

Registration document 2013
including the annual financial report


W E N D E L



“Investing for the long term
is a rewarding enterprise”

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W E N D E L

Registration Document 2013



This registration document contains the entire contents of the Annual Financial Report.

Profile

The Wendel Group is a professional shareholder and investor that fosters sector-leading companies in their long-term development.

Committed to a long-term relationship, Wendel helps design and implement ambitious and innovative development strategies that create significant value over time.



The original French version of this report was registered with the French stock exchange authorities ("Autorité des Marchés Financiers" - AMF) on April 22, 2014, pursuant to Article 212-13 of the AMF General Regulation.

Only the original French version can be used to support a financial transaction, provided it is accompanied by a prospectus (*note d'opération*) duly certified by the Autorité des Marchés Financiers.

This document was produced by the issuer, and the signatories to it are responsible for its contents.

Copies of this registration document may be obtained free of charge at www.wendelgroup.com.



GROUP PRESENTATION

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1.1 Key figures

The Group's financial indicators.

2013 in figures

In 2013, Wendel continued to strengthen its financial structure and announced its plan to invest €2 billion by 2017. This amount might be divided equally between Europe, North America and emerging economies, in particular in Africa.

Consolidated sales

In millions of euros as of December 31	2013	2012	2011
	6,432	6,339	5,953

Excluding businesses sold, in compliance with IFRS 5. For 2013 and 2012, net sales from Kerneos were reclassified as net income from operations held for sale.

Net income from business sectors*

In millions of euros as of December 31	2013	2012	2011
TOTAL	410	448	514
of which Group share	199	238	321

* Defined in note 39, section 5.

Net income

In millions of euros as of December 31	2013	2012	2011
TOTAL	490	337	648
of which Group share	334	221	525

Net Asset Value

In euros per share as of December 31	2013	2012	2011
	135.2	116.2	74.3

Gross assets under management

In millions of euros as of December 31	2013	2012	2011
	10,518	9,921	8,687

Changes in Wendel's gross debt*

In millions of euros as of December 31	2013	2012	2011
	3,786	3,981	4,734

* Wendel's gross debt, including accrued interest, is the sum of its bond debt, its bank debt, and the non-recourse debt incurred to finance the Saint-Gobain acquisition.

Ratings

Standard & Poor's ratings as of April 24, 2013:

Long term: BB+ with stable outlook

Short term: B

1.2 Corporate history

The Wendel Group was founded in the Lorraine region in 1704. For 270 years, it developed its business in diverse activities, notably within the steel industry, before focusing on long-term investing.

A central force in the development of the French steel industry, the Wendel Group diversified at the end of the 1970s. Today the company is dedicated to the success of diversified international leaders (certification, materials and building chemistry applications, energy, high-performance coatings, business services, industrial bakery equipment, insurance and healthcare, and telecom infrastructure).

From 1704 to 1870, the Group took advantage of the major inventions that spurred on the expansion of its iron and steel activities: coke iron, widespread use of blast furnaces and rolling mills, the development of railroads, etc.

In the 20th century, hard hit by two world wars that bled the Lorraine production facilities white, the Group recovered and began to grow again. The creation of the Sollac production cooperatives in 1948, followed by Solmer in 1969, helped meet the growing demand for sheet steel. Between 1950 and 1973, it was at the height of its power. In 1975, it produced 72% of French crude steel.

In 1974, the sudden rise in oil prices led to a widespread economic crisis. The French steel industry was faced with a serious downturn.

Fixed steel prices and investment in modernization drained the industry's financial lifeblood.

In 1975, Marine-Wendel was created when the Wendel Group took over the holding company Marine-Firminy. The coexistence of the Group's steel industry assets (Sacilor, Forges et Acieries de Dilling, etc.), alongside its diversified activities (Carnaud, Forges de Gueugnon, Oranje-Nassau, Cimenteries de l'Est, several mechanical engineering companies, etc.) came to an end during the European steel crisis of 1977, and the Group was broken up into two entities. By transferring all of its non-steel industry assets in November 1977, Marine-Wendel created Compagnie Générale d'Industrie et de Participations (CGIP), in which it retained only a 20% equity interest.

