

BIP Investment Partners

L U X E M B O U R G

Luxembourg, 28th February 2013

Press release

RESULTS 2012

Positive total comprehensive net result of EUR 7 million in 2012

Increased dividend of EUR 2.40 per share proposed

Meeting on 22nd February 2013, the Board of Directors of BIP Investment Partners S.A. (“the Company” or “BIP”), approved the audited financial statements at 31 December 2012 prepared in accordance with IFRS.

BIP closes the financial year 2012 with a positive total comprehensive net result of EUR 7 million.

The Board of Directors will propose to the General Meeting of Shareholders to be held on 10th May 2013 to pay a dividend of EUR 2.40 per share for the financial year 2011 (2011: EUR 2.00).

The estimated value per share rose 1.4% on a year, reaching EUR 83.71 at 31 December 2012 (2011: EUR 82.57).

Historical estimated fair value per share at 31 December 2012:

	Estimated value per share	LuxX index	EuroStoxx50 index
One year	+ 1.4%	+ 9.9%	+ 13.8%
Three years	+ 11.1%	- 9.0%	- 11.1%
Five years	- 32.4%	- 48.4%	- 40.1%
Since listing of BIP on 6 June 2000	+ 11.6%	- 18.2%	- 50.5%

BIP SHARE PRICE AT YEAR END: EUR 54.99

At 31 December 2012, the market price of BIP shares stood at EUR 54.99, up 4.7% from the same date of the previous year. The discount between the estimated value per share and the market price has decreased from 36% at the beginning of the year to 34% at year-end. A dividend of EUR 2.00 was paid in May 2012.

BUSINESS AND HIGHLIGHTS OF THE YEAR

In a year of crisis and recession, BIP's Board of Directors and team managed the Company's investments and provided ongoing support to investee companies, adjusting the portfolio with disposals and acquisitions as appropriate. Overall portfolio performance was affected by high liquidity and a relative stagnation in value of our investment in RTL.

Financial markets

After markets fell 2% in the first half of 2012, the European Central Bank managed to reassure investors with the result that markets ended the year up by over 13%.

Yet major differences continued from one national economy to the next, with only Germany returning to pre-crisis GDP levels.

Looking ahead, three critical factors will shape economic and market trends: countries' ability to adjust public spending without triggering social unrest; investment support from banks; and the capacity to build on the US economy's return to growth and growth in emerging markets. These three major factors may run up against external geopolitical risks or destabilizing monetary policies.

Governance

BIP directorship changed in 2012, first when shareholders voted at the extraordinary general meeting on 20 January 2012 to elect Mr Bruno Lambert, the Chief Executive Officer, as a director, and then again at the end of February 2012 when the BGL BNP Paribas representative Mr. Robert Scharfe resigned and Mr. Eric Martin, Director and Chairman of the BGL BNP Paribas Management Board, was co-opted to replace him. All directors' terms ended in May 2012, at which time Msrs Alain Georges and Pierre Schneider did not seek a new term of office, and Mr. Nicolas Buck, a Luxembourg industrialist, stood for election. The annual general meeting of shareholders confirmed their trust by electing all 11 candidates for a three-year term of office.

The Company's management team was strengthened in 2012 by the appointment of an executive with extensive experience in private equity investment, specializing in German-speaking regions. Another addition to its administrative and financial team was a Finance Manager with substantial experience in the auditing of private equity investments.

Investment portfolio, placements and hedging

Investments in listed companies

During the year, BIP pursued its initial 2011 investment in Cofinimmo, a listed Belgian property company specializing in healthcare real estate, adding 74,375 shares to the 200,000 held at year-end 2011 for a total 274,375 at 31 December 2012, representing a market value of EUR 24.6 million. This increase came through the acquisition on the market of 60,000 additional shares and through BIP's choice to receive the payment of the 2011 dividend in the form of 14,375 shares at a price of EUR 82.16 per share.

In line with the Group strategy presented to the shareholders at their general meeting of May 2012, the Board decided to invest in two listed companies, each with a leading position in fast-growing global markets, and gradually build up its positions to a potential total of EUR 40 million. In mid-February 2013, these represented a total investment of around EUR 14 million.

BIP also continued to support Nanogate, a company specialising in high-performance surface treatments, by taking part in a capital increase that raised its total investment to 660,054 shares valued at EUR 16 million at 31 December 2012.

