

Amounts paid in 2016	Ian Gallienne	Gérard Lamarche
Status	Independent	Independent
Fixed remuneration (gross) (1)	EUR 1,529,266	EUR 1,407,812
Fixed remuneration (net)	*EUR 820,000*	*EUR 820,000*
Exceptional variable remuneration (gross)	EUR 865,951	EUR 793,486
Exceptional variable remuneration (net)	*EUR 400,000*	*EUR 400,000*
Pension	EUR 204,144	EUR 226,528
Individual pension supplement	-	EUR 1,000,000
Other benefits	EUR 79,288	EUR 84,700
Benefits in kind (car, etc.)	*EUR 13,548*	*EUR 17,688*
Insurance	*EUR 65,740*	*EUR 67,012*

(1) That amount takes into account the Directors' fees collected within the participations

None of the Executive Directors executed a loan agreement with the Company or any of its subsidiaries.

2017 fixed remuneration

In 2017, the fixed net remuneration of the members of the Executive Management has been reviewed and increased to EUR 860,000.

Variable remuneration

The remuneration policy for the Executive Management does not include any short-term variable remuneration in cash. This policy is inspired by the characteristics of the business of a holding company, whose performance is difficult to evaluate over the short term.

The Executive Management does not receive any variable long-term remuneration in cash either.

On an exceptional basis and without any change to the remuneration policy, a single premium of EUR 800,000 net was allocated to each of the Co-CEOs by the General Shareholders' Meeting of 26 April 2016. The payment of the premium is spread out over time and will be made in three instalments. A net amount of EUR 400,000 was paid to the Co-CEOs in 2016. The second instalments, a net amount of EUR 200,000, conditional to the fulfillment of the LafargeHolcim synergies objectives in 2016, will be fully paid after the 2017 General Shareholders' Meeting, the objectives being fulfilled to more than 100%.

The last instalments, a net amount of EUR 200,000, will be paid in 2018 depending on the fulfillment of the LafargeHolcim synergies objectives in 2017.

The payment of this last instalment will be in proportion to the degree of completion, if it is between 80% and 100%. In case of a degree of completion below 80%, no payment will take place.

Executive Management incentive plan

Furthermore, with a view to retain the Executive Management and to align its interest with that of the shareholders, there is a long-term incentive plan.

At its meeting on 17 March 2017, the Board decided to grant to the Co-CEOs options to which the underlying amounts to 225% of their reference gross remuneration (twice the yearly fixed net remuneration) revised in 2017. The principle and the maximum amount of the shares underlying the options of the Co-CEOs, i.e. EUR 7.74 million, will be subject to approval to the General Shareholders' Meeting of 25 April 2017.

Pension

In addition to the yearly defined contributions to the pension funds in favor of each Co-CEO, an exceptional allocation was carried out by GBL in 2016 in favor of Gérard Lamarche. Indeed, taking into account the previously undertakings vis-à-vis and after reviewing his pension status, the Board of Directors approved, on 18 March 2016, an individual pension supplement in his favor of EUR 1 million.

Shares granted to the Executive Management

No shares were granted to the Executive Management during the 2016 financial year.

Stock options granted during the 2016 financial year

Decision	Board of Directors' meeting of 18 March 2016 Ordinary General Shareholders' Meeting of 26 April 2016
Stock option characteristics	Stock options for shares of a GBL sub-subsidiary (see page 127)
Exercise price	EUR 10
Vesting date	3 May 2019
Expiry date	2 May 2026 (duration of the plan: 10 years)
Exercise period	At any time from 3 May 2019 until 2 May 2026
Performance condition	TSR higher than 5% per year between the date of the allocation and the anniversary of the allocation preceding the exercise

	Ian Gallienne	Gérard Lamarche
Number of options granted	73,800	73,800
Book value of the grant at 31 December 2016 (IFRS)	EUR 365,310	EUR 365,310

Number and key characteristics of the stock options exercised, sold or expired during the 2016 financial year

	Ian Gallienne	Gérard Lamarche
Type of plan	Stock options for GBL shares (see page 126 and 127)	
Year of allocation of the exercised options	2012	2012
Number of exercised options	31,570	31,570
Exercise price	EUR 50.68	EUR 50.68
Type of plan	Stock options for shares of a sub-subsidiary (see page 127)	
Year of allocation of the sold options	2013	2013
Number of sold options	52,480	52,480
Selling price (average)	EUR 17.32	EUR 17.11

No option held by the Executive Management expired during the 2016 financial year.

4. Auditing of the financial statements

The Ordinary General Shareholders' Meeting of 26 April 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 the fees for this audit assignment at EUR 75,000, excluding VAT.

In the exercising of his 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 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 90), the global fees paid to Deloitte for its audit of the 2016 financial statements total EUR 3,471,375. Details regarding the fees paid to Deloitte may be found in note 32, page 137.

From left to right: William Blomme, Ann Opsomer, Gérard Lamarche, Ian Gallienne, Priscilla Maters and Colin Hall

5. Staff and organisation

5.1. Management

William Blomme

Born on 4 January 1959, Belgian nationality.

William Blomme has a Bachelor's degree in Applied Economics from UFSIA and INSEAD (International Directors and Transition to General Manager Programmes). He also has a Master's degree in taxation from EHSAL and a CEPAC Master's degree in management from Solvay. He started his career in 1981 at Touche Ross (now Deloitte). He was appointed Audit Partner at Deloitte in 1997. He joined GBL on 1st December 2014 and has been its CFO since 1st January 2015.

Ann Opsomer

Born on 17 May 1960, Belgian nationality.

Ann Opsomer has a Bachelor's degree in law from the University of Antwerp, and in economic law from the Catholic University of Louvain (UCL). She began her career as a member of the Brussels Bar. In 1986, she joined GBL, where she held positions in the finance department and subsequently in the legal department. She has served as GBL's General Secretary and Compliance Officer since 2004.

Priscilla Maters

Born on 26 April 1978, Belgian nationality.

Priscilla Maters has a law degree from Université Libre de Bruxelles (ULB) and the London School of Economics (LL.M). She began her career in 2001 with law firms in Brussels and London (including Linklaters), where she specialised in mergers-acquisitions, capital markets, financing and business law. She joined GBL in 2012 and was appointed Chief Legal Officer in October 2016.

Colin Hall

Born on 18 November 1970, American nationality.

Colin Hall holds an MBA from the Stanford University Graduate School of Business. He began his career in 1995 as a Financial Analyst in private equity at Morgan Stanley (New York). In 1997, he joined the Rhône Capital group, a private equity fund, where he held various positions for 10 years, in New York and London. In 2009, he co-founded a hedge fund, sponsored by Tiger Management (New York), where he worked until 2011. In 2012, he joined, as CEO, Sienna Capital, a 100% subsidiary of GBL which regroups its "alternative" activities (private equity, debt or specific thematic funds). In 2016, he was appointed GBL Head of Investments.

5.2. Organisation

Finance

⑤ William Blomme
④ Hans D'Haese
(since 1st Dec. 2016)
① Céline Donnet
③ Sophie Gallaire
⑧ Geoffroy Hallard
(since 12 Sept. 2016)
⑥ Xavier Likin
⑩ Céline Loi
⑨ Pascal Reynaerts
② Philippe Tacquenier
⑦ Serge Saussoy (Lux.)
(since 1st Sept. 2016)
⑫ Ewald Apiecionek
(until 10 March 2017)
⑬ Cyril Seeger
⑪ Cédric Plichart
(until 23 Jan. 2017)

Other employees
Philippe Debelle
Noëline Dumbi
Bénédicte Gervy
Philippe Lorette
Viviane Veevaete

Legal and administrative affairs

③ Ann Opsomer
① Priscilla Maters
④ Fabien Vanoverberghe
② Pierre de Donnea
(since 1st Jan. 2016)

Other employees
Micheline Bertrand
Carine Dumasy
Pietro Guasto
Isabelle Meert
José de la Orden
Aymeric de Talhouët
Eddy Vanhollebeke
Viviane Veevaete
Robert Watrin

Chairman of the Board's Assistant
Christelle Iurman

Co-CEOs' Assistants
Micheline Bertrand
Laetitia Hansez
Valérie Huyghe

Investments

④ Colin Hall
② Laurent Raets
⑤ Michael Bredael
(since 1st July 2016)
⑥ Jérôme Derycke
③ Martin Doyen
① Jonathan Rubinstein
(since 4 April 2016)

Other employees
Laurence Flamme
Dominique Stroeykens

5.3. Incentive plan

Since March 2007, each year the Board of Directors launches an incentive plan in favor of the Executive Management in accordance with the provisions of the law of 26 March 1999 relating to the 1998 Belgian Employment Action Plan and setting out various clauses.

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 granted during the year in progress.

Initially, this plan took the form of an option plan concerning existing GBL shares.

Since 2007, the Company has issued six instalments as part of this plan, the characteristics of which are summarised in the table A below. For more details about these plans, also see note 25 on the consolidated financial statements, pages 126 and 127.

Since 2013, the Board of Directors has set up option plans for the Executive Management on existing shares of a GBL sub-subsidiary primarily holding GBL shares (see table B below). A more detailed description of these plans can be found on page 127.

Three years after the grant, the options may, within the windows provided 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 of 18 March 2016 approved the principle of granting options for existing shares of a GBL sub-subsidiary primarily holding GBL shares and that, unlike in the past, may only be exercised and therefore not sold. It set the quantum of options to be granted to the Co-CEOs at 225% of the reference gross remuneration (twice the yearly fixed net remuneration).

The exercise of the options is subject to the fulfilment of a condition: the three-year TSR on the vesting date must be at least 5%. This condition must also be met at each subsequent anniversary date for the exercise of the options for each subsequent year. The TSR corresponds to the characteristics of the holding's strategy that aims to leverage its long-term investments. The options will thus only be exercisable during the twelve months following the anniversary date on which the condition is met. Therefore, if the condition is not met on the anniversary date, the options may not be exercised during the following twelve months.

The options are issued in line with the requirements of the law of 26 March 1999 relating to the 1998 Belgian Employment Action Plan and setting out various clauses, as amended by the subsequent laws.

The Board, meeting on 17 March 2017, confirmed the option plan to be granted in 2017 to the Co-CEOs in accordance with the conditions described above.

The principle and maximum value of the underlying of the options of the Executive Management (EUR 7.74 million) will be subject to approval of the General Shareholders' Meeting of 25 April 2017.

Table A

Year granted	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Exercise period (1)	from 01/01/2011 to 24/05/2017	from 01/01/2012 to 09/04/2018	from 01/01/2013 to 16/04/2019	from 01/01/2014 to 15/04/2020	from 01/01/2015 to 14/04/2021	from 01/01/2016 to 26/04/2022
Extended (partially) (2)	until 24/05/2022	until 09/04/2023	-	-	-	-
Exercice 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 26 March 1999
(2) Within the framework of the Economic Recovery Law of 27 March 2009

Table B

Year granted	**2013**	**2014**	**2015**	**2016**
Maximum value of the underlying shares for the Executive Management	EUR 5.25 million	EUR 4.43 million	EUR 4.75 million	EUR 7.38 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 02/05/2019 to 02/05/2026 (inclusive)

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 17 December 2008 (implementation of European Directive 2006/43 on statutory audits of annual accounts and consolidated accounts) and the law of 6 April 2010 (the so-called "Corporate Governance" Law). The 2009 Belgian Corporate Governance Code also lays down provisions in this area. Likewise, IFRS 7 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.

6.1. Control environment

6.1.1. The Company's objective

GBL's primary objective is to create 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 is intended to evolve over time to increase its sector and geographic diversity, and ensure the balance between growth- and return-focused investments. GBL invests and divests depending on companies' development and market opportunities in order to meet its objectives of creating value while maintaining a solid financial structure.

Internal control at GBL aims to provide reasonable assurance about achievement of the objectives of compliance with laws and regulations in effect and the reliability of accounting and financial information. Generally speaking, it contributes to safeguarding of assets and the control and optimisation of transactions. 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 rules of operation are described from page 161 to page 166 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, 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 cannot 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 42). The divestment policy 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, by the group's Directors and staff in the exercise of their duties.

6.1.5. 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. 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 assessment

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 2015 are presented from pages 38 to 43.

Furthermore, the Committee annually reassesses the risks and their level of control, notably based on changes in the portfolio, economic parameters or the control environment. When necessary, it ensures that 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.

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

6.3. 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 pages 38 and 39 mentions links to the websites where these companies' analyses conducted on risk identification and 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 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 Belgian Companies Code.

Conflicts of interest situations, as defined by Article 523 of the Belgian Companies Code, were brought to the attention of the Board of Directors at its meeting of 18 March 2016 and were addressed in accordance with the procedure provided for in this Article. The Statutory Auditor was informed of these situations and the extracts from the minutes relating to these resolutions are reproduced in their entirety below:

Extracts from the minutes of the Board of Directors' Meeting of 18 March 2016

"… Review of the remuneration of the Co-CEOs

Since this item concerned the remuneration of Ian Gallienne and Gérard Lamarche, they declared that there was a conflict of interests on their part. Article 523 of the Belgian Companies Code was therefore applicable, and the company's Statutory Auditor had already been informed of this situation. They temporarily left the meeting, along with Ann Opsomer, William Blomme and Priscilla Maters.

Gérald Frère, Cédric Frère and Ségolène Gallienne stated that they did not wish to take part in the vote for professional ethics reasons, due to their family ties with Ian Gallienne.