In June 2002, Marine-Wendel and CGIP merged, and the new entity took the name of WENDEL Investissement. The industry approach and focus of our management teams on long-term corporate development has helped give our Group a strong, clearly-identified image. This solid positioning as a professional shareholder that understands investments from the industry's point of view prompted us to propose, at your June 4, 2007 Annual Meeting, that the legal name of the Company be simplified from "WENDEL Investissement" to "Wendel", so as to emphasize our long-term industrial values anchored in our centuries-old history.

1.3 Business

Wendel is one of Europe's leading investment companies in size, with close to €11 billion in assets under management at end-March 2014. The investment team is composed of around 20 experienced professionals. The team members have varied and complementary profiles and include former consultants, company executives, investment bankers, financial analysts, public service managers and operations managers from a broad array of industrial and service sectors. As such, they capitalize on their experience and the network of contacts they have developed during their professional career. The team thus has both in-depth industry knowledge and recognized financial expertise. Its business approach and strategy aim to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation and boosting productivity. An analytical team reviews each investment proposal and the enterprise's growth

prospects. It then either rejects the proposal or undertakes a more in-depth study and presents it to the Investment Committee, composed of six Managing Directors and the two members of the Executive Board. Wendel is both a shareholder and an active partner. It supports the management of the companies in which it invests, gives them responsibility and works with them over time to achieve ambitious growth and shareholder value objectives. Wendel invests in leading companies and in companies with the potential to become leaders.

Wendel also has the special characteristic that it is a long-term investor with permanent capital and access to the capital markets. It is supported and controlled by Wendel-Participations, a stable family shareholder structure with more than 300 years of history in industry and nearly 40 years of investment experience.

1.4 Message from the Chairman of the Supervisory Board

François de Wendel – Chairman of the Supervisory Board since March 27, 2013

In 2013, Wendel focused on development. After a period of rebuilding from 2009 to 2012, we took the first steps in our new strategy for far-reaching international growth. Right on schedule, we secured footholds in New York, Casablanca and Singapore and fortified our long-standing presence in the Benelux region and German-speaking countries in Europe. Far from being dispersed in all directions as some feared, our strategy has been structured by two guiding principles: *uniqueness* and *natural affinities*.

Wendel's *uniqueness* lies in its vision as a long-term investor with industrial roots and the support of family shareholders. These characteristics create a natural pull for management teams or family businesses with the same ambition to achieve success over the long term. In 2013, this alignment of perspectives led us to examine many proposals from first-generation entrepreneurs with an international outlook and a strong desire to grow. We have also attracted mature entrepreneurs ready for a transition, but whose desire to develop and innovate remains intact. These companies understand that by joining or partnering with our Group, their vision will be upheld. We are approached by entrepreneurs of this kind, sometimes in unexpected ways, from the US, Germany, Japan, Morocco and Nigeria, for example.

The second principle guiding Wendel's investments is almost physical: the decision to invest here or there is not based only on cold analysis, but first and foremost on *natural affinities*. If Wendel is investing in Africa, this is because members of our investment team know the region well, have built up local networks and are ready to live there. The same is true for North America, the Benelux countries and Germany. Naturally, we are internationalizing on the basis of firm beliefs: one is that the world offers fantastic potential for growth, so it is important for us to go global; the other is that as a European company, we must keep our roots planted in a strong eurozone.

In 2014, Wendel's Executive Board will continue to pursue new investments with their customary energy and make the required adjustments. At the same time, the Supervisory Board will scrutinize the company's overall exposure very closely. Opportunities exist for those who have the skill to take advantage of them, but financial markets remain very volatile. Frédéric Lemoine and Bernard Gautier can count on the confident support of their shareholders as they navigate through this environment.