During the year, BIP disposed of all shares held in ArcelorMittal, Dialog Semiconductor Fresenius, Melexis, Royal Dutch Shell and Xstrata, as well as part of its holding in Vale, generating EUR 8.6 million in total capital gains after release of prior impairments on these positions.

For RTL Group—BIP's largest single investment—projected 2012 revenue is in line with the 2011 figure of EUR 5.8 billion and, as in the past, the company generated substantial liquidities. In early 2013, international media group Bertelsmann, the company's majority shareholder, announced that it was considering reducing its investment in RTL but would retain a 75% majority interest. At the same time, RTL is considering paying an exceptional dividend to create a more efficient capital and balance-sheet structure.

Investments in unlisted companies

BIP continued to support the unlisted companies in its portfolio.

It thus raised its interest in Luxembourg-based KeyDrive S.A., a world leader in internet domain name services in which it now holds a 33.33% interest. BIP also supported Telecom Luxembourg Private Operator with a capital injection and a loan. For unlisted direct investments as a whole, BIP invested EUR 4.1 million in capital stock and EUR 7.7 million in debt instruments.

However some of these companies were hit hard by the economic downturn; caught in the recession, they were unable to implement their business plans. Fair value at 31 December 2012 reflected crisis conditions, with a valuation loss of EUR 5.3 million on investment in these companies recorded as financial assets at fair value through profit or loss, and value adjustments on related loans and receivables in an amount of EUR 8.2 million.

In line with the strategic decisions of 2009, BIP did not enter into any new commitments with private equity funds. Based on past commitments, it honoured EUR 4.1 million in capital calls and received distributions from existing lines in an amount of EUR 1.8 million. At 31 December 2012, the fair value of BIP's holdings in private equity funds was EUR 32.8 million and its outstanding commitments amounted to EUR 10.9 million.

Placements and hedging

Parts of the Company's liquidities have been placed in commercial paper issued by a top-rated company and maturing in February 2013.

Given rising risk, in the first half of 2012 BIP opted for additional hedging of the market risk inherent to its portfolio of listed shares, by purchasing short trackers—listed funds that react inversely to the underlying market indices. Hedges in place at 31 December 2012 amounted to EUR 22 million. These securities were included on the balance sheet under financial assets held for trading, and in 2012, BIP recorded a EUR 1.1 million capital gain on the disposal of a hedge position in a bearish market. At 31 December 2012, hedges generated a valuation loss as stock markets rose in the second half of the year.

ANNUAL ACCOUNTS

The accounts presented at 31 December 2012 are the consolidated accounts, comprising the accounts of BIP and its subsidiaries BIP Venture Partners S.A., SICAR, GLN Investment, société anonyme and BIP Participation Partners s.à r.l.

Consolidated statement of financial position

The Company's balance sheet totalled EUR 366 million at 31 December 2012. The main item on the liabilities and shareholders' equity side was shareholders' equity in an amount of EUR 364 million.

Non-current assets consist of available-for-sale financial assets which are investments in listed companies for an amount of EUR 154 million, financial assets at fair value through profit or loss in an amount of EUR 73 million made up of direct investments in private equity representing EUR 40 million and interests in private equity funds in an amount of EUR 33 million. Other non-current assets comprise loans to companies in which BIP has invested, totalling EUR 16 million and deferred tax assets totalling EUR 15 million representing tax loss carryforwards that can be used in the future.

Current assets include financial assets held for trading in an amount of EUR 27 million, other receivables of EUR 26 million that include a placement of EUR 25 million in a commercial paper matured and reimbursed in February 2013, and cash at banks for EUR 55 million.

Consolidated statement of comprehensive result

In 2012, the Company recorded a positive net book result of EUR 1.6 million, compared with a net book loss of EUR 5 million in 2011. Added to this was the positive net variation in the revaluation reserve on available-for-sale financial assets which came to EUR 5.6 million, compared with a negative variation of EUR 24.4 million in 2011, making a total comprehensive profit of EUR 7.2 million vs. a total comprehensive loss of EUR 29.4 million in 2011. The revaluation reserve records unrealised capital gains and losses on financial assets available for sale, which are investments in listed companies.