It is reminded that until 2015, the Executive Management's fixed remuneration was determined for periods of three years and the last time was for the period from 2013 to 2015.

A review of the remuneration of Ian Gallienne and Gérard Lamarche therefore became necessary in 2015 in order to be able to submit the results of that exercise to the March 2016 Board for approval. A new benchmarking was therefore carried out by Kepler, one of the leading consulting firms in the area of executive remuneration and in particular of long-term incentive planning. This resulted in a need to review the overall remuneration of the Co-CEOs.

This review would only concern long-term variable remuneration granted in the form of stock options. The Committee therefore proposed to not change the fixed remuneration and to leave any changes to it to the discretion of the Committee, which would be able to propose its adjustment based on economic circumstances or specific events.

However, the value of the shares underlying the stock options to be granted to the Executive Management would be revised upwards. The long-term variable remuneration of the Co-CEOs granted in the form of stock options would, from 2016, be set at 225% of the reference remuneration (twice the yearly fixed annual net remuneration).

Unlike the previous plans, the options granted would no longer be transferable and the liquidity of shares resulting from their exercise would be assured by GBL under an ad hoc liquidity agreement.

The options could only be exercised after three years from when they were granted, within the windows provided by the plan and provided that on that date the 3-year TSR is at least 5%. This condition would have to be met at each subsequent year on the anniversary date to enable the exercise of the options during the twelve months following it, with in each case the TSR covering the period since granting. The extension of the reference period for the calculation of the TSR corresponds to the characteristics of the holding's strategy that aims to leverage its long-term investments.

The plan, as in 2015, 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 is invited to take note of the report to be drawn up in accordance with Article 629 of the Belgian Companies Code, which is under item 7 of the dossier, and to authorise the Co-CEOs, jointly or with another Director with the option of substitution, to implement the incentive plan, and particularly to:

- *incorporate the GBL sub-subsidiary (FINPAR);*
- *negotiate the credit agreement with a financial institution and the pledge and guarantee agreements;*
- *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 ten-year options would be issued in line with the requirements of the law of 26 March 1999 relating to the 1998 Belgian Employment Action Plan and depending on various clauses, as amended by the subsequent laws.

For the staff, the Committee proposed using a coefficient of 50 to 200%, depending on performance and left to the discretion of the Executive Management.

On 10 March, the Committee was informed of the distribution proposed by the Executive Management for the options to be granted in 2016 to the staff of the GBL group.

In this context, the Board of Directors was informed that the principle behind this plan and the maximum value of the shares underlying the options to be granted in 2016, i.e. EUR 18.0 million, of which EUR 7.38 million for the Co-CEOs, would be subject to the approval of the Ordinary General Shareholders' Meeting of 26 April 2016.

The Board approved this proposal to review remuneration."

"… Individual pension commitment in favor of Gérard Lamarche

With respect to an individual pension undertaking in favor of Gérard Lamarche, there was a conflict of interests on his part and the procedure in Article 523 of the Belgian Companies Code is also applicable to this decision of the Board. Therefore, only Ian Gallienne joined the meeting.

The Committee had taken note of a specific pension undertaking of EUR 1 million, which had been subscribed provided that certain conditions are met, in favor of Gérard Lamarche in December 2011, with a view to facilitating his entrance in the GBL group. The Committee had analysed the fulfilment of these conditions and proposes to grant in 2016 an allowance of EUR 1 million that would come from the pension fund, without any allocation by GBL.

The Committee agreed to this proposal.

Gérard Lamarche was invited to enter the meeting room."

As can be seen from the first extract above, 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.

Finally, no transactions requiring the application of Article 524 of the Belgian Companies Code (transactions with affiliates) were submitted to the Board of Directors in 2016.

8. Policy relating to transactions in GBL shares

The rules relating to transactions in GBL shares 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 shares ("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 Compliance Officer before carrying out any transaction in GBL shares.

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 shares performed on their own behalf.

The Compliance Officer ensures the application of all the legal measures relating to market abuse and the measures laid down by the Charter. The Compliance Officer 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. (via 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, 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 to not 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 18 December 2012, it was extended until 2029, with 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 21 February 2008, the Company received a notification from its controlling shareholders concerning their interest in GBL at 1st September 2007.

This notification was transmitted in accordance with Article 74 § 7 of the law of 1st April 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. 1st September 2007) and the company concerned by 21 February 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 shareholder structure as at 1st September 2016, which is reproduced below:

Number and percentage of shares with voting right held by the declaring parties

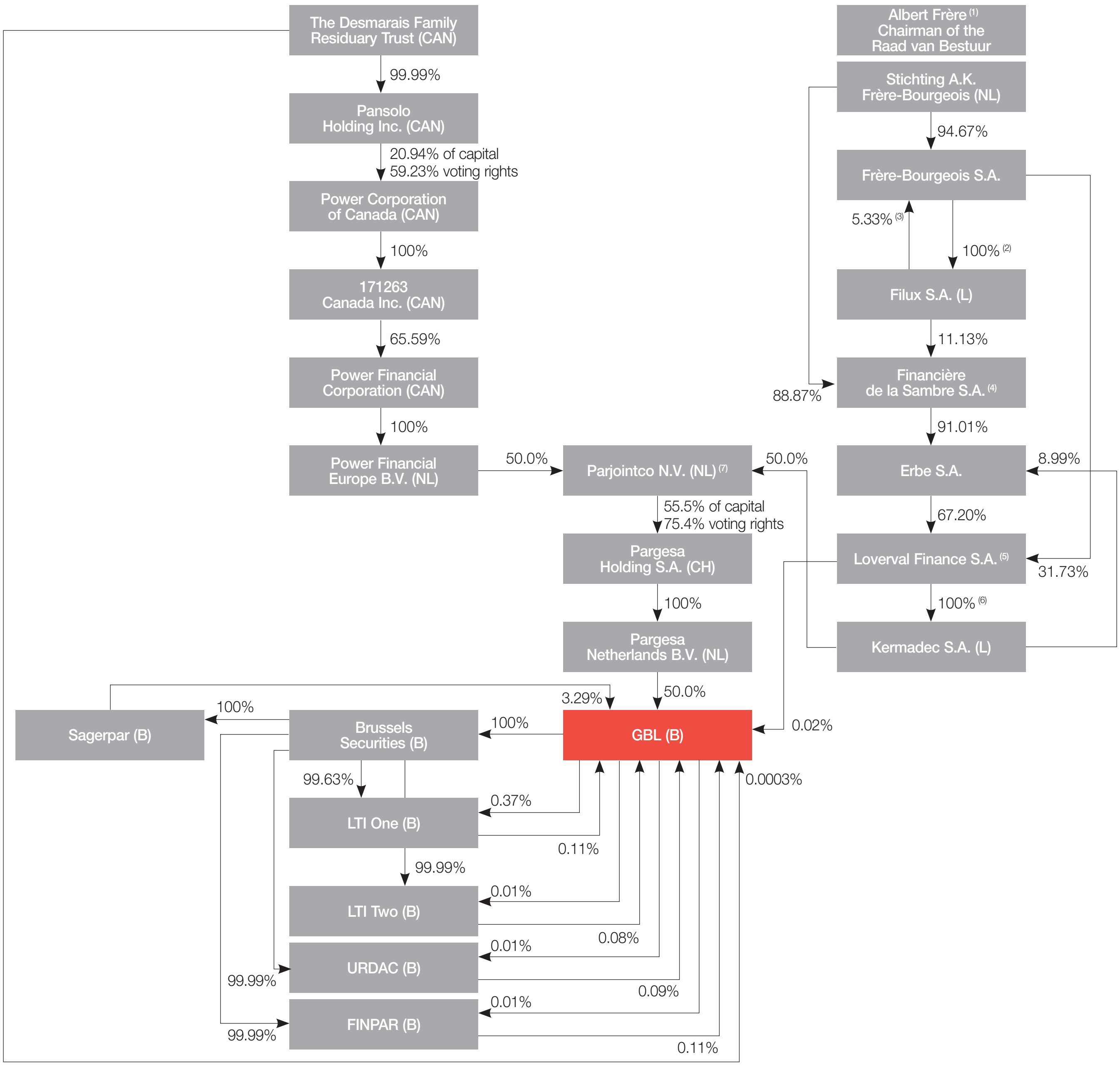
Shareholders	Number of shares with voting right	%
Pargesa Netherlands B.V.	80,680,729	50.00
Sagerpar (1)	5,305,877	3.29
LTI One (1)	185,185	0.11
LTI Two (1)	129,770	0.08
URDAC (1)	141,108	0.09
FINPAR (1)	180,640	0.11
Loverval Finance S.A.	38,500	0.02
The Desmarais Family Residuary Trust (2)	500	p.m.
Total	**86,662,309**	**53.71**

(1) Shares whose voting rights are suspended
(2) Formerly called Desmarais Family Trust

Natural and/or legal person(s) ultimately controlling declaring legal persons

The Desmarais Family Residuary Trust and Albert Frère, bound by an acting-in-concert agreement.

Chain of control at 1st September 2016



NB: The companies whose nationality is not mentioned are Belgian and have their registered office located at B-6280 Gerpinnes, rue de la Blanche Borne 12.

(1) In accordance with the Articles of Association of the Stichting Administratiekantoor Frère-Bourgeois, Rotterdam, Nederland
(2) 100% less one share held by another company of the group
(3) Of which 0.20% held by a Luxembourg subsidiary of FILUX S.A.
(4) Owns 0.39% of LOVERVAL FINANCE S.A.
(5) 0.68% of LOVERVAL FINANCE S.A. is held by two Belgian sub-subsidiaries of LOVERVAL FINANCE S.A.
(6) LOVERVAL FINANCE S.A. owns 100% (less one share held by another company of the group) of the ordinary shares of KERMADEC S.A. One Luxembourg sub-subsidiary of LOVERVAL FINANCE S.A. owns 100% of the preferential shares of KERMADEC S.A.
(7) Joint control

9.3.2. Notification of major holdings

On 1st September 2008, the new Belgian regulation on transparency entered into force. In accordance with the transitional scheme, all GBL shareholders whose interest at 1st September 2008 reached or exceeded a legal threshold were obliged to submit notification thereof no later than 31 October 2008.

Subsequently, the 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%.

On 14 October 2013, GBL received a transparency notification from its controlling shareholder regarding its interest in GBL at 8 October 2013, the date when Paul G. Desmarais passed away. The content of this notification is summarised below.

The declaring parties indicated that the Desmarais Family Trust remains bound by the acting-in-concert agreement, as notified, to the Frère group, of which CNP/NPM is a member, and to the other parties to this agreement, which is not affected by the passing away of Paul G. Desmarais.

Note that, on 30 October 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.

Notification of 14 October 2013 relating to the situation at 8 October 2013

Denominator taken into account: 161,358,287

A) Voting rights

Holders of voting rights	Notification of 30 October 2008 Situation at 1st September 2008	Notification of 14 October 2013 Situation at 8 October 2013	
	Number of voting rights (attached to shares)	Number of voting rights (attached to shares)	% of voting rights (attached to shares)
Desmarais Family Trust	500 (1)	500	pm
Albert Frère	0	-	0.00
Compagnie Nationale à Portefeuille S.A.	38,500	38,500	0.02
Pargesa Netherlands B.V.	80,680,729	80,680,729	50.00
Sagerpar	5,576,651	6,128,926 (2)	3.80 (2)
LTI One (3)	-	185,185 (2)	0.11 (2)
Total	**86,296,380**	**87,033,840**	**53.93**

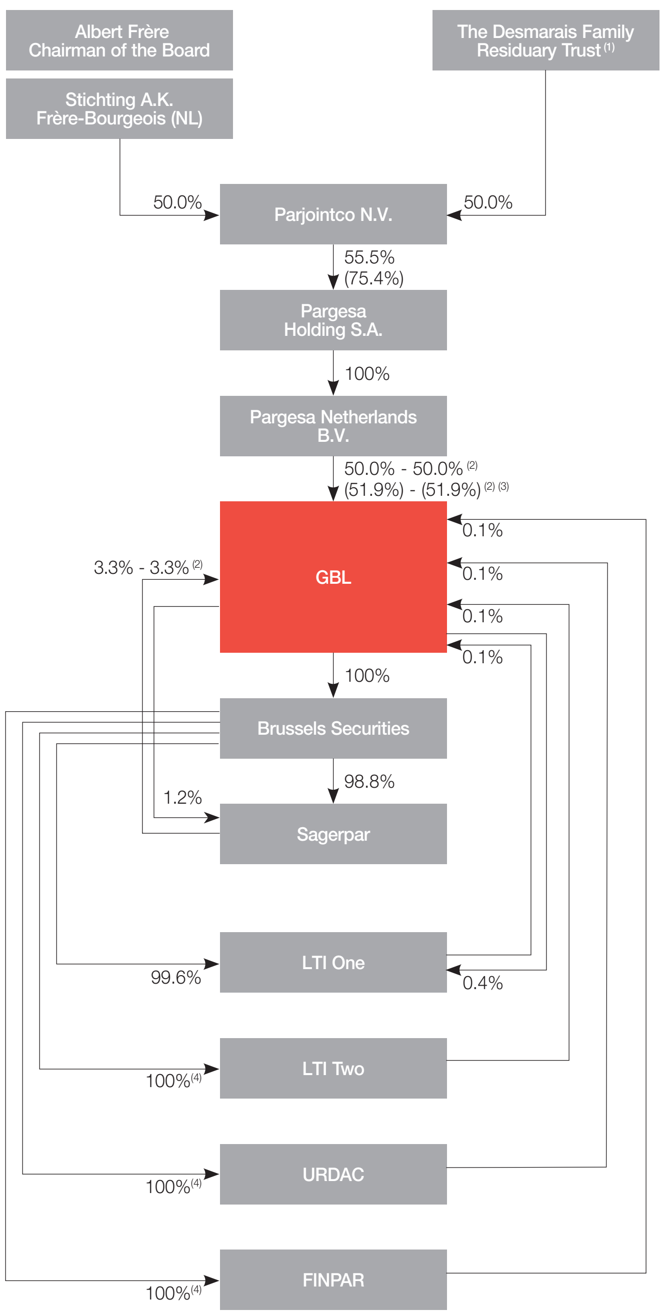
(1) Paul G. Desmarais
(2) Suspended voting rights
(3) GBL sub-subsidiary