1.5 Message from the Chairman of the Executive Board

Frédéric Lemoine – Chairman of the Executive Board

In 2013, there was hope that the reelection or emergence of new leaders in the United States, China and Germany, as well as Iran and the Vatican, would guide the world toward a more peaceful future and a promising new start. But instability remained high throughout the year, reflected in military conflicts (Syria and Ukraine), political crises (the European Union), economic issues (continuing budget and trade deficits and the rise of unemployment in Europe), and currency markets (weak dollar and fall of many emerging market currencies). In France, the new political majority was still struggling, 18 months into its term, to win the confidence of consumers, investors and voters.

Several positive trends nevertheless came to light, which support our company's strategy. Once again, the United States demonstrated its great vitality and began a recovery only slightly hindered by the rough winter in early 2014. Africa continued to enjoy spectacular growth, garnering the attention of the world's investors. Global stock markets were lifted by growing confidence in global recovery and improved company performance, and they all succeeded—with the very notable exception of Paris—to climb back to 2007 levels. In this mixed economic environment in 2013, our businesses were responsive and delivered growth. All of our companies posted positive organic growth in the second half, after a more difficult first half for construction activities, particularly at Saint-Gobain. Most of them also improved their profitability, compared to 2012. With Wendel's full support and the benefit of its strategic and technical expertise, several companies initiated a structural change. For example, Stahl acquired the Leather Services division of Clariant, strengthening its number-one position in leather-finishing products and expanding its portfolio of solutions. Led by CEO Didier Michaud-Daniel, Bureau Veritas, which I have been the chairman of since November 2013, made eight acquisitions, including Maxxam Analytics, the Canadian leader in laboratory test services. This major transaction was finalized in 2014. Lastly, Materis began to streamline its businesses by selling its aluminates and mortars activities, enabling it to reduce its financial debt by three-fourths.

Wendel's assets also went through major changes.

To reduce our exposure in the construction industry, in addition to the sale of Materis' businesses, we completed the sale of our stake in

Legrand. We can be proud of our 11 years in support of this company, magnificently led by Gilles Schnepp and his teams, during which we helped to transform Legrand as well as achieve a remarkable return on investment.

We also acted on our strategy to invest in Africa, focusing on sectors that are fundamental to the region's growth, on highly-skilled entrepreneurs, and on the geographical distribution of risk among several countries. We continued to invest progressively in IHS, a leader in telecom tower infrastructure for mobile phone operators in Africa. Our contribution reached \$475 million in April 2014, making this Wendel's biggest investment in an unlisted company since 2006. In 2013, we also invested €100 million in Saham Group, a Moroccan group that has significantly diversified beyond its main business of insurance.

Meanwhile, we stepped up a gear in North America: the small team we set up there met with a large number of high-potential companies looking for a long-term partner like Wendel. We hope to see new developments in 2014.

All of these transactions illustrate our new strategy, launched in the beginning of 2013, and our intention to invest €2 billion by 2017, while returning to investment grade status. True to its strategic objectives, Wendel is becoming more international and raising its performance, based on a solid financial foundation and promising long-term investments. On the basis of its positive results, a dividend of €1.85 per share will be proposed to shareholders at their Annual Meeting on June 6, 2014, an increase of 5.7% over the dividend paid in 2013.

Bernard Gautier joins me in expressing our deepest thanks to all of our shareholders—family, individual and institutional investors—who have placed their confidence in us. They can rely on the Executive Board's firm determination, as well as that of all of our teams, and their great ambitions for Wendel.

April 15, 2014

1.6 Corporate governance

Wendel's corporate governance is guided by the same principles as those upheld by the Group as a "shareholder of choice": transparent dialogue, the recognition that managers and shareholders are independent and fulfill different roles, shared responsibility, and individual engagement.

Since 2005, Wendel has been a *société anonyme* with an Executive Board and a Supervisory Board.

1.6.1 The Supervisory Board and its committees

1.6.1.1 The Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of Wendel. The Board's internal regulations set forth the rights and responsibilities of its members.

As of December 31, 2013, Wendel's Supervisory Board had 11 members serving four-year terms.

Two Works Council representatives also attend board meetings in a consultative role.