Dividends on available-for-sale financial assets totalled EUR 8.4 million, up slightly from EUR 8.3 million in 2011. A large share of dividends received came from shareholdings in RTL Group and Cofinimmo.

The net result on disposal of available-for-sale financial assets, that is, the net result on sales of listed investments, was EUR 8.6 million compared with EUR 15.9 million in 2011. The largest amounts came from the divestment of all shares in Fresenius, Dialog Semiconductor and Royal Dutch Shell.

The net result on financial assets at fair value through profit or loss, or the result on unlisted investments, was a negative EUR 4.1 million compared with a negative EUR 6.4 million in 2011, and included:

- dividends and other revenues totalling EUR 0.1 million (2011: EUR 0.1 million)
- a net gain of EUR 0.5 million on divestments (2011: EUR 4.6 million in net capital gains)
- a net loss of EUR 4.7 million for unrealised value adjustments (2011: net negative amount of EUR 11.1 million).

Unrealised value adjustments result from the valuation at fair value of unlisted investments. In most cases, these are estimates based on multiples of EBITDA or revenues of comparable listed companies.

The net result on financial assets held for trading was a loss of EUR 3.0 million (2011 loss of EUR 1.8 million). This includes the net result of hedging instruments for market risk inherent to a portfolio of listed companies, as well as results from short-term investment in liquid listed positions that were preferred to cash and cash equivalents given very low interest rates.

Value adjustments on available-for-sale financial assets represented a total charge of EUR 4.0 million (2011: EUR 14.6 million), and mainly concerned investments in Aixtron, Bekaert and Xstrata whose share prices fell steeply during the year.

Value adjustments on loans came to EUR 8.2 million (2011: EUR 1.0 million). Of this, EUR 5 million concerned a subordinated loan granted in 2012 to a German company specialising in e-marketing services, and EUR 3 million concerned transport business NordSüd, which was forced to declare bankruptcy in 2012.

OUTLOOK

Keeping in mind the three critical factors described above, BIP remains confident in the strengths of the strategy defined in 2011 and its gradual rollout. Very substantial economic challenges remain in the short and medium term, and the austerity plans adopted by governments will continue to put a damper on economic growth.

As seen in its investment in Socotec in early 2013, BIP's large cash reserves give it the resources it needs to seize investment opportunities as they arise.

TREASURY SHARES

In 2012, the Company purchased 206,519 treasury shares for a total of EUR 10,365,694.

At 31 December 2012, the Company held 250,695 treasury shares, representing 5.45% of total shares issued.

MATERIAL EVENTS TAKING PLACE AFTER THE END OF THE YEAR

Following an investment decision taken by the Board in December 2012, in February 2013 BIP made a EUR 25 million investment in Socotec Group alongside Cobepa, a renowned private equity fund and Socotec management. Socotec is French leader in the verification and technical inspection of buildings and equipment. It has 5,000 employees and reported revenues of EUR 475 million in 2012.

In early 2013, Bertelsmann, an international media group and majority shareholder of RTL Group, announced considering a reduction of its shareholding in RTL Group, while maintaining a qualified majority of 75%. Given the importance of this investment line in BIP's assets, the Board follows these evolutions closely.

Luxembourg, 22 February 2013

About BIP Investment Partners S.A.

BIP is a financial holding company with family shareholders, listed on the Luxembourg stock exchange and investing in listed and unlisted entities operating mainly in Germany, in the Benelux and in France. BIP holds stakes in major businesses in the Luxembourg economy and neighbouring regions. The Company is active in the private equity sector. As a part of its mission, BIP seeks to encourage entrepreneurship by supporting innovative, high-potential projects. The BIP share is a component of the LuxX, the index of the Luxembourg Bourse.

Warning

The above report may include forward-looking statements regarding the investments, the financial position, the financial results and the business of BIP Investment Partners S.A. These forward-looking statements represent BIP Investment Partners S.A.'s expectations and beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

This is a translation of an original report written in French and has been prepared for the convenience of English-speaking readers. In the event of any discrepancy between this document and the French original, the French original alone is authoritative.