B) Equivalent financial instruments

Holders of equivalent financial instruments	Type of financial instruments	Expiry date	Exercise date or period	% of voting rights
Albert Frère (4)	44,885 stock options	25/05/2017	at any time after vesting, from 01/01/2011 to 24/05/2017 inclusive	0.00
Albert Frère (4)	60,561 stock options	10/04/2018	at any time after vesting, from 01/01/2012 to 09/04/2018 inclusive	0.00
Albert Frère (4)	90,230 stock options	17/04/2019	at any time after vesting, from 01/01/2013 to 16/04/2019 inclusive	0.00
Albert Frère (4)	59,822 stock options	16/04/2020	at any time after vesting, from 01/01/2014 to 15/04/2020 inclusive	0.00
Albert Frère (4)	73,570 stock options	15/04/2021	at any time after vesting, from 01/01/2015 to 14/04/2021 inclusive	0.00
Total				**0.00**

(4) For the sake of clarity, the 44,885, 60,561, 90,230, 59,822 and 73,570 stock options were not included in the numerator to avoid double counting of the voting rights, as they are entirely covered by treasury shares held by GBL through Sagerpar

9.3.3. Simplified control chart of GBL at 31 December 2016 updated on 17 March 2017



( ) Voting rights
(1) Previously named Desmarais Family Trust
(2) Updated on 17 March 2017
(3) Taking into account the suspended voting rights relating to treasury shares
(4) Including 10 shares held by GBL

10. GBL's Corporate Social Responsibility

10.1. Responsible management

For many years, GBL has been encouraging the adoption of best practices in the Corporate Social Responsibility (CSR) field. GBL believes that quality governance is a key factor of success, long-term profitability and value creation.

It is therefore committed to the adoption and the use of the best responsible management practices in the conducting of its business and the promotion of CSR challenges in its long-term investor activity.

10.2. GBL, a responsible shareholder

In an ever more complex environment, GBL is strengthening its commitment to the implementation of its CSR programme

GBL is a holding company with investments in industrial and services companies that are leaders in their market and in which it can play its role of professional shareholder.

It recognises that financial and non-financial performances go hand in hand to create value sustainably. As a responsible shareholder, GBL therefore includes CSR criteria in the analysis and selection of its future investments.

Moreover, although responsibility for managing CSR issues is assumed directly by the management teams of the various companies, GBL, as a professional shareholder, monitors and encourages the CSR policies of its holdings. Each of these companies is expected to develop a CSR policy addressing its specific issues. They have each established targets and action plans based on their sector's regulatory environment and their individual growth strategies, which can be consulted on the following websites:

IMERYS	Imerys www.imerys.com	LafargeHolcim	LafargeHolcim www.lafargeholcim.com
SGS	SGS www.sgs.com	adidas GROUP	adidas www.adidas-group.com
Pernod Ricard	Pernod Ricard www.pernod-ricard.com	umicore	Umicore www.umicore.com
TOTAL	Total www.total.com	Ontex	Ontex www.ontexglobal.com

10.3. Staff policy

A CSR programme appropriate to a close-knit team of investment professionals

People play a crucial role in the successful implementation of any corporate strategy, within both GBL and its holdings. The priority is therefore to attract and retain talented individuals with complementary skills and experience. At 31 December 2016, GBL had some forty employees.

GBL's employees are the ambassadors of its core values. Its management philosophy is based on teamwork and mutual trust.

The development of its staff's employability is a priority for GBL, which strives to maintain the motivation and commitment of its employees and to make sure that they always have the level of expertise required to succeed in their assignments.

GBL seeks to create a flexible and balanced work place that recognises the value of diversity and personal well-being. For example, the Company occupies fully renovated, asbestos-free premises, so as to meet the latest legal standards and optimise safety, health and energy consumption.

10.4. A socially-committed company

GBL's social commitment is reflected in its sponsorship policy, which is focused on three areas: scientific research, charitable contributions, and culture and education.

The many requests for funds submitted to the Company are carefully examined by GBL and decisions are made case by case based on the merits of each request.

In 2016, GBL allocated a total of EUR 0.8 million to 75 projects in the following areas:

The medical world: GBL is supporting several hospitals and laboratories with the goal of promoting medical research and financing the acquisition of equipment.

Charitable contributions: GBL's action is mainly aimed at helping people who are suffering from a physical, mental or social disability, in particular the victims of poverty.

Culture and education: various private and public organisations have benefited from GBL's support to set up both cultural (artistic and educational) and academic programmes.

10.5. A limited environmental footprint

GBL's operations have a limited environmental impact. GBL nevertheless seeks to limit any negative impact within its own scope. Its premises have been fully renovated in 2013 to reduce its energy consumption.

In addition, most of the companies in which GBL invests incorporate environmentally-friendly initiatives into their current activities and everyday operation.

10.6. Communication and transparency

GBL is committed to responsible communication

GBL's CSR Statement, which is available on its website, is a reference framework applicable to GBL and its holdings, which defines their priorities according to their activities. The Board of Directors, together with the General Secretary, monitors the CSR Statement's application.

GBL recognises the importance of improving its communication about its CSR activities, given the growing importance of this issue to investors and shareholders. In the next few years, it will continue to communicate transparently on the projects completed within GBL and its investments.

11. Other information relating to the Company

11.1. 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 their 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. Details of the changes to the portfolio over the last three financial years can be found from page 143 to page 146 of this annual report.

11.2. Name

Groupe Bruxelles Lambert
Groep Brussel Lambert
in abbreviated form "GBL"

The French and Dutch registered names may be used together or separately.

11.3. 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.

11.4. Legal form, incorporation and statutory publications

The Company was incorporated on 4 January 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 10 January 1902, reference number 176. The Articles of Association have been amended on a number of occasions, most recently by a deed enacted on 26 April 2016 published in the Appendices to the Belgian Official Gazette of 7 June 2016, reference numbers 16077518 and 16077519.

11.5. 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.

11.6. Register of Legal Entities

The Company is registered in the Register of Legal Entities (RLE) under the business number 0407.040.209.

11.7. Term

The Company is incorporated for an unlimited period.

11.8. 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.

11.9. Share capital

11.9.1. Issued capital

At 31 December 2016, 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 14 December 2005 on the elimination of bearer shares, holders of bearer shares had to convert them into registered or dematerialised shares by 31 December 2013 at the latest. The bearer shares that had not yet been converted into registered or dematerialised shares at 1st January 2014 were automatically converted into dematerialised shares registered in a securities account in GBL's name.

Since 1st January 2014, the exercising of bearer share rights has been suspended in accordance with the law.

The law also provides that, as from 1st January 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 costs incurred) 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 5 December 2014 and concerned 69,082 unclaimed bearer shares, while a second notice was published on 2nd October 2015 relating to 32,656 bearer shares from share exchange reserves. These notices were also inserted in the Belgian Official Gazette of 11 December 2014 and 6 October 2015 respectively. Following the publication of these notices, the shares in question were sold on the stock exchange on 21 January 2015 (69,082 shares) and 16 November 2015 (32,656 shares). The proceeds from these sales were transferred on 23 January 2015 and 18 November 2015 to the Caisse des Dépôts et Consignations.

Since 31 December 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 14 December 2005 provides that, as from 1st January 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.

11.9.2. Authorised capital

The Extraordinary General Shareholders' Meeting of 26 April 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 25 May 1993, 28 May 1996, 25 May 1999, 27 April 2004, 24 April 2007, 12 April 2011 and most recently on 26 April 2016. It is valid for a five-year period from 7 June 2016, i.e. until June 2021.

At 31 December 2016, the authorised capital amounted to EUR 125 million. Based on this amount, a maximum of 30,881,431 new shares may be created.

11.9.3. Treasury shares

The Extraordinary General Shareholders' Meeting of 26 April 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 7 June 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 26 April 2016 General Shareholders' Meeting as well as in compliance with the applicable laws.

The acquisitions and disposals of treasury shares in 2014, 2015 and 2016 are presented in detail on page 117 of this annual report.

11.9.4. Exchangeable and convertible bonds

In February 2013, GBL, through its wholly-owned subsidiary GBL Verwaltung S.A., issued a bond exchangeable for ENGIE shares (EUR 1.0 billion), with a 4-year maturity and bearing interest at an annual rate of 1.25%. The bond matured on 7 February 2017 and was fully repaid on that date.

On 27 September 2013, GBL, through its wholly-owned subsidiary Sagerpar, launched an issue of bonds convertible into GBL shares (EUR 428.4 million), maturing on 9 October 2018 and exchangeable for 5,000,000 existing GBL treasury shares. These bonds bear interest at an annual rate of 0.375%.

These issues are presented in detail on pages 114 and 115 of this annual report.

11.10. 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.

11.11. Documents available to the public

11.11.1. Shareholders' access to information and website

In order to facilitate the shareholders' access to information, GBL has a website (http://www.gbl.be).

This site, which is updated regularly, contains the information required under the Royal Decree of 14 November 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 concerning the 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.

11.11.2. Places where Company-related documents may be consulted

The Company's 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 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 of the documents referred to in this section may be consulted on the Company's website.

Offices of Directors

List of other offices held by the members of the Board of Directors between 2012 and 2016 [1]

Gérald Frère
Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Chairman of the Board of Directors of Loverval Finance S.A. (B), Stichting Administratiekantoor Bierlaire (NL) and Domaines Frère-Bourgeois S.A. (B).
- Vice-Chairman of the Board of Directors and Managing Director of Pargesa Holding S.A. (CH).
- Managing Director of Financière de la Sambre S.A. (B), Pargesa Holding S.A. (CH) and Frère-Bourgeois S.A. (B).
- Director of Power Financial Corporation (CDN), Erbe S.A. (B), Fonds Charles-Albert Frère A.S.B.L. (B) and Haras de la Bierlaire S.A. (B).
- Auditor of Parjointco N.V. (NL).
- Regent and Member of the Budget Committee of the National Bank of Belgium S.A. (B).
- Member of the Remuneration Committee of Power Financial Corporation (CDN).
- Member of the Related Party and Conduct Review Committee of Power Financial Corporation (CDN) *(until 12 May 2016).*
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).
- Manager of Agriger S.P.R.L. (B).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Chairman of the Board of Directors of Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.), Stichting Administratiekantoor Bierlaire (NL) and Domaines Frère-Bourgeois S.A. (B).
- Vice-Chairman of the Board of Directors and Managing Director of Pargesa Holding S.A. (CH).
- Managing Director of Financière de la Sambre S.A. (B), Pargesa Holding S.A. (CH) and Frère-Bourgeois S.A. (B).
- Director of Power Financial Corporation (CDN), Erbe S.A. (B), Fonds Charles-Albert Frère A.S.B.L. (B) and Haras de la Bierlaire S.A. (B).
- Auditor of Parjointco N.V. (NL).
- Regent and Member of the Budget Committee of the National Bank of Belgium S.A. (B).
- Member of the Remuneration Committee of Power Financial Corporation (CDN).
- Member of the Related Party and Conduct Review Committee of Power Financial Corporation (CDN).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).
- Manager of Agriger S.P.R.L. (B).

Financial year 2014

- Chairman of the Board of Directors of Compagnie Nationale à Portefeuille S.A. (ex-Fingen S.A.) (B), Stichting Administratiekantoor Bierlaire (NL) and Domaines Frère-Bourgeois S.A. (B).
- Vice-Chairman of the Board of Directors and Managing Director of Pargesa Holding S.A. (CH).
- Managing Director of Financière de la Sambre S.A. (B) and Frère-Bourgeois S.A. (B).
- Director of Power Financial Corporation (CDN), Electrabel (B) *(until 22 April 2014)*, Erbe S.A. (B), Fonds Charles-Albert Frère A.S.B.L. (B) and Haras de la Bierlaire S.A. (B).
- Auditor of Agesca Nederland N.V. (NL) *(until 23 December 2014)* and Parjointco N.V. (NL).
- Regent and Member of the Budget Committee of the National Bank of Belgium S.A. (B).
- Member of the Remuneration Committee of Power Financial Corporation (CDN).
- Member of the Related Party and Conduct Review Committee of Power Financial Corporation (CDN).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).
- Manager of Agriger S.P.R.L. (B).