In its meeting of March 27, 2013, the Supervisory Board appointed Ernest-Antoine Seillière as Honorary Chairman of Wendel, François de Wendel as Chairman of the Supervisory Board, and Dominique Hériard Dubreuil as Vice Chairman of the Supervisory Board.

Dominique Hériard Dubreuil and Guylaine Saucier agreed to seek renewal of their terms at the Annual Meeting of June 6, 2014. Nicolas Celier will not seek renewal of his term, which expires at the close of the Meeting. As a result, the appointment of a new member – family shareholder Christian van Zeller d'Oosthove – will be submitted for shareholder approval at the Annual Meeting of June 6, 2014. His biography can be found below (section 2.1.2.2).

During the June 6, 2014 Meeting, shareholders will be asked to approve an amendment to Article 12, "Composition of the Supervisory Board," of the Company's by-laws following France's new job protection act of June 14, 2013. The proposed amendment sets forth the conditions for designating one or more Supervisory Board members to represent employees. The amendment is included in the Meeting's twelfth resolution (see the Executive Board's report on the Meeting resolutions in section 9).

Ernest-Antoine Seillière was the Chairman of the Supervisory Board until March 27, 2013. François de Wendel, who until then was Vice-Chairman of the Supervisory Board, was appointed Chairman at the March 27, 2013 meeting. Upon the proposal of the new Chairman, Mr. Seillière was named Honorary Chairman and Dominique Hériard-Dubreuil was appointed Vice-Chairman of the Board. The Vice-Chairman is appointed by the Supervisory Board. Under Article 13 of by-laws, he (or she) fulfills the same functions and has the same powers as the Chairman in the event the Chairman is unable to carry out his duties or temporarily delegates his powers to him.

The Supervisory Board members are:

François de Wendel (2016), Chairman of the Supervisory Board since March 27, 2013

Dominique Hériard Dubreuil (2014), independent director, Vice-Chairman of the Supervisory Board since March 27, 2013

Gérard Buffière (2015), independent director

Laurent Burelle (2017), independent director

Nicolas Celier (2014)

Didier Cherpitel (2015), independent director

Bénédicte Coste (2017)

Édouard de l'Espée (2013)

Priscilla de Moustier (2017)

Guylaine Saucier (2014), independent director

Humbert de Wendel (2015)

Secretary of the Supervisory Board:

Caroline Bertin Delacour

In 2013, the Supervisory Board met nine times.

1.6.1.2 The Supervisory Board committees

To fulfill its mission as effectively as possible, the Supervisory Board relies on two committees: the Audit Committee and the Governance Committee.

The chairman of each Committee is also a member of the other Committee. The Chairman of the Supervisory Board is invited to attend all Committee meetings.

The Audit Committee

The Wendel Audit Committee audits the financial reporting process, ensures that internal control and risk management are effective and monitors the proper application of the accounting methods used in drawing up parent company and consolidated accounts. It verifies the independence of the Statutory Auditors.

It mandates an independent auditor to appraise net asset value on a regular basis.

The Audit Committee has six members:

Guylaine Saucier, Chairman

G rard Buffi re until July 3, 2013

Nicolas Celier

B n dicte Coste from August 28, 2013

 douard de l'Esp e

Humbert de Wendel

Didier Cherpitel from August 28, 2013, in his capacity as Chairman of the Governance Committee

Secretary of the Audit Committee:

Caroline Bertin Delacour

In 2013, the Audit Committee met eight times.

The Governance Committee

Among the tasks of Wendel's Governance Committee are to propose or recommend procedures for compensating Executive Board members and to express a view on any issue pertaining to Company governance or the operation of its statutory bodies and, at the Board's request, to address any ethical issues.

The Governance Committee, which includes the functions attributed by the Afep-Medef Code to a Compensation Committee and an Appointments Committee, has six members:

Didier Cherpitel, Chairman

G rard Buffi re from October 23, 2013

Dominique H riard Dubreuil

 douard de l'Esp e from October 23, 2013

Priscilla de Moustier from October 23, 2013

Fran ois de Wendel until May 27, 2013

Guylaine Saucier from October 23, 2013, in her capacity as Chairman of the Audit Committee

Secretary of the Governance Committee:

Caroline Bertin Delacour

In 2013, the Governance Committee met seven times.