For further information

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CONSOLIDATED KEY FIGURES

		In EUR	31.12.2012	31.12.2011		
Per share data	Estimated value		83.71	82.57		
	Market price		54.99	52.50		
	Dividend (proposed)		2.40	2.00		
	Diluted book result		0.36	(1.09)		
	Diluted comprehensive result		1.63	(6.44)		
		In EUR million	31.12.2012	31.12.2011		
Earnings	Book result		1.6	(5.0)		
	Variation of revaluation reserve on available-for-sale financial assets		5.6	(24.4)		
	Comprehensive result		7.2	(29.4)		
Balance sheet	Equity		364.1	375.8		
	Total assets		365.8	377.1		
		In EUR million	31.12.2012	%	31.12.2011	%
Investments	Listed investments		153.7	44	171.9	48
	Direct private equity investments		40.7	12	42.9	12
	Private equity funds		32.8	9	29.4	8
	Loans and other receivables		16.0	4	15.8	4
	Total non-current investments		243.2	69	260.0	72
	Trading assets		26.7	8	19.4	5
	Derivative financial instruments		-	-	0.3	0
	Other receivables - placements		24.9	7	-	-
	Cash at banks		55.1	16	83.9	23
	Total investments, placements and cash		349.9	100	363.6	100
			31.12.2012	31.12.2011		
Shares	Total shares issued		4,600,000	4,773,321		
	Shares held by the company		250,695	222,073		

Consolidated statement of comprehensive result for the year ended 31 December 2012

In EUR	31.12.2012	31.12.2011
Dividends and other income on available-for-sale financial assets	8,401,916	8,263,896
Net result on disposal of available-for-sale financial assets	8,564,407	15,911,653
Net result on financial assets at fair value through profit or loss	(4,073,738)	(6,432,993)
Net result on financial assets held for trading	(2,996,082)	(1,837,237)
Other interest and similar income	3,841,184	5,516,018
Value adjustments on available-for-sale financial assets	(3,981,766)	(14,600,886)
Value adjustments on loans	(8,155,779)	(1,031,827)
Value adjustments on other receivables	(170,142)	-
Interest and similar expenses	(875,829)	(2,308,164)
Other external expenses	(2,638,702)	(2,143,247)
Staff costs	(1,713,834)	(1,479,093)
Other taxes	(1,025,343)	(580,984)
Depreciation of property, plant and equipment	(22,565)	(21,127)
Result from ordinary activities, before tax	(4,846,273)	(743,991)
Income tax	6,436,394	(4,251,418)
BOOK RESULT FOR THE YEAR	1,590,121	(4,995,409)
Variation of revaluation reserves on available-for-sale financial assets	8,788,954	(26,542,487)
Deferred taxes	(3,204,810)	2,124,134
Other comprehensive income for the year, net of tax	5,584,144	(24,418,353)
TOTAL COMPREHENSIVE RESULT FOR THE YEAR, NET OF TAX	7,174,265	(29,413,762)
Basic book result per share	0.36	(1.10)
Diluted book result per share	0.36	(1.09)
Basic comprehensive result per share	1.63	(6.45)
Diluted comprehensive result per share	1.63	(6.44)

Consolidated statement of financial position as at 31 December 2012

Assets

In EUR	31.12.2012	31.12.2011
Non-current assets		
Property, plant and equipment	22,292	30,386
Available-for-sale financial assets	153,690,060	171,944,781
Financial assets at fair value through profit or loss	73,484,278	72,282,259
Loans and receivables	16,001,074	15,822,001
Deferred tax assets	15,123,464	11,887,155
	258,321,168	271,966,582
Current assets		
Financial assets held for trading	26,720,200	19,402,086
Other receivables	25,718,175	1,540,335
Derivatives financials instruments	-	345,521
Cash and cash equivalents	55,063,559	83,845,922
	107,501,934	105,133,864
Total assets	365,823,102	377,100,446

Shareholders' Equity and Liabilities

In EUR	31.12.2012	31.12.2011
Shareholders' equity		
Issued share capital	115,000,000	119,333,025
Treasury shares	(12,591,370)	(14,030,119)
Reserves	221,883,844	229,177,073
Revaluation reserve on available-for-sale financial assets	36,439,756	30,855,612
Undistributed income	3,331,529	10,454,854
Total shareholders' equity	364,063,759	375,790,445
Current liabilities		
Other liabilities	1,759,343	1,310,001
	1,759,343	1,310,001
Total shareholders' equity and liabilities	365,823,102	377,100,446