Financial year 2013

- Chairman of the Board of Directors of Compagnie Nationale à Portefeuille S.A. (ex-Fingen S.A.) (B), Stichting Administratiekantoor Bierlaire (NL) and Domaines Frère-Bourgeois S.A. (B).
- Vice-Chairman of the Board of Directors and Managing Director of Pargesa Holding S.A. (CH).
- Managing Director of Financière de la Sambre S.A. (B) and Frère-Bourgeois S.A. (B).
- Director of Power Financial Corporation (CDN), Electrabel (B), Erbe S.A. (B), Fonds Charles-Albert Frère A.S.B.L. (B) and Haras de la Bierlaire S.A. (B).
- Auditor of Agesca Nederland N.V. (NL) and Parjointco N.V. (NL).
- Regent and Member of the Budget Committee of the National Bank of Belgium S.A. (B).
- Member of the Remuneration Committee of Power Financial Corporation (CDN).
- Member of the Related Party and Conduct Review Committee of Power Financial Corporation (CDN).
- Honorary Consul of France in Charleroi *(until 22 December 2013).*
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).
- Manager of Agriger S.P.R.L. (B).

(1) Other than offices held in GBL's wholly-owned subsidiaries

Financial year 2012

- Chairman of the Board of Directors of Compagnie Nationale à Portefeuille S.A. (ex-Fingen S.A.) (B), Stichting Administratie-kantoor Bierlaire (NL), Domaines Frère-Bourgeois S.A. (B) *(since 21 December 2012)* and RTL Belgium (B) (*until 1st March 2012*).
- Vice-Chairman of the Board of Directors and Managing Director of Pargesa Holding S.A. (CH).
- Chairman of the Board of Directors and Managing Director of Haras de la Bierlaire S.A. (B) *(until 9 November 2012)*.
- Managing Director of Financière de la Sambre S.A. (B) and Frère-Bourgeois S.A. (B).
- Director of Power Financial Corporation (CDN), Electrabel (B), Erbe S.A. (B), Fonds Charles-Albert Frère A.S.B.L. (B), Haras de la Bierlaire S.A. (B) *(since 9 November 2012)* and Pernod Ricard (F) *(until 9 November 2012)*.
- Auditor of Agesca Nederland N.V. (NL) and Parjointco N.V. (NL).
- Regent and Member of the Budget Committee of the National Bank of Belgium S.A. (B).
- Member of the Remuneration Committee of Power Financial Corporation (CDN).
- Member of the Remuneration Committee of Pernod Ricard (F) *(until 9 November 2012)*.
- Member of the Related Party and Conduct Review Committee of Power Financial Corporation (CDN).
- Honorary Consul of France in Charleroi.
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).
- Manager of Agriger S.P.R.L. (B).

Paul Desmarais, Jr.

Vice-Chairman of the Board of Directors

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Director and Chairman of the Board and Co-CEO of Power Corporation of Canada (CDN).
- Director and 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 Managing Director of Pargesa Holding S.A. (CH).
- Director of 152245 Canada Inc. (CDN), Canada Life Capital Corporation Inc. (CDN), Gesca Ltd. (CDN), GWL&A Financial Inc. (USA), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), La Presse Ltd. (CDN), Parjointco N.V. (NL), Power Communications Inc. (CDN), Power Financial Europe B.V. (NL), SGS S.A. (CH), Square Victoria Communications Group Inc. (CDN), Total S.A. (F), AppDirect (USA), Steve Nash Fitness Centers (CDN) and Best Friends (USA).
- 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), London Insurance Group Inc. (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 exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Director and Chairman of the Board and Co-CEO of Power Corporation of Canada (CDN).
- Director and 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 Managing Director of Pargesa Holding S.A. (CH).
- Director of 152245 Canada Inc. (CDN), Canada Life Capital Corporation Inc. (CDN), Gesca Ltd. (CDN), GWL&A Financial Inc. (USA), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), Lafarge (F) *(until 2015)*, LafargeHolcim (CH) *(since 2015)*, La Presse Ltd. (CDN), Parjointco N.V. (NL), Power Communications Inc. (CDN), Power Financial Europe B.V. (NL), SGS S.A. (CH), Square Victoria Communications Group Inc. (CDN), Total S.A. (F), AppDirect (USA), Steve Nash Fitness Centers (CDN) and Best Friends (USA).
- Director and Member of the Nomination, Compensation and Governance Committee of LafargeHolcim (CH) *(since 2015)*.
- 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), London Insurance Group Inc. (CDN), Putnam Investments LLC (USA) and Mackenzie Inc. (CDN).
- Chairman of the Advisory Board of Sagard Private Equity Partners (F).

Financial year 2014

- Director and Chairman of the Board and Co-CEO of Power Corporation of Canada (CDN).
- Director and 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 Managing Director of Pargesa Holding S.A. (CH).
- Director of 152245 Canada Inc. (CDN), Canada Life Capital Corporation Inc. (CDN), Gesca Ltd. (CDN), GWL&A Financial Inc. (USA), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), GDF SUEZ (F) *(until May 2014)*, Lafarge (F), La Presse Ltd. (CDN), Parjointco N.V. (NL), Power Communications Inc. (CDN), Power Financial Europe B.V. (NL), SGS S.A. (CH), Square Victoria Communications Group Inc. (CDN), Total S.A. (F), AppDirect (USA), Steve Nash Fitness Centers (CDN) and Best Friends (USA).

- 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), London Insurance Group Inc. (CDN), Putnam Investments LLC (USA) and Mackenzie Inc. (CDN).
- Chairman of the Advisory Board of Sagard Private Equity Partners (F).

Financial year 2013
- Director and Chairman of the Board and Co-CEO of Power Corporation of Canada (CDN).
- Director and 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 Managing Director of Pargesa Holding S.A. (CH).
- Director of 152245 Canada Inc. (CDN), Canada Life Capital Corporation Inc. (CDN), Gesca Ltd. (CDN), GWL&A Financial Inc. (USA), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), Lafarge (F), La Presse Ltd. (CDN), Parjointco N.V. (NL), Power Communications Inc. (CDN), Power Financial Europe B.V. (NL), SGS S.A. (CH) *(since 10 July 2013)*, Square Victoria Communications Group Inc. (CDN) and Total S.A. (F).
- Director and Member of the Nomination and Compensation Committee *(until July 2013)* of GDF SUEZ (F).
- 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), London Insurance Group Inc. (CDN), Putnam Investments LLC (USA) and Mackenzie Inc. (CDN).
- Chairman of the Advisory Board of Sagard Private Equity Partners (F).

Financial year 2012
- Director and Chairman of the Board and Co-CEO of Power Corporation of Canada (CDN).
- Director and Co-Chairman of the Board of Power Financial Corporation (CDN).
- Director and Chairman of the Board of 171263 Canada Inc. (CDN).
- Vice-Chairman of the Board and Managing Director of Pargesa Holding S.A. (CH).
- Director of 152245 Canada Inc. (CDN), Canada Life Capital Corporation Inc. (CDN), Crown Life Insurance Company (CDN) *(company dissolved in 2012)*, Gesca Ltd. (CDN), GWL&A Financial Inc. (USA), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), Lafarge (F), La Presse Ltd. (CDN), Parjointco N.V. (NL), Power Communications Inc. (CDN), Power Financial Europe B.V. (NL), Power Corporation International (CDN), Total S.A. (F) and Square Victoria Communications Group Inc. (CDN).
- Director and Member of the Nomination and Compensation Committee of GDF SUEZ (F).
- Director and Member of the Executive Committee of London Life Insurance Company (CDN), Mackenzie Inc. (CDN), 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 Insurance Group Inc. (CDN) and Putnam Investments LLC (USA).
- Chairman of the Advisory Board of Sagard Private Equity Partners (F).

Thierry de Rudder
Vice-Chairman of the Board of Directors
List of activities and other mandates exercised in Belgian and foreign companies in 2016
Nihil

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015
Financial year 2015
Nihil

Financial year 2014
- Director of Electrabel (B) *(until 22 April 2014)*.
- Chairman of the Audit Committee of Electrabel (B) *(until 22 April 2014)*.

Financial year 2013
- Director of Electrabel (B).
- Chairman of the Audit Committee of Electrabel (B).

Financial year 2012
- Director of GDF SUEZ (F) *(until April 2012)*, Electrabel (B), Lafarge (F) *(until May 2012)* and Total S.A. (F) *(until January 2012)*.
- Member of the Audit Committee of GDF SUEZ (F) *(until April 2012)*, Lafarge (F) *(until May 2012)*, Electrabel (B) of Total S.A. (F) *(until January 2012)*.
- Chairman of the Strategy and Investment Committee of GDF SUEZ (F) *(until April 2012)*.
- Chairman of the Audit Committee of Electrabel (B).
- Member of the Remuneration Committee of Lafarge (F) *(until May 2012)*.

Ian Gallienne
Co-CEO
List of activities and other mandates exercised in Belgian and foreign companies in 2016
- Director of Ergon Capital S.A. (B) *(until 15 February 2016)*, Imerys (F), Lafarge (F) *(until 17 March 2016)*, Pernod Ricard (F), Erbe S.A. (B), SGS S.A. (CH), Umicore (B) and adidas AG (D) *(since 12 May 2016)*.
- Member of the Strategic Committee and 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).
- Manager of Ergon Capital II S.à r.l. (L) *(until 15 February 2016)*.

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Director of Ergon Capital S.A. (B), Steel Partners N.V. (B) *(until 23 March 2015)*, Gruppo Banca Leonardo SpA (I) *(until 29 April 2015)*, Imerys (F), Lafarge (F), Pernod Ricard (F), Erbe S.A. (B), SGS S.A. (CH) and Umicore (B) *(since 28 April 2015)*.
- Member of the Strategic Committee and 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).
- Manager of Ergon Capital II S.à r.l. (L).
- Member of the Supervisory Board of Kartesia Management S.A. (L) *(until 1st April 2015)*.

Financial year 2014

- Managing Director of Ergon Capital Partners S.A. (B) *(until 20 March 2014)*, Ergon Capital Partners II S.A. (B) *(until 20 March 2014)* and Ergon Capital Partners III S.A. (B) *(until 20 March 2014)*.
- Director of Ergon Capital S.A. (B), Steel Partners N.V. (B), Gruppo Banca Leonardo SpA (I), Imerys (F), Lafarge (F), Pernod Ricard (F), Erbe S.A. (B) and SGS S.A. (CH).
- Member of the Strategic Committee and of the Appointments and Compensation Committee of Imerys (F).
- Member of the Corporate Governance and Nominations Committee of Lafarge (F).
- Member of the Remuneration Committee of Lafarge (F).
- Member of the Remuneration Committee of Pernod Ricard (F).
- Member of the Nomination and Remuneration Committee of SGS S.A. (CH).
- Manager of Ergon Capital II S.à r.l. (L).
- Member of the Supervisory Board of Kartesia Management S.A. (L).

Financial year 2013

- Managing Director of Ergon Capital Partners S.A. (B), Ergon Capital Partners II S.A. (B) and Ergon Capital Partners III S.A. (B).
- Director of Ergon Capital S.A. (B), Steel Partners N.V. (B), Gruppo Banca Leonardo SpA (I), Imerys (F), Lafarge (F), Pernod Ricard (F), Erbe S.A. (B) *(since 14 March 2013)* and SGS S.A. (CH) *(since 10 July 2013)*.
- Member of the Strategic Committee and of the Appointments and Compensation Committee of Imerys (F).
- Member of the Corporate Governance and Nominations Committee of Lafarge (F).
- Member of the Remuneration Committee of Lafarge (F).
- Member of the Remuneration Committee of Pernod Ricard (F).
- Member of the Nomination and Remuneration Committee of SGS S.A. (CH) *(since 10 July 2013)*.
- Manager of Egerton S.à r.l. (L) *(until 3 October 2013)* and Ergon Capital II S.à r.l. (L).
- Member of the Supervisory Board of Kartesia Management S.A. (L) *(since 2 August 2013)*.

Financial year 2012

- Managing Director of Ergon Capital Partners S.A. (B), Ergon Capital Partners II S.A. (B) and Ergon Capital Partners III S.A. (B).
- Director of Ergon Capital S.A. (B), Steel Partners N.V. (B), PLU Holding S.A.S. (F) *(until 26 April 2012)*, Gruppo Banca Leonardo SpA (I), Imerys (F), Lafarge (F) and Pernod Ricard (F) *(since November 2012)*.
- Member of the Strategic Committee and of the Appointments and Compensation Committee of Imerys (F).
- Member of the Corporate Governance and Nominations Committee of Lafarge (F).
- Member of the Remuneration Committee of Lafarge (F).
- Member of the Supervisory Board of Arno Glass Luxco SCA (L) *(until 27 April 2012)*.
- Manager of Egerton S.à r.l. (L) and Ergon Capital II S.à r.l. (L).

Gérard Lamarche

Co-CEO

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Director of Lafarge (F) *(until 4 May 2016)*, LafargeHolcim (CH), Legrand (F) *(until 27 May 2016)*, Total S.A. (F), SGS S.A. (CH), Pearsie International (B) and Samrée S.A. (L).
- Member of the Audit Committee of Legrand (F) *(until 27 May 2016)*, Total S.A. (F) and SGS S.A. (CH).
- Member of the Strategic Committee of LafargeHolcim (CH).
- Chairman of the Audit Committee of LafargeHolcim (CH) *(since May 2016)*.
- Chairman of the Compensation Committee of Total (F).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Director of Lafarge (F), LafargeHolcim (CH) *(since 8 May 2015)*, Legrand (F), Total S.A. (F), SGS S.A. (CH), Pearsie International S.A. (B) *(since 12 June 2015)* and Samrée S.A. (L) *(since 12 June 2015)*.
- Member of the Audit Committee of Legrand (F), LafargeHolcim (CH), Total S.A. (F) and SGS S.A. (CH).
- Member of the Strategic Committee of Total S.A. (F) *(until 18 December 2015)* and LafargeHolcim (CH).
- Chairman of the Compensation Committee of Total (F) *(since 16 December 2015)*.
- Censor of GDF SUEZ (F) *(until 28 April 2015)*.