1.6.2 The Executive Board

The Supervisory Board appoints members of the Executive Board to four-year terms on the recommendation of its Chairman. The terms are renewable. The age limit for members of the Executive Board is 65.

The Executive Board has two members:

Fr d ric Lemoine

Chairman since April 7, 2009, renewed on April 7, 2013

Bernard Gautier

Member since May 31, 2005, renewed on April 7, 2013.

Secretary of the Executive Board: Bruno Fritsch until June 2013, Christine Anglade Pirzadeh from June 2013.

The terms of the Executive Board members expire on April 7, 2017.

In 2013, the Executive Board met 30 times.

1.7 Internal organization

Led by the Executive Board, Wendel's management team is composed of men and women with diverse and complementary career paths. To ensure that decisions are made as a team, an Operations Coordination Committee meets every two weeks, and smooth communication within the team of more than 80 people is ensured at all times. The team is articulated around two key committees: the Investment Committee and the Management Committee. Due to Wendel's increasingly international character, Committee meetings are held in English.

1.7.1 The Investment Committee ■

Made up of the Executive Board members and six Managing Directors, the Investment Committee meets three times per month to work on the selection and preparation of the Group's investments. It examines plans to divest assets and regularly reviews the position of the Group's principal investments. Investment Committee meetings are attended by the Group Vice-President for Finance.

1.7.2 The Management Committee ■

The Management Committee meets every two weeks. It is composed of the members of the Executive Board, the Group Vice-President for Finance, the General Counsel, the Managing Director in charge of operating resources, the Tax Director and the Director of Communication and Sustainable Development. It makes decisions regarding the organization and the Group's day-to-day operations.

1.7.3 The Coordination Committee ■

The Coordination Committee, made up of the members of the Executive Board and the heads of Wendel's principal departments, meets two times per month. Its role is to act as a hub of cross-company information and sharing to ensure the free flow of information throughout the Company.

1.7.4 International presence □

Wendel has offices outside France for its holding companies and service activities. The two oldest international locations are the Netherlands (since 1908) and Luxembourg (since 1931). In 2007, Wendel opened offices in Germany (Frankfurt) and Japan (Tokyo). In 2013, the Group continued its international expansion, establishing a presence in North America and Singapore. In 2014, to support the two investments it has already made in Africa, Wendel will open an office in Casablanca.

Europe

Netherlands

Oranje-Nassau, a Dutch coal mining company founded in 1893, was acquired by Wendel in 1908. In 1974 it became an investment company, first specializing in the energy and real estate sectors and now focusing on unlisted companies. Launched in 2011, Oranje-Nassau Développement invests in growth, diversification and innovation opportunities.

Luxembourg

Wendel has been present in Luxembourg since 1931 through Trief Corporation. This subsidiary holds Wendel's stakes in its main listed portfolio companies as well as in unlisted companies through regulated investment vehicles (SICARs).

Germany

Wendel's German team reviews investment opportunities in companies based in Germany, Austria and Switzerland. In 2010, Wendel founded Helikos, a Special Purpose Acquisition Company (SPAC) listed on the Frankfurt Stock Exchange, which invested in exceeet, a European leader in electronic systems, in 2011.

Switzerland

Wendel has been present in Switzerland since 1920, where it initially owned mining and metal operations. Today, SOFISAMC invests in new asset classes and new geographies. In 2013, SOFISAMC had a total of approximately €40 million in assets, including a €15 million investment in an Indian private equity fund in the healthcare and life sciences sector.

North America

On behalf of the Group, Wendel North America investigates potentially attractive investments in North American companies looking for a long-term shareholder. North America is the world's biggest private equity market in terms of investment opportunities. Wendel opened an office in New York in 2013.

Asia

Wendel began to lay the groundwork for long-term investing in Asia back in 2008. The main objective for Wendel's offices in Asia is to help Group companies develop in this region. In the longer term, the aim is to establish Wendel there as a long-term investor.

