LUXEMPART
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PRESS RELEASE

- HALF-YEARLY RESULTS FOR THE PERIOD ENDED 30 JUNE 2018 -

- 3.8% increase in net assets before dividends to EUR 1.43 billion (1.9% after dividends)
- Consolidated net income of EUR 53.6 million
- Disposal of the investment in Direct Energie in July

KEY FINANCIAL DATA [1]

Main data from the consolidated financial statements (Group share) (EUR million)	30 June 2018 (6 months)	31 December 2017	30 June 2017 (6 months)
Shareholders' equity	1,433	1,406	1,423
Net income/Comprehensive income	54	176	193

(1) Initial application of IFRS 9: All of the changes in the portfolio's value have been recognised in the statement of profit and loss.

Net consolidated income at 30 June 2018 primarily consisted of EUR 57 million of income from investment activities (dividends, realised and unrealised capital gains).

Other financial information (EUR million) (2)	30 June 2018 (6 months)	31 December 2017	30 June 2017 (6 months)
Market capitalisation	1,164	1,003	1,073
Capital gains on investments [3]	15	311 [4]	39
Investments [5]	79	397	57
Disposals [5]	18	425	65
Net cash [5] (excluding the "Capital at Work" portfolio) [6]	43	113	90

(2) Additional information to that contained in the IFRS financial statements at 30 June 2018
(3) Capital gains generated compared with the purchase price and including capital gains generated by the non-consolidated subsidiaries, but which are recognised in fair value
(4) Including the income generated via the exchange of Foyer Finance shares for Foyer S.A. shares
(5) Including the non-consolidated subsidiaries
(6) Short-term bond portfolio amounting to around EUR 50 million

The half-yearly IFRS results for the period ending 30 June 2018 were approved by the Board of Directors on 28 August 2018.

Jacquot Schwertzer, the Managing Director, and François Tesch, the Executive Chairman, made the following comments on the 1st half:

“The 3.8% increase in our estimated net assets before dividends compares favourably with the trend in share prices. The main increases in value result from a recovery in SES’ share price, from Direct Energie following the announcement of the sale to Total, and from an increase in the value of the main private equity investments. The PIPE stock market portfolio experienced a decline in value, although the trend improved markedly after the end of the period”.

HIGHLIGHTS FOR THE FIRST SIX MONTHS OF THE 2018 FINANCIAL YEAR

Direct Investments

Luxempart signed an agreement to dispose of its investment in Direct Energie. The disposal was finalised in July 2018. The increase in value over the period was recognised as an unrealised gain. The capital gain generated since purchase amounted to over EUR 130 million, which enabled the value of the investment to be increased by a factor of four. The cash position increased by EUR 180 million at the end of July.

Specialized Teams

The increase in value generated by the Specialized Teams (private equity managed by the local teams, PIPE, and Venture Capital funds) was EUR 12 million, and was negatively affected by a decrease in the price of the shares held in the PIPE portfolio at 30 June 2018. This decrease was largely offset by a better trend in share prices following the period-end.

The net investments made by the teams amounted to around EUR 59 million, including two new private equity deals, namely a minority investment in WDS, a German company that operates in the consulting and healthcare training fields, and has significant growth prospects in the healthcare sector, and a minority investment in Arbo, an Italian company that distributes spare parts for heating systems, and generates revenues of around EUR 55 million.

An increase in the Group’s commitment to the Venture Capital funds should be noted as a post-balance-sheet event. A financial commitment of EUR 30 million was given to the French Quadrille Technologies Fund. This fund invests in European and US technology and healthcare funds, and invests jointly in companies with high growth potential, which provides a boost to the fund’s overall performance. This commitment by Luxempart is in line with the overall strategy aimed at expanding the Venture Capital portfolio up to an overall budget of EUR 100 million, and enables us to create joint investment expertise in this sector with strong growth potential.

ESTIMATED NET ASSETS

The estimated net assets at 30 June 2018 were EUR 1,433 million, compared with EUR 1,406 million at 31 December 2017, i.e. an increase of 1.9%, and of 3.8% prior to the payment of the dividend to shareholders.
The private equity assets accounted for 56%, while the listed assets accounted for 35%, and the Venture Capital funds for 9%.
The discount per share (the difference between net assets per share and the share price) at 30 June 2018 was 18.8% (28.7% at 31 December 2017).
The estimated net assets at 15 August 2018 were EUR 1,444 million, compared with EUR 1,433 million at 30 June 2018, i.e. an increase of 0.7%, and a return of 4.5% since the beginning of the year, including dividends.

OUTLOOK

Luxempart has a portfolio that is diversified in terms of its sector and geographical exposure, and of the size of the investments. Failing a major unforeseeable event, our portfolio will continue to expand, and new investment opportunities will be reviewed.

The Group's current financial structure is sound, which will enable us to maintain payment of a regular dividend, in principle. The cash position, which has increased markedly following the sale of Direct Energie, will be used to finance new investments, and for financial commitments to our specialized teams.

ADDITIONAL INFORMATION

Additional and more detailed information is set out in the half-yearly management report and in the IFRS financial statements at 30 June 2018, which are available on the company's website at www.luxempart.lu.

The Management Committee
Leudelange, 28 August 2018

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