Financial year 2014

- Director of Lafarge (F), Legrand (F), Total S.A. (F) and SGS S.A. (CH).
- Chairman of the Audit Committee of Legrand (F).
- Member of the Audit Committee of Lafarge (F), Total S.A. (F) and SGS S.A. (CH).
- Member of the Strategic Committee of Total S.A. (F).
- Censor of GDF SUEZ (F).

Financial year 2013

- Director of Lafarge (F), Legrand (F), Total S.A. (F) and SGS S.A. (CH) *(since 10 July 2013)*.
- Chairman of the Audit Committee of Legrand (F).
- Member of the Audit Committee of Lafarge (F), Total S.A. (F) and SGS S.A. (CH) *(since 10 July 2013)*.
- Member of the Strategic Committee of Total S.A. (F).
- Censor of GDF SUEZ (F).

Financial year 2012

- Director of Lafarge (F) *(since 15 May 2012)*, Legrand (F) and Total S.A. (F) *(since 12 January 2012)*.
- Chairman of the Audit Committee of Legrand (F).
- Member of the Audit Committee of Lafarge (F) *(since 15 May 2012)* and Total S.A. (F) *(since January 2012)*.
- Member of the Strategic Committee of Total S.A. (F) *(since 12 January 2012)*.
- Censor of GDF SUEZ (F) *(since 23 April 2012)*.

Antoinette d'Aspremont Lynden

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- 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 exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- 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).

Financial year 2014

- Director of BNP Paribas Fortis (B).
- Member of the Audit, Risk & Compliance Committee of BNP Paribas Fortis (B).
- Member of the Governance, Nominations and Remuneration Committee of BNP Paribas Fortis (B).

Financial year 2013

- Director of BNP Paribas Fortis (B).
- Member of the Audit, Risk & Compliance Committee of BNP Paribas Fortis (B).
- Member of the Governance, Nominations and Remuneration Committee of BNP Paribas Fortis (B) *(since 11 July 2013)*.

Financial year 2012

- Director of BNP Paribas Fortis (B) *(since 19 April 2012)*.
- Member of the Audit, Risk & Compliance Committee of BNP Paribas Fortis (B) *(since 7 June 2012)*.

Victor Delloye

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Chairman of the Board of Directors of Geseluxes S.A. (L).
- Director – General Secretary of Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Compagnie Immobilière de Roumont S.A. (B), Investor S.A. (B), Erbe S.A. (B), Europart S.A. (B), Frère-Bourgeois S.A. (B), Financière de la Sambre S.A. (B), Fibelpar S.A. (B) *(since 27 April 2016)* and Carpar S.A. (B) *(since 27 May 2016)*.
- Managing Director of Delcortil S.A. (B) *(until 28 December 2016)*.
- Director of Pargesa Holding S.A. (CH), Domaines Frère-Bourgeois S.A. (B), Finer S.A. (L), Filux S.A. (L), Kermadec S.A. (L) *(until 23 March 2016)*, Cargefin S.A. (L) *(until 28 December 2016)*, Swilux S.A. (L), GB-INNO-BM S.A. (B), GIB Group International S.A. (L) and Brufinol (L).
- Director of GIB Corporate Services S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.), Fibelpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until 27 April 2016)* and Carpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) *(until 27 May 2016)*.
- Auditor 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).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Chairman of the Board of Directors of Geseluxes S.A. (L).
- Director – General Secretary of Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Compagnie Immobilière de Roumont S.A. (B), Investor S.A. (B), Erbe S.A. (B), Europart S.A. (B), Frère-Bourgeois S.A. (B) and Financière de la Sambre S.A. (B).
- Managing Director of Delcortil S.A. (B).
- Director of Pargesa Holding S.A. (CH), Domaines Frère-Bourgeois S.A. (B), Finer S.A. (L), Filux S.A. (L), Kermadec S.A. (L), Cargefin S.A. (L), Swilux S.A. (L), GB-INNO-BM S.A. (B), GIB Group International S.A. (L) and Brufinol (L) *(since 24 April 2015)*.
- Director of GIB Corporate Services S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.), Fibelpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.), Carpar S.A. (B) as permanent representative of Loverval Finance S.A. (ex-Compagnie Nationale à Portefeuille S.A.) and Newcor S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. *(until 4 February 2015)*.
- Auditor 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).

Financial year 2014

- Chairman of the Board of Directors of Geseluxes S.A. (L).
- Director – General Secretary of Compagnie Nationale à Portefeuille S.A. (ex-Fingen S.A.) (B), Compagnie Immobilière de Roumont S.A. (B), Investor S.A. (B), Erbe S.A. (B) and Europart S.A. (B).
- Managing Director of Delcortil S.A. (B).
- Director of Pargesa Holding S.A. (CH), Frère-Bourgeois S.A. (B), Financière de la Sambre S.A. (B), Safimar S.A. (B) *(until 18 September 2014)*, Domaines Frère-Bourgeois S.A. (B), Finer S.A. (L), Filux S.A. (L), Kermadec S.A. (L), Segelux S.A. (L) *(until 13 January 2014)*, Cargefin S.A. (L), Swilux S.A. (L), GB-INNO-BM S.A. (B) and GIB Group International S.A. (L).
- Director of GIB Corporate Services S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A., Fibelpar S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A., Carpar S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. and Newcor S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A.
- Auditor of Agesca Nederland N.V. (NL) *(until 23 December 2014)* and 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).

Financial year 2013

- Chairman of the Board of Directors of Geseluxes S.A. (L) *(since 14 May 2013)*.
- Director – General Secretary of Compagnie Nationale à Portefeuille S.A. (ex-Fingen S.A.) (B), Compagnie Immobilière de Roumont S.A. (B), Investor S.A. (B), Erbe S.A. (B), Europart S.A. (B) and Newcor S.A. (B) *(until 1st January 2013)*.
- Managing Director of Delcortil S.A. (B).
- Director of Pargesa Holding S.A. (CH), Frère-Bourgeois S.A. (B), Financière de la Sambre S.A. (B), Safimar S.A. (B), Domaines Frère-Bourgeois S.A. (B), Finer S.A. (L), Filux S.A. (L), Kermadec S.A. (L), Segelux S.A. (L), Cargefin S.A. (L), Swilux S.A. (L), GB-INNO-BM S.A. (B) and GIB Group International S.A. (L).
- Director of GIB Corporate Services S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A., Fibelpar S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A., Carpar S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. and Newcor S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A.
- Auditor of Agesca Nederland N.V. (NL) and 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).

Financial year 2012

- Director – General Secretary of Compagnie Nationale à Portefeuille S.A. (ex-Fingen S.A.) (B), Compagnie Immobilière de Roumont S.A. (B), Carpar S.A. (B) *(until 29 November 2012)*, Investor S.A. (B), Europart S.A. (B), Newcor S.A. (B) and Fibelpar S.A. (B) *(until 29 November 2012)*.
- Managing Director of Delcortil S.A. (B).
- Director of Pargesa Holding S.A. (CH), Frère-Bourgeois S.A. (B), Erbe S.A. *(since 8 March 2012)*, Financière de la Sambre S.A. (B), Safimar S.A. (B), Domaines Frère-Bourgeois S.A. (B) *(since 21 December 2012)*, Finer S.A. (L), Filux S.A. (L), Kermadec S.A. (L), Segelux S.A. (L), Cargefin S.A. (L), Swilux S.A. (L) *(since 16 October 2012)*, GB-INNO-BM S.A. (B), GIB Group International S.A. (L) and Safe Lux S.A. (L) *(until 4 September 2012 following the merger by absorption by GIB Group International S.A. (L))*.
- Director of GIB Corporate Services S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A., Fibelpar S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. *(since 29 November 2012)*, Carpar S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. *(since 29 November 2012)* and Newcor S.A. (B) as permanent representative of Compagnie Nationale à Portefeuille S.A. *(since 28 December 2012)*.
- Auditor of Agesca Nederland N.V. (NL) and 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).

Paul Desmarais III

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Vice-Chairman of Power Financial Corporation (CDN) and Power Corporation of Canada (CDN).
- Director of Great-West Lifeco Inc. (CDN), Investors Group Inc. (CDN), GWL&A Financial Inc. (USA) *(until 5 May 2016)*, Mackenzie Inc. (CDN), Putnam Investments, LLC (USA) *(until 5 May 2016)*, Sagard Capital Partners GP, Inc. (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), Great-West Financial (Nova Scotia) Co. (CDN), Great-West Financial (Canada) Inc. (CDN), Wealthsimple Canada Inc. (CDN), Wealthsimple Financial Corp. (CDN), Imerys (F) and Pargesa Holding S.A. (CH).
- Member of the Strategic Committee and of the Appointments and Compensation Committee *(since 4 May 2016)* of Imerys (F).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Vice-Chairman of Power Financial Corporation (CDN) and Power Corporation of Canada (CDN).
- Director of Great-West Lifeco Inc. (CDN), Investors Group Inc. (CDN), GWL&A Financial Inc. (USA), Mackenzie Inc. (CDN), Putnam Investments, LLC (USA), Sagard Capital Partners GP, Inc. (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), Great-West Financial (Nova Scotia) Co. (CDN), Great-West Financial (Canada) Inc. (CDN), Wealthsimple Canada Inc. (CDN) *(since March 2015)*, Wealthsimple Financial Corp. (CDN) *(since December 2015)*, Imerys (F) and Pargesa Holding S.A. (CH).
- Member of the Strategic Committee of Imerys (F).

Financial year 2014

- Vice-Chairman of Power Financial Corporation (CDN) *(since May 2014)* and Power Corporation of Canada (CDN) *(since May 2014)*.
- Director of Great-West Lifeco Inc. (CDN) *(since 8 May 2014)*, Investors Group Inc. (CDN) *(since 9 May 2014)*, GWL&A Financial Inc. (USA) *(since 8 May 2014)*, Mackenzie Inc. (CDN) *(since May 2014)*, Putnam Investments, LLC (USA) *(since May 2014)*, Sagard Capital Partners GP, Inc. (CDN) *(since 7 November 2014)*, The Great-West Life Assurance Company (CDN) *(since May 2014)*, London Insurance Group Inc. (CDN) *(since May 2014)*, London Life Insurance Company (CDN) *(since May 2014)*, Canada Life Financial Corporation (CDN) *(since May 2014)*, The Canada Life Assurance Company (CDN) *(since May 2014)*, The Canada Life Insurance Company of Canada (CDN) *(since May 2014)*, Great-West Financial (Nova Scotia) Co. (CDN) *(since May 2014)*, Great-West Financial (Canada) Inc. (CDN) *(since May 2014)*, Imerys (F) *(since 29 April 2014)* and Pargesa Holding S.A. (CH) *(since 6 May 2014)*.
- Member of the Strategic Committee of Imerys (F) *(since 29 April 2014)*.

Financial year 2013

Nihil

Financial year 2012

Nihil

Cédric Frère

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Chairman of the Board of Directors, Managing Director of Haras de la Bierlaire S.A. (B) and Manoir de Roumont S.A. (B).
- Managing Director of Domaines Frère-Bourgeois S.A. (B).
- Director of Pargesa Holding S.A. (CH), Erbe S.A. (B), Frère-Bourgeois S.A. (B), Cheval Blanc Finance S.A.S (F), Swilux (L), Filux (L), Investor (B), Compagnie Nationale à Portefeuille S.A. (B) and Carpar (B) *(since 27 May 2016)*.
- Director of Carpar (B) as permanent representative of Manoir de Roumont S.A. *(until 27 May 2016)*.
- Tenured Director of Cheval des Andes (Argentina).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Chairman of the Board of Directors, Managing Director of Haras de la Bierlaire S.A. (B) and Manoir de Roumont S.A. (B).
- Managing Director of Domaines Frère-Bourgeois S.A. (B).
- Director of Pargesa Holding S.A. (CH), Erbe S.A. (B), Frère-Bourgeois S.A. (B), Cheval Blanc Finance S.A.S (F), Swilux (L), Filux (L), Investor (B) *(since 14 January 2015)*, Compagnie Nationale à Portefeuille S.A. (B) *(since 4 February 2015)*.
- Director of Compagnie Nationale à Portefeuille S.A. (ex-Newcor S.A.) (B) as permanent representative of Manoir de Roumont S.A. *(until 4 February 2015)* and Carpar (B) as permanent representative of Manoir de Roumont S.A. *(since 5 February 2015)*.
- Tenured Director of Cheval des Andes (Argentina).

Financial year 2014

- Chairman of the Board of Directors, Managing Director of Haras de la Bierlaire S.A. (B) and Manoir de Roumont S.A. (B).
- Managing Director of Domaines Frère-Bourgeois S.A. (B).
- Director of Pargesa Holding S.A. (CH), Erbe S.A. (B), Frère-Bourgeois S.A. (B), Cheval Blanc Finance S.A.S (F), Swilux (L) and Filux (L).
- Director of Newcor (B) as permanent representative of Manoir de Roumont S.A. *(since 11 March 2014)*.
- Tenured Director of Cheval des Andes (Argentina).