Japan

Wendel Japan advises Group companies on their business development and acquisition plans in Japan, while monitoring investment opportunities for Wendel. Wendel made its first investment in Japan in 2013, acquiring Nippon Oil Pump.

Singapore

Wendel Singapore assists Group companies in their development and serves as a point of contact between the Wendel Group and the local financial community.

Africa

Africa is the world's fastest-growing continent, averaging more than 5% annual growth for the past ten years. Wendel has decided to invest in this region and started at the end of 2012 by becoming the biggest shareholder in IHS, the region's leading provider of telecom infrastructure. At the end of 2013, via Oranje Nassau Développement, Wendel acquired a stake in the Saham Group, Africa's largest insurer (excluding South Africa) with diversified activities in fast-growing sectors such as customer service centers, healthcare and real estate.

1.7.5 Teams

Wendel's team leaders and principal members

Frédéric Lemoine ■ ■ ■

Chairman of the Executive Board

Frédéric Lemoine joined Wendel in 2009. He previously served as Chairman of the Areva Supervisory Board and Senior Advisor at McKinsey. Prior to that, he was Group VP in charge of Finance for Capgemini and then deputy General Secretary to French President Jacques Chirac. He began his career as a finance inspector before directing a hospital in Vietnam and participating in hospital reform in two government ministries. He is a graduate of HEC, IEP Paris and ENA and holds a law degree.

Bernard Gautier ■ ■ ■

Member of the Executive Board

Bernard Gautier joined Wendel in 2003. Previously, he was General Partner for the Atlas Venture funds, heading their Paris office. He began his career by creating a media company. He then spent 20 years in organization and strategy consulting, first employed as a consultant by Accenture, in the media and services sector, and then by Bain & Co., where he became a Senior Partner. Alumnus of the École supérieure d'électricité.

Olivier Allot ■

Director of Financial Communication

Olivier Allot joined Wendel in 2007 as Deputy Head of Investor Relations. His career began in 1996 at the Société des Bourses Françaises – Paris Stock Exchange. For four years, he served as the organization's spokesperson and was then in charge of investor relations until 2007. In this capacity, he contributed actively to the combination of the Paris, Amsterdam, Brussels and Lisbon stock exchanges and the merger of Euronext and the NYSE. He holds a Master's degree in Management and Administration and another in Banking, Finance and Insurance from the Sorbonne (Université Paris I), in addition to SFAF and CEFA diplomas for financial analysts.

Christine Anglade Pirzadeh ■ ■

Director of Communications and Sustainable Development,
Secretary of the Executive Board

Christine Anglade Pirzadeh joined Wendel in 2011. She was previously Director of Communications at the Autorité des Marchés Financiers (AMF) from 2000. She began her career on the editorial team of "Correspondance de la Presse" and served as Policy Officer in the

French Prime Minister's Media Office from 1998 to 2000. She holds a Master's degree in European and International Law from the University of Paris I and a Master's degree (DEA) in Communication Law from the University of Paris II.

Stéphane Bacquaert ■ ■ □

Managing Director, CEO of Wendel Africa

Stéphane Bacquaert joined Wendel in 2005. He held previous positions as a Partner of Atlas Venture, a consultant for Bain & Co. and the CEO of NetsCapital, a merchant bank specializing in Technology, Media and Telecommunications. He is a graduate of École Centrale Paris and IEP Paris and holds an MBA from Harvard Business School.

Patrick Bendahan ■

Senior Director

Patrick Bendahan joined Wendel in 2006. He began his career in 2002 at Compagnie Financière Edmond de Rothschild before being named Vice-President at ING in 2003 on the Acquisition Finance team, where he was actively involved in the structuring of six LBOs in the fields of construction, industry, transportation and the specialized press. He also performed consulting work for several companies. He is a graduate of HEC.

Caroline Bertin Delacour ■ ■

Director of Ethics and Legal Affairs, Secretary of the Supervisory Board and its committees

Before joining Wendel in 2009, Caroline Bertin Delacour practiced law for over 20 years, specializing in tax and business law at the law firms of Cleary Gottlieb Steen & Hamilton and August & Debouzy.

She holds a Master's degree in Business Law from Université de Paris II Panthéon-Assas, a postgraduate degree in Applied Tax Law from Université de Paris V René-Descartes and an LLM from New York University.

Olivier Chambrard ■ ■

Managing Director

Olivier Chambrard joined Wendel in 2002. Previously, he worked in corporate finance in London with CSFB and Deutsche Morgan Grenfell, specializing in the advanced technologies sector, after holding executive positions in two SMEs. He is a graduate of Essec and holds a postgraduate degree in tax and business law. He also obtained an MBA from Harvard Business School.

David Darmon ■ □

Managing Director, in charge of development in North America and CEO of Wendel North America

David Darmon joined Wendel in 2005. He was previously a Principal of Apax Partners, where he specialized for six years in LBO transactions, particularly in the TMT and distribution sectors. He began his career in M&A at Goldman Sachs in London. He is a graduate of Essec and holds an MBA from Insead. He was a member of the Investment Committee throughout 2012 and has headed the New York office since January 1, 2013.

Bruno Fritsch ■ □

Director, CEO of Wendel Singapore

Bruno Fritsch joined Wendel in 2007 and is in charge of developing the Group's activities in the Asia-Pacific region. After beginning his career at L'Oréal, he was a consultant at Bain & Company, where he carried out commercial due diligence assignments on behalf of investment funds in Europe and the United States. He was also responsible for strategy and operational efficiency, in particular in the Technology-Media-Telecoms sector. He then worked in business development as Vice-President of Asian Business Bridge, an SME development accelerator in Asia. In this capacity, he created two mobile telephone and internet advertising companies in Hong Kong and Shanghai. He was Secretary of Wendel's Executive Board from 2009 to 2013. He is a graduate of ESSEC and holds an MBA from the Rotterdam School of Economics.

Jean-Yves Hemery ■ □

Oranje-Nassau International Delegate, Manager of Benelux locations

Jean-Yves Hemery joined the Wendel Group in 1993 as Deputy General Secretary at Marine-Wendel, after seven years spent working for the French tax authority and three years at Pechiney. He is a graduate of École Nationale des Impôts and also holds a degree in Economics. In particular, he is in charge of Oranje-Nassau's business locations in the Benelux.

Makoto Kawada ■ □

Managing Director, in charge of business development in Japan, CEO of Wendel Japan

Kawada San joined Wendel in 2008. He gained experience in cross-border M&A and project finance with Fuji Bank (now Mizuho) in Japan, where he began his career in 1984. After a period at the IFC (International Finance Corporation, a member of the World Bank Group) in Washington, D.C., he joined Basic Capital Management in 2003, taking over as CEO from 2005 to 2008. He holds an MBA from Wharton and a degree in Economics from Waseda University.

Roland Lienau ■ ■ □

Managing Director, in charge of business development in Germany

Roland Lienau joined Wendel in 2008. He has acquired over 20 years of experience in primary and secondary capital markets in Germany. Previously, he was in charge of capital markets for Deutsche Bank in Frankfurt after holding positions at Enskilda Securities, Enskilda Effekten and, later, Paribas, where he was in charge of equity and bond markets. He is a graduate of ESCP Europe.

Peter Meredith ■ ■

Tax Director

Peter Meredith joined Wendel on March 1, 2013. As Tax Director of the Bouygues Construction group (2005-13), CapGemini (2000-05) and GTM group (1989-2000), Peter Meredith has been in charge of tax issues related to both French and international contexts. He holds a Master's degree (DEA) in comparative law.

Jérôme Michiels ■ ■

Managing Director, Secretary of the Investment Committee

Jérôme Michiels joined Wendel at the end of 2006. From 2002 to 2006, he was a chargé d'affaires with the investment fund BC Partners. Prior to that, he worked as a consultant in the Boston Consulting Group from 1999 to 2002, carrying out strategic missions in Europe, particularly in the fields of distribution, transportation, telecommunications and financial services. He is a graduate of HEC.