Financial year 2013

- Chairman of the Board of Directors, Managing Director of Haras de la Bierlaire S.A. (B) and Manoir de Roumont S.A. (B).
- Chairman of the Board of Directors of Cheval Blanc Finance S.A.S *(until 14 November 2013)*.
- Managing Director of Domaines Frère-Bourgeois S.A. (B).
- Director of Pargesa Holding S.A. (CH), Erbe S.A. (B), Frère-Bourgeois S.A. (B), Swilux (L) *(since 7 January 2013)*, Filux (L) *(since 7 January 2013)*, Cheval Blanc Finance S.A.S *(since 14 November 2013)* and Transcor Astra Group (B) *(until 29 March 2013)*.
- Tenured Director of Cheval des Andes (Argentina).

Financial year 2012

- Chairman of the Board of Directors, Managing Director of Manoir de Roumont S.A. (B).
- Chairman of the Board of Directors of Cheval Blanc Finance S.A.S. (F).
- Managing Director of Domaines Frère-Bourgeois S.A. (B) *(since 21 December 2012)*.
- Director of Haras de la Bierlaire S.A. (B), Pargesa Holding S.A. (CH), Erbe S.A. (B), Frère-Bourgeois S.A. (B) and Transcor Astra Group (B) *(since 30 March 2012)*.
- Tenured Director of Cheval des Andes (Argentina).

Ségolène Gallienne
Director
List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Chairwoman of the Board of Directors of Diane S.A. (CH) and Stichting Administratiekantoor Peupleraie (NL).
- Director of Frère-Bourgeois S.A. (B), Erbe S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Cheval Blanc Finance S.A.S (F), Domaines Frère-Bourgeois S.A. (B), Christian Dior S.A. (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 Esso SDC (B).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Chairwoman of the Board of Directors of Diane S.A. (CH).
- Director of Frère-Bourgeois S.A. (B), Erbe S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Cheval Blanc Finance S.A.S (F), Domaines Frère-Bourgeois S.A. (B), Christian Dior S.A. (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 Esso SDC (B).
- Chairwoman of Raad van Bestuur de Stichting Administratiekantoor Peupleraie (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

Financial year 2014

- Chairwoman of the Board of Directors of Diane S.A. (CH).
- Director of Frère-Bourgeois S.A. (B), Erbe S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Cheval Blanc Finance S.A.S (F), Domaines Frère-Bourgeois S.A. (B), Christian Dior S.A. (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 Esso SDC (B).
- Chairwoman of Raad van Bestuur de Stichting Administratiekantoor Peupleraie (NL).

Financial year 2013

- Chairwoman of the Board of Directors of Diane S.A. (CH).
- Director of Frère-Bourgeois S.A. (B), Erbe S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Cheval Blanc Finance S.A.S (F) *(since November 2013)*, Domaines Frère-Bourgeois S.A. (B), Christian Dior S.A. (F), Fonds Charles-Albert Frère A.S.B.L. (B), Société Civile du Château Cheval Blanc (F) and Pargesa Holding S.A. (CH).
- Chairwoman of Raad van Bestuur de Stichting Administratiekantoor Peupleraie (NL).

Financial year 2012

- Chairwoman of the Board of Directors of Diane S.A. (CH).
- Director of Frère-Bourgeois S.A. (B), Erbe S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Domaines Frère-Bourgeois S.A. (B) *(since December 2012)*, Christian Dior S.A. (F), Fonds Charles-Albert Frère A.S.B.L. (B), Société Civile du Château Cheval Blanc (F) and Pargesa Holding S.A. (CH).
- Chairwoman of Raad van Bestuur de Stichting Administratiekantoor Peupleraie (NL).

Maurice Lippens
Director
List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Director and Treasurer of Le Musée des Enfants A.S.B.L. (B).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Director and Treasurer of Le Musée des Enfants A.S.B.L. (B).

Financial year 2014

- Chairman of Compagnie Het Zoute (B) *(until April 2014)* and Compagnie Het Zoute Real Estate (B) *(until April 2014).*
- Director and Treasurer of Le Musée des Enfants A.S.B.L. (B).

Financial year 2013

- Chairman of Compagnie Het Zoute (B) and Compagnie Het Zoute Real Estate (B).
- Director and Treasurer of Le Musée des Enfants A.S.B.L. (B).

Financial year 2012

- Chairman of Compagnie Het Zoute (B), Compagnie Het Zoute Real Estate (B), Compagnie Het Zoute Réserve (B) *(until April 2012)* and Zoute Promotions (B) *(until April 2012)*.
- Director of Compagnie Immobilière d'Hardelot (F) *(until April 2012)*.
- Director and Treasurer of Le Musée des Enfants A.S.B.L. (B).

Christine Morin-Postel
Director
List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Director of British American Tobacco (UK) *(until 6 December 2016)*, Hightech Payment Systems S.A. (Morocco).
- Chairwoman of the Nomination and Remuneration Committee of Hightech Payment Systems S.A. (Morocco).
- Senior Independent Director of British American Tobacco (UK) *(until 25 October 2016)*.
- Member of the Nomination and Remuneration Committee of British American Tobacco (UK) *(until 28 April 2016)*.
- Chairwoman of the Audit Committee of British American Tobacco (UK) (*until 1st October 2016*).
- Member of the Investment Committee of Capmezzanine 2 *(since 1st January 2016).*

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Director of British American Tobacco (UK) and Hightech Payment Systems S.A. (Morocco).
- Chairwoman of the Nomination and Remuneration Committee of Hightech Payment Systems S.A. (Morocco).
- Senior Independent Director of British American Tobacco (UK).
- Member of the Nomination and Remuneration Committee of British American Tobacco (UK).
- Chairwoman of the Audit Committee of British American Tobacco (UK).

Financial year 2014

- Director of British American Tobacco (UK) and Hightech Payment Systems S.A. (Morocco).
- Chairwoman of the Nomination and Remuneration Committee of Hightech Payment Systems S.A. (Morocco).
- Senior Independent Director of British American Tobacco (UK).
- Member of the Nomination and Remuneration Committee of British American Tobacco (UK).
- Member of the Audit Committee of British American Tobacco (UK).

Financial year 2013

- Director of British American Tobacco (UK), Hightech Payment Systems S.A. (Morocco) and Royal Dutch Shell plc. (UK) *(until 21 May 2013)*.
- Chairwoman of the Nomination and Remuneration Committee of Hightech Payment Systems S.A. (Morocco).
- Senior Independent Director of British American Tobacco (UK) *(since April 2013)*.
- Member of Corporate Social Responsability Committee of British American Tobacco (UK).
- Member of the Nomination and Remuneration Committee of British American Tobacco (UK).
- Member of the Audit Committee of Royal Dutch Shell plc. (UK) *(until 21 May 2013)*.

Financial year 2012

- Director of British American Tobacco (UK), Hightech Payment Systems S.A. (Morocco), Royal Dutch Shell plc. (UK) and Exor Spa (I) *(until 28 May 2012)*.
- Chairwoman of the Nomination and Remuneration Committee of Hightech Payment Systems S.A. (Morocco).
- Member of the Audit Committee of Royal Dutch Shell plc (UK).

Michel Plessis-Bélair

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Executive (Vice-Chairman of the Board) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Director of Great-West Lifeco Inc. (CDN), La Great-West, compagnie d'assurance-vie (CDN), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), GWL&A Financial Inc. (USA), Great-West Life & Annuity Insurance Company (USA), Groupe d'assurances London Inc. (CDN), London Life Compagnie d'assurance-vie (CDN), La compagnie d'assurance du Canada sur la vie (CDN), Corporation financière Canada-vie (CDN), The Canada Life Insurance Company of Canada (CDN), IGM Financial Inc. (CDN) *(until 8 May 2015)*, Investors Group Inc. (CDN) *(until 8 May 2015)*, Mackenzie Inc. (CDN) *(until 8 May 2015)*, Entreprises Victoria Square Inc. (CDN), Groupe de communications Square Victoria Inc. (CDN), Gesca Ltd. (CDN), La Presse Ltd. (CDN), Power Financial Europe B.V. (NL), Parjointco N.V. (NL), Pargesa Holding S.A. (CH), Lallemand Inc. (CDN), Corporation Energie Power (CDN) and 171263 Canada Inc. (CDN).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Executive (Vice-Chairman of the Board) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Director of Great-West Lifeco Inc. (CDN), La Great-West, compagnie d'assurance-vie (CDN), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), GWL&A Financial Inc. (USA), Great-West Life & Annuity Insurance Company (USA), Groupe d'assurances London Inc. (CDN), London Life Compagnie d'assurance-vie (CDN), La compagnie d'assurance du Canada sur la vie (CDN), Corporation financière Canada-vie (CDN), The Canada Life Insurance Company of Canada (CDN), IGM Financial Inc. (CDN) *(until 8 May 2015)*, Investors Group Inc. (CDN) (until 8 May 2015), Mackenzie Inc. (CDN) *(until 8 May 2015)*, Entreprises Victoria Square Inc. (CDN), Groupe de communications Square Victoria Inc. (CDN), Gesca Ltd. (CDN), La Presse Ltd. (CDN), Power Financial Europe B.V. (NL), Parjointco N.V. (NL), Pargesa Holding S.A. (CH), Lallemand Inc. (CDN), Corporation Energie Power (CDN) and 171263 Canada Inc. (CDN).

Financial year 2014

- Executive (Vice-Chairman of the Board) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Director of Great-West Lifeco Inc. (CDN), La Great-West, compagnie d'assurance-vie (CDN), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), GWL&A Financial Inc. (USA), Great-West Life & Annuity Insurance Company (USA), Groupe d'assurances London Inc. (CDN), London Life Compagnie d'assurance-vie (CDN), La compagnie d'assurance du Canada sur la vie (CDN), Corporation financière Canada-vie (CDN), The Canada Life Insurance Company of Canada (CDN), IGM Financial Inc. (CDN), Investors Group Inc. (CDN), Mackenzie Inc. (CDN), Entreprises Victoria Square Inc. (CDN), Groupe de communications Square Victoria Inc. (CDN), Gesca Ltd. (CDN), La Presse Ltd. (CDN), Power Financial Europe B.V. (NL), Parjointco N.V. (NL), Pargesa Holding S.A. (CH), Lallemand Inc. (CDN), Hydro-Québec (CDN) *(until 11 November 2014)*, Corporation Energie Power (CDN) and 171263 Canada Inc. (CDN).

Financial year 2013

- Executive (Vice-Chairman of the Board) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Director of Great-West Lifeco Inc. (CDN), La Great-West, compagnie d'assurance-vie (CDN), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), GWL&A Financial Inc. (USA), Great-West Life & Annuity Insurance Company (USA), Groupe d'assurances London Inc. (CDN), London Life Compagnie d'assurance-vie (CDN), La compagnie d'assurance du Canada sur la vie (CDN), Corporation financière Canada-vie (CDN), The Canada Life Insurance Company of Canada (CDN), IGM Financial Inc. (CDN), Investors Group Inc. (CDN), Mackenzie Inc. (CDN), Entreprises Victoria Square Inc. (CDN), Groupe de communications Square Victoria Inc. (CDN), Gesca Ltd. (CDN), La Presse Ltd. (CDN), Power Financial Europe B.V. (NL), Parjointco N.V. (NL), Pargesa Holding S.A. (CH), Lallemand Inc. (CDN), Hydro-Québec (CDN), Corporation Energie Power (CDN) and 171263 Canada Inc. (CDN).

Financial year 2012

- Executive of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Director of Great-West Lifeco Inc. (CDN), La Great-West, compagnie d'assurance-vie (CDN), Great-West Financial (Canada) Inc. (CDN), Great-West Financial (Nova Scotia) Co. (CDN), GWL&A Financial Inc. (USA), Great-West Life & Annuity Insurance Company (USA), Groupe d'assurances London Inc. (CDN), London Life Compagnie d'assurance-vie (CDN), La compagnie d'assurance du Canada sur la vie (CDN), Corporation financière Canada-vie (CDN), The Canada Life Insurance Company of Canada (CDN), Crown Life Insurance Company (CDN), IGM Financial Inc. (CDN), Investors Group Inc. (CDN), Mackenzie Inc. (CDN), Entreprises Victoria Square Inc. (CDN), Groupe de communications Square Victoria Inc. (CDN), Gesca Ltd. (CDN), La Presse Ltd. (CDN), Power Financial Europe B.V. (NL), Parjointco N.V. (NL), Pargesa Holding S.A. (CH), Lallemand Inc. (CDN), Hydro-Québec (CDN), Corporation Energie Power (CDN) (since March 2012) and 171263 Canada Inc. (CDN) *(since December 2012)*.

Marie Polet

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Member of the Supervisory Board of Koninklijke Theodorus Niemeyer B.V. (NL).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Director, Chairwoman and CEO of Imperial Tobacco Canada Ltd. (CDN) *(until 16 January 2015)* and Imperial Tobacco Company Ltd. (UK) *(until 16 January 2015)*.
- Member of the Supervisory Board of Koninklijke Theodorus Niemeyer B.V. (NL).

Financial year 2014

- Director, Chairwoman and CEO of Imperial Tobacco Canada Ltd. (CDN) and Imperial Tobacco Company Ltd. (UK).
- Member of the Supervisory Board of Koninklijke Theodorus Niemeyer B.V. (NL) *(since 24 September 2014)*, British American Tobacco Norway AS (N) *(until 1st May 2014)* and Fiedler & Lundgren AB (S) *(until 1st May 2014)*.

Financial year 2013

- Director, Chairwoman and CEO of Imperial Tobacco Canada Ltd. (CDN) and Imperial Tobacco Company Ltd. (UK).
- Member of the Supervisory Board of British American Tobacco Norway AS (N) and Fiedler & Lundgren AB (S).

Financial year 2012

- Director, Chairwoman and CEO of Imperial Tobacco Canada Ltd. (CDN) and Imperial Tobacco Company Ltd. (UK).
- Member of the Supervisory Board of British American Tobacco Norway AS (N) and Fiedler & Lundgren AB (S).

Gilles Samyn

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Chairman of the Board of Directors of Cheval Blanc Finance S.A.S. (F), Finer S.A. (L) (ex-Erbe Finance S.A.), Financière Flo S.A.S. (F), Groupe Flo S.A. (F), Helio Charleroi Finance S.A. (B), Kermadec S.A. (L), Swilux S.A. (L), Transcor Astra Group S.A. (B), ACP Belgium S.A. (B) (ex-Acide Carbonique Pur S.A.) *(until April 2016)*, Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.), Europart S.A. (B), Fibelpar S.A. (B), Compagnie Immobilière de Roumont S.A. (B), Tagam AG (CH) *(since October 2016)* and Worldwide Energy AG (CH) *(since August 2016)*.
- Chairman and Director of Filux S.A. (L).
- Managing Director of Carpar S.A. (B) as representative of Société des Quatre Chemins S.A., Erbe S.A. (B), Domaines Frère-Bourgeois S.A. (B), Financière de la Sambre S.A. (B), Frère-Bourgeois S.A. (B), Investor S.A. (B), Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.) and Société des Quatre Chemins S.A. (B).
- Director of AOT Holding Ltd. (CH), Astra Transcor Energy N.V. (NL) *(since July 2016)*, Banca Leonardo SpA (I), Belholding Belgium S.A. (B), BSS Investments S.A. (B) as representative of Compagnie Immobilière de Roumont S.A., Fidentia Real Estate Investments (B) *(until May 2016)*, Grand Hôpital de Charleroi A.S.B.L. (B), Société Civile du Château Cheval Blanc (F) and Antwerp Gaz Terminal N.V. (B) as representative of ACP Belgium S.A. (ex-Acide Carbonique Pur S.A.) *(until April 2016)*.
- Director and Member of the Audit Committee and of the Compensation Committee of Pargesa Holding S.A. (CH).
- Deputy Director of Cheval des Andes S.A. (Argentina).
- 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).
- Member of the Compensation Committee of Banca Leonardo SpA (I).
- Director and Member of the Audit Committee of Pernod Ricard (F).
- Manager of Gosa SDC (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) *(since July 2016)*.

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Chairman of the Board of Directors of Cheval Blanc Finance S.A.S. (F), Finer S.A. (L) (ex-Erbe Finance S.A.), Financière Flo S.A.S. (F), Groupe Flo S.A. (F), Helio Charleroi Finance S.A. (B), Kermadec S.A. (L), Swilux S.A. (L), Transcor Astra Group S.A. (B), ACP Belgium S.A. (B) (ex-Acide Carbonique Pur S.A.), Unifem S.A.S. (F) *(until December 2015)*, Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.) *(since February 2015)*, Europart S.A. (B) *(since February 2015)*, Fibelpar S.A. (B) *(since February 2015)* and Compagnie Immobilière de Roumont S.A. *(since February 2015)*.
- 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 Filux S.A. (L).

- Vice-Chairman and Director of APG/SGA S.A. (CH) (ex-Affichage Holding S.A.) *(until May 2015)*.
- Managing Director of Carpar S.A. (B) as representative of Société des Quatre Chemins S.A., Compagnie Immobilière de Roumont S.A. (B) *(until January 2015)*, Erbe S.A. (B), Domaines Frère-Bourgeois S.A. (B), Europart S.A. (B) *(until January 2015)*, Fibelpar S.A. (B) as representative of Société des Quatre Chemins S.A. *(until January 2015)*, Financière de la Sambre S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Newcor S.A.) *(until January 2015)*, Frère-Bourgeois S.A. (B), Investor S.A. (B), Loverval Finance S.A. (B) (ex-Compagnie Nationale à Portefeuille S.A.) and Société des Quatre Chemins S.A. (B).
- Director of AOT Holding Ltd. (CH), Banca Leonardo SpA (I), Belholding Belgium S.A. (B), BSS Investments S.A. (B) as representative of Compagnie Immobilière de Roumont S.A., Fidentia Real Estate Investments (B), Grand Hôpital de Charleroi A.S.B.L. (B), Société Civile du Château Cheval Blanc (F) and Antwerp Gaz Terminal N.V. (B) as representative of ACP Belgium S.A. (ex-Acide Carbonique Pur S.A.) *(since September 2015)*.
- Director and Member of the Audit Committee and of the Compensation Committee of Pargesa Holding S.A. (CH).
- Deputy Director of Cheval des Andes S.A. (Argentina).
- 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).
- Member of the Compensation Committee of Banca Leonardo SpA (I).
- Director and Member of the Audit Committee of Pernod Ricard (F).
- Manager of Gosa SDC (B) and Sodisco S.à r.L. (L) *(until June 2015)*.
- Auditor of Parjointco N.V. (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

Financial year 2014

- Chairman of the Board of Directors of Cheval Blanc Finance S.A.S. (F), Finer S.A. (L) (ex-Erbe Finance S.A.), Financière Flo S.A.S. (F), Groupe Flo S.A. (F), Helio Charleroi Finance S.A. (B), Kermadec S.A. (L), Swilux S.A. (L), Transcor Astra Group S.A. (B), Unifem S.A.S. (F) and Acide Carbonique Pur Belgium S.A. (B) *(since December 2014)*.
- Chairman and Director of International Duty Free S.A. (B) (ex-Distripar S.A.), Belgian Sky Shops S.A. (B), Filux S.A. (L) and Segelux S.A. (L) (ex-Gesecalux S.A.) *(until January 2014)*.
- Vice-Chairman of APG/SGA S.A. (CH) (ex-Affichage Holding S.A.) *(since May 2014)*.
- Managing Director of Carpar S.A. (B) as representative of Société des Quatre Chemins S.A., Compagnie Immobilière de Roumont S.A. (B), Erbe S.A. (B), Domaines Frère-Bourgeois S.A. (B), Europart S.A. (B), Fibelpar S.A. (B) as representative of Société des Quatre Chemins S.A., Financière de la Sambre S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Fingen S.A.), Frère-Bourgeois S.A. (B), Investor S.A. (B), Safimar S.A. (B) *(until August 2014)*, SCP S.A. (L) *(until August 2014)* and Société des Quatre Chemins S.A. (B).
- Director of Acide Carbonique Pur S.A. (B) as representative of Société des Quatre Chemins S.A. *(until November 2014)*, APG/SGA S.A. (CH) (ex-Affichage Holding S.A.), AOT Holding Ltd. (CH), Banca Leonardo SpA (I), Belholding Belgium S.A. (B), BSS Investments S.A. (B) as representative of Compagnie Immobilière de Roumont S.A., Fidentia Real Estate Investments (B), Grand Hôpital de Charleroi A.S.B.L. (B), Société Civile du Château Cheval Blanc (F) and Transcor East Ltd. (CH) *(until August 2014)*.
- Director and Member of the Audit Committee and of the Compensation Committee of Pargesa Holding S.A. (CH).
- Deputy Director of Cheval des Andes S.A. (Argentina).
- Member of the Supervisory Board, of the Nomination and Remuneration Committee *(until April 2014)* and of the Audit Committee of Métropole Télévision (M6) (F).
- Chairman of the Nomination and Remuneration Committee of Métropole Télévision (M6) (F) *(since May 2014)*.
- Member of the Compensation Committee of Banca Leonardo SpA (I).
- Director and Member of the Audit Committee of Pernod Ricard (F) *(since November 2014)*.
- Manager of Gosa SDC (B) and Sodisco S.à r.L. (L).
- Auditor of Agesca Nederland N.V. (NL) *(until December 2014)* and Parjointco N.V. (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

Financial year 2013

- Chairman of the Board of Directors of Cheval Blanc Finance S.A.S. (F) *(since November 2013)*, Finer S.A. (L) (ex-Erbe Finance S.A.), Financière Flo S.A.S. (F), Groupe Flo S.A. (F), Groupe Jean Dupuis S.A. (B) *(until December 2013)*, Helio Charleroi Finance S.A. (B), Kermadec S.A. (L), Swilux S.A. (L), Transcor Astra Group S.A. (B) and Unifem S.A.S. (F).
- Chairman and Director of International Duty Free S.A. (B) (ex-Distripar S.A.), Belgian Sky Shops S.A. (B), Filux S.A. (L) and Segelux S.A. (L) (ex-Gesecalux S.A.).
- Managing Director of Carpar S.A. (B) as representative of Société des Quatre Chemins S.A., Compagnie Immobilière de Roumont S.A. (B), Erbe S.A. (B), Domaines Frère-Bourgeois S.A. (B), Europart S.A. (B), Fibelpar S.A. (B) as representative of Société des Quatre Chemins S.A., Financière de la Sambre S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Fingen S.A.), Frère-Bourgeois S.A. (B), Investor S.A. (B), Safimar S.A. (B), SCP S.A. (L) and Société des Quatre Chemins S.A. (B).
- Director of Acide Carbonique Pur S.A. (B) as representative of Société des Quatre Chemins S.A., APG/SGA S.A. (CH) (ex-Affichage Holding S.A.), AOT Holding Ltd. (CH), Banca Leonardo SpA (I), Belgian Ice Cream Group N.V. (B) *(until March 2013)*, Belholding Belgium S.A. (B), BSS Investments S.A. (B) as representative of Compagnie Immobilière de Roumont S.A., Carsport S.A. (B) *(until December 2013)*, Fidentia Real Estate Investments (B), Grand Hôpital de Charleroi A.S.B.L. (B), Société Civile du Château Cheval Blanc (F), Starco Tielen N.V. (B) *(until March 2013)*, Transcor East Ltd. (CH) and TTR Energy S.A. (B) *(until November 2013)*.
- Director and Member of the Audit Committee and of the Compensation Committee of Pargesa Holding S.A. (CH).
- Deputy Director of Cheval des Andes S.A. (Argentina).
- Member of the Supervisory Board and of the Nomination and Remuneration Committee of Métropole Télévision (M6) (F).
- Member of the Compensation Committee of Banca Leonardo SpA (I).
- Manager of Gosa SDC (B) and Sodisco S.à r.L. (L).
- Auditor of Agesca Nederland N.V. (NL) and Parjointco N.V. (NL).
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

Financial year 2012

- Chairman of the Board of Directors of Finer S.A. (L) (ex-Erbe Finance S.A.), Financière Flo S.A.S. (F), Groupe Flo S.A. (F), Groupe Jean Dupuis S.A. (B), Helio Charleroi Finance S.A. (B), Kermadec S.A. (L), Solvay School Alumni A.S.B.L. (B) *(until October 2012)*, Swilux S.A. (L), Transcor Astra Group S.A. (B) and Unifem S.A.S. (F).
- Chairman and Director of International Duty Free S.A. (B) (ex-Distripar S.A.), Belgian Sky Shops S.A. (B), Filux S.A. (L) *(Chairman since March 2012)* and Segelux S.A. (L) (ex-Gesecalux S.A.) *(Chairman since March 2012)*.
- Chairman and Managing Director of Newcor S.A. (B) *(until December 2012)*.
- Managing Director of Carpar S.A. (B) as representative of Société des Quatre Chemins S.A. *(since November 2012)*, Carpar S.A. *(until November 2012)*, Compagnie Immobilière de Roumont S.A. (B), Erbe S.A. (B), Domaines Frère-Bourgeois S.A. (B) *(since December 2012)*, Europart S.A. (B), Fibelpar S.A. (B) *(until November 2012)*, Fibelpar S.A. (B) as representative of Société des Quatre Chemins S.A. *(since November 2012)*, Financière de la Sambre S.A. (B), Compagnie Nationale à Portefeuille S.A. (B) (ex-Fingen S.A.) as permanent representative of Société des Quatre Chemins S.A. *(since December 2012)*, Frère-Bourgeois S.A. (B), Investor S.A. (B), Newcor S.A. as representative of Société des Quatre Chemins S.A. (B) *(since December 2012)*, Safimar S.A. (B), SCP S.A. (L) and Société des Quatre Chemins S.A. (B).
- Director of Acide Carbonique Pur S.A. (B) as representative of Société des Quatre Chemins S.A., APG/SGA S.A. (CH) (ex-Affichage Holding S.A.), AOT Holding Ltd. (CH), Banca Leonardo SpA (I), Belgian Ice Cream Group N.V. (B), Belholding Belgium S.A. (B), BSS Investments S.A. (B) as representative of Compagnie Immobilière de Roumont S.A. *(since February 2012)*, Carsport S.A. (B) *(since January 2012)*, Fidentia Real Estate Investments (B), Newtrans Trading S.A. (B) *(from January to August 2012)*, Grand Hôpital de Charleroi A.S.B.L. (B), Société Civile du Château Cheval Blanc (F), Starco Tielen N.V. (B), Transcor East Ltd. (CH) and TTR Energy S.A. (B).
- Director and Member of the Audit Committee and of the Compensation Committee of Pargesa Holding S.A. (CH).
- Deputy Director of Cheval des Andes S.A. (Argentina).
- Member of the Supervisory Board, of the Nomination and Remuneration Committee and of the Audit Committee of Métropole Télévision (M6) (F).
- Member of the Compensation Committee of Banca Leonardo SpA (I) *(since May 2012)*.
- Manager of Gosa SDC (B) and Sodisco S.à r.L. (L) *(since February 2012).*
- Auditor of Agesca Nederland N.V. (NL) and Parjointco N.V. (NL).
- Member of the Investment Committee of Tikehau Capital Partners S.A.S. (F) *(until December 2012)*.
- Member of the Raad van Bestuur of Stichting Administratiekantoor Frère-Bourgeois (NL).

Amaury de Seze

Director

List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Vice-Chairman of Power Financial Corporation (CDN).
- Lead Board Director of Carrefour S.A. (F).
- Member of the Supervisory Board of Publicis Groupe (F) *(until 25 May 2016)*.
- Chairman of the Supervisory Board of PAI Partners S.A.S. (F).
- Director of BW Group (BM), Erbe S.A. (B), Imerys (F) *(until 4 May 2016*, Pargesa Holding S.A. (CH), RM2 International S.A. (UK), Sagard Capital Partners GP, Inc (USA) and Sagard Capital Partners Management Corp. (USA).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Vice-Chairman of Power Financial Corporation (CDN).
- Lead Board Director of Carrefour S.A. (F).
- Member of the Supervisory Board of Publicis Groupe (F).
- Chairman of the Supervisory Board of PAI Partners S.A.S. (F).
- Director of BW Group (BM), Erbe S.A. (B), Imerys (F), Pargesa Holding S.A. (CH) and RM2 International S.A. (UK).

Financial year 2014

- Vice-Chairman of Power Financial Corporation (CDN).
- Member of the Senior Management of Power Financial Corporation (CDN).
- Lead Board Director of Carrefour S.A. (F).
- Member of the Supervisory Board of Publicis Groupe (F).
- Chairman of the Supervisory Board of PAI Partners S.A.S. (F).
- Director of BW Group (BM), Erbe S.A. (B), Imerys (F), Pargesa Holding S.A. (CH), Suez Environnement (F) *(until 22 May 2014)* and RM2 International S.A. (UK).

Financial year 2013

- Vice-Chairman of Power Financial Corporation (CDN).
- Member of the Senior Management of Power Financial Corporation (CDN).
- Lead Board Director of Carrefour S.A. (F).
- Member of the Supervisory Board of Publicis Groupe (F).
- Chairman of the Supervisory Board of PAI Partners S.A.S. (F).
- Director of BW Group (BM), Erbe S.A. (B), Imerys (F), Pargesa Holding S.A. (CH), Suez Environnement (F), RM2 International S.A. (UK) *(since December 2013)* and Thales (F) *(until 17 September 2013).*

Financial year 2012

- Vice-Chairman of Power Financial Corporation (CDN).
- Member of the Senior Management of Power Financial Corporation (CDN).
- Lead Board Director of Carrefour S.A. (F).
- Member of the Supervisory Board of Publicis Groupe (F).
- Chairman of the Supervisory Board of PAI Partners S.A.S. (F).
- Director of BW Group (BM), Erbe S.A. (B), Imerys (F), Pargesa Holding S.A. (CH), Suez Environnement (F) and Thales (F).

Martine Verluyten
Director
List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Director of 3i Group plc. (UK), 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 Valuation Committee, of the Nomination Committee, of the Audit Committee and Compliance Committee *(since 2016)* of 3i Group plc. (UK).
- Member of the Nomination Committee of Thomas Cook Group plc. (UK).

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Director of 3i Group plc. (UK), STMicroelectronics N.V. (NL) and Thomas Cook Group plc. (UK).
- Chairwoman of the Audit Committee of the Flemisch Region Administration (B) *(until January 2015)*, Thomas Cook Group plc. (UK) and STMicroelectronics N.V. (NL).
- Member of the Valuation Committee and of the Nomination Committee of 3i Group plc. (UK).
- Member of the Nomination Committee of Thomas Cook Group plc. (UK) *(since 2015)*.

Financial year 2014

- Director of 3i Group plc. (UK), STMicroelectronics N.V. (NL) and Thomas Cook Group plc. (UK).
- Chairwoman of the Audit Committee of the Flemisch Region Administration (B), Thomas Cook Group plc. (UK) and STMicroelectronics N.V. (NL).
- Member of the Valuation Committee and of the Nomination Committee of 3i Group plc. (UK).

Financial year 2013

- Director of 3i Group plc. (UK), STMicroelectronics N.V. (NL) and Thomas Cook Group plc. (UK).
- Chairwoman of the Audit Committee of the Flemisch Region Administration (B), Thomas Cook Group plc. (UK) and STMicroelectronics N.V. (NL) *(since May 2013)*.

Financial year 2012

- Director of 3i Group plc. (UK) *(since January 2012)*, STMicroelectronics N.V. (NL) *(since May 2012)* and Thomas Cook Group plc. (UK).
- Member of the Board of Directors of Incofin cvso (B).
- Chairwoman of the Audit Committee of the Flemisch Region Administration (B) and Thomas Cook Group plc. (UK) *(since February 2012)*.

Arnaud Vial
Director
List of activities and other mandates exercised in Belgian and foreign companies in 2016

- Executive (Senior Vice-Chairman) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Director Executive (Vice-Chairman) of 3249531 Canada Inc. (CDN) *(until 29 June 2016)*, 4190297 Canada Inc. (CDN) *(until 29 June 2016)* and Power Pacific Equities Limited (CDN).
- Director and Vice-Chairman of the Board of Société Industrielle HMM (L).
- Director of 4400046 Canada Inc. (CDN) *(until June 2016)*, Power Financial Europe B.V. (NL), Square Victoria Digital Properties Inc. (CDN), Pargesa Holding S.A. (CH) and Imerys (F) *(since 4 May 2016)*.
- Member of the Strategic Committee of Imerys (F) *(since 4 May 2016)*.

List of activities and other mandates exercised in Belgian and foreign companies between 2012 and 2015

Financial year 2015

- Executive (Senior Vice-Chairman) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Executive (Vice-Chairman) of Victoria Square Ventures Inc. (CDN) *(until 10 November 2015)*.
- Director Executive (Vice-Chairman) of 3249531 Canada Inc. (CDN), 4190297 Canada Inc. (CDN), Power Pacific Equities Limited (CDN) and Corporation Energie Power (CDN) *(until 16 October 2015)*.
- Director and Vice-Chairman of the Board of Société Industrielle HMM (L).
- Director of 4400046 Canada Inc. (CDN), 8495122 Canada Inc. (CDN) *(until 1st July 2015)*, DP Immobilier Québec (CDN) *(until 1st July 2015)*, CF Real Estate Maritimes Inc. (CDN) *(until 1st July 2015)*, CF Real Estate Max Inc. (CDN) *(until 1st July 2015)*, CF Real Estate First Inc. (CDN) *(until 1st July 2015)*, Power Financial Europe B.V. (NL), Sagard Capital Partners Management Corp. (CDN) *(until 9 October 2015)*, Square Victoria Digital Properties Inc. (CDN), 9059-2114 Québec Inc. (CDN) *(until 1st July 2015)*, DuProprio Inc. (CDN) *(until 1st July 2015)*, VR Estates Inc. (CDN) *(until 1st July 2015)*, ComFree-Commission Free Realty Inc. (CDN) *(until 1st July 2015)*, 0757075 B.C. Ltd. (CDN) *(until 1st July 2015)* and Pargesa Holding S.A. (CH).

Financial year 2014

- Executive (Senior Vice-Chairman) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Executive (Vice-Chairman) of Victoria Square Ventures Inc. (CDN).
- Director Executive (Vice-Chairman) of 3249531 Canada Inc. (CDN), 4190297 Canada Inc. (CDN), Power Pacific Equities Limited (CDN) and Corporation Energie Power (CDN).
- Director and Vice-Chairman of the Board of Société Industrielle HMM (L).
- Director of 4400046 Canada Inc. (CDN), 8495122 Canada Inc. (CDN), DP Immobilier Québec (CDN), CF Real Estate Maritimes Inc. (CDN), CF Real Estate Max Inc. (CDN), CF Real Estate First Inc. (CDN), Power Financial Europe B.V. (NL), Sagard Capital Partners Management Corp. (CDN), Square Victoria Digital Properties Inc. (CDN), 9059-2114 Québec Inc. (CDN), DuProprio Inc. (CDN), VR Estates Inc. (CDN), ComFree-Commission Free Realty Inc. (CDN), 0757075 B.C. Ltd. (CDN) and Pargesa Holding S.A. (CH).

Financial year 2013

- Executive (Senior Vice-Chairman) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Executive (Vice-Chairman) of Victoria Square Ventures Inc. (CDN).
- Director Executive (Vice-Chairman) of 3249531 Canada Inc. (CDN), 4190297 Canada Inc. (CDN), Power Pacific Equities Limited (CDN), 7575343 Canada Inc. (CDN) *(until 31 December 2013)* and Corporation Energie Power (CDN).
- Director and Vice-Chairman of the Board of Société Industrielle HMM (L) *(since May 2013)*.
- Director of 4400046 Canada Inc. (CDN), 8495122 Canada Inc. (CDN) *(since April 2013)*, DP Immobilier Québec (CDN), CF Real Estate Maritimes Inc. (CDN), CF Real Estate Max Inc. (CDN), CF Real Estate First Inc. (CDN), Power Financial Europe B.V. (NL), Sagard Capital Partners Management Corp. (CDN), Square Victoria Digital Properties Inc. (CDN), 9059-2114 Québec Inc. (CDN), DuProprio Inc. (CDN), VR Estates Inc. (CDN), ComFree-Commission Free Realty Inc. (CDN), 0757075 B.C. Ltd. (CDN) and Pargesa Holding S.A. (CH).

Financial year 2012

- Executive (Senior Vice-Chairman) of Power Corporation of Canada (CDN) and Power Financial Corporation (CDN).
- Executive (Vice-Chairman) of Victoria Square Ventures Inc. (CDN).
- Director Executive (Vice-Chairman) of 3249531 Canada Inc. (CDN), 4190297 Canada Inc. (CDN), Power Pacific Equities Limited (CDN), 7575343 Canada Inc. (CDN) and Corporation Energie Power (CDN) *(since March 2012)*.
- Director of 4400046 Canada Inc. (CDN), DP Immobilier Québec (CDN), CF Real Estate Maritimes Inc. (CDN), CF Real Estate Max Inc. (CDN), CF Real Estate First Inc. (CDN), Power Financial Europe B.V. (NL), Sagard Capital Partners Management Corp. (CDN), Square Victoria Digital Properties Inc. (CDN), 9059-2114 Québec Inc. (CDN), DuProprio Inc. (CDN), VR Estates Inc. (CDN), ComFree-Commission Free Realty Inc. (CDN), 0757075 B.C. Ltd. (CDN) and Pargesa Holding S.A. (CH).

Glossary

With regards to the terms related to financial data on the investments, from page 46 to page 71, please refer to the definitions provided by each company in its financial communication.

The specific terminology used in the section on "Accounts at 31 December 2016" 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.

Adjusted net assets

The change in GBL's adjusted net assets is, along with the change in its stock price and result, an important criterion for assessing the performance of the group.

The adjusted net assets are 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.

Portfolio

The portfolio includes:

- The available-for-sale investments and investments in associates in the Holding segment;
- Imerys; and
- Sienna Capital including funds active in private equity, debt or specific thematic funds.

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 as well as the quasi-liquidities (trading assets, etc.) of the Holding segment. This is valued at the book or market value (for trading assets).

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.

Economic analysis of the result

Cash earnings

- Cash earnings primarily include dividends from investments and treasury shares, income coming mainly from cash management, net earnings from the trading activity and tax refunds, less general overheads, gross debt-related charges and taxes. All these results relate to the Holding activity.
- Cash earnings also constitute an indicator for determining the company's dividend payout level.

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, 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.

Operational companies (associates or consolidated entities) and Sienna Capital

- This column shows earnings 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 is income, 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 contribution of income 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.

Discount

The discount is defined as the percentage difference between the market capitalisation and the value of the adjusted net assets.

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 adjusted net assets.

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.

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.

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 31 December.
- 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 31 December, including suspended voting rights.

Liquidity profile

The liquidity profle corresponds to the sum of gross cash and the undrawn amount of committed credit lines.

Gross dividend return

The gross dividend return is defined as the ratio between collected dividends to the share price in the beginning of the period.

Gross annual return

The gross annual return is calculated based on the change in the stock price between January 1st and December 31st, taking into account the gross dividend(s) received and reinvested in shares when received.

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 based on the change in the stock price over the considered period, taking into account the gross dividend(s) received during that period and reinvested in shares when received.

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.

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 William Blomme, Chief Financial Officer, certify in the name and on behalf of GBL, that to their knowledge:

- the financial statements as of 31 December 2016 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 87 of the annual report
(2) Document established by the Board of Directors on 17 March 2017

For further information

Groupe Bruxelles Lambert
Avenue Marnix 24
1000 Brussels
Belgium
RLE: Brussels
VAT: BE 0407 040 209
ING: 310-0065552-66
IBAN: BE 07 3100 0655 5266
BIC: BBRU BEBB
Website: http://www.gbl.be

For more information about GBL:
Tel.: +32 2 289 17 17
Fax: +32 2 289 17 37

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Avenue Marnix 24
1000 Brussels
Belgium

www.gbl.be