Shigeaki Oyama □

Chairman of Wendel Japan, Special Adviser for Japan

A 1967 graduate of the University of Tokyo, Oyama San began his career in the Numerical Control department of Fujitsu, which later became Fanuc LTD, the world's largest industrial robotics manufacturer. After 39 years of experience encompassing R&D, sales, production and technology development, he was named Senior Executive Vice-President of GE Fanuc Automation North America in the USA in 1997. In 1999 he was appointed President and in 2003, Chairman of Fanuc LTD.

Jean-Michel Ropert ■ ■

Group Vice-President for Finance

Jean-Michel Ropert began his career at Wendel in 1989. He holds a degree in Finance and Accounting. Previously in charge of accounting and the production of consolidated financial statements, Jean-Michel Ropert took over as CFO in 2002, when Marine-Wendel merged with CGIP. He was appointed Group Vice-President for Finance in June 2013 and supervises the financial management of international offices.

Patrick Tanguy ■ ■ ■

Managing Director, in charge of operational resources, Head of development in India

Before joining Wendel in 2007, Patrick Tanguy was a senior executive in several industrial groups, serving consecutively as Head of Sales and Marketing for Steelcase-Strafor; CEO of Airborne, a subsidiary of that group; CEO and then Chairman of Dafsa; and head of Technal, Monne-Decroix and Prezioso Technilor. He began his career at Bain & Co. in 1984, where he was appointed Partner in 1990. He is a graduate of HEC. As the person in charge of operational support, he supervises Wendel's operational resources and helps Group subsidiaries to improve their organizational and operational processes.

Dirk-Jan Van Ommeren ■ ■ □

Managing Director, CEO of Oranje-Nassau

Dirk-Jan Van Ommeren joined the Wendel Group in 1996. After a career of nearly 30 years in Dutch banking (AMRO Bank, Westland/Utrecht Hypotheekbank, Amsterdamse Investeringsbank), he is currently a Director of several Dutch companies and organizations. He is Chairman of Stahl, VGG and excecet and an active board member of the companies of Oranje-Nassau Développement.

1.8 Investment model and business development strategy

Wendel's know-how consists in selecting leading companies, making a long-term investment and helping to define ambitious strategies, while implementing a clear, explicit shareholder approach. To successfully execute its long-term investment strategy, Wendel has several strengths: a stable, family shareholder base, permanent capital and a portfolio of companies that lends the Group a very broad geographical and sectoral view. Since 1977, Wendel's international investment teams, with their complementary profiles and expertise, have invested in a great number of successful companies, including CapGemini, BioMérieux, Reynolds, Stallergenes, Wheelabrator, Valeo, Afflelou, Editis and Deutsch.

1.8.1 Active partnering with portfolio companies

Wendel's investment and business development strategy is based on close communications with the managers of the companies it invests in. This partnership is central to the process by which value is created. Wendel provides constant and active support, shares risks and contributes its experience and financial and technical expertise. In the same vein, Wendel can reinvest and support companies when the economic and financial conditions or the company's business development projects demand it. Since 2009, as of the date this registration document was filed, Wendel has invested more than €1.1 billion, of which more than €300 million has been reinvested in Saint-Gobain, Materis, Stahl and Deutsch in the form of equity and debt.

Wendel is represented in the Boards of Directors and key committees – audit, governance, and strategy – of its investments, in proportion to its stake. It can therefore take part in the most important decisions made by each company without ever taking the place of its management.

1.8.2 Principles for our role as long-term shareholder

Wendel upholds the shareholder's charter it established in 2009, which includes five major principles.

- **active involvement in designing and implementing company strategies** through our participation on the Boards of Directors and key committees of the companies in which we have invested;
- **firm, long-term commitments** to our partner companies by supporting their development, fostering their exposure to strong-growth regions, and allocating time and resources to the innovation cycle;
- **constructive, transparent and stimulating dialogue** with management while constantly questioning ingrained habits and rethinking models against the yardstick of global best practices;
- **everyday loyalty** through effective relationships built on trust that recognize the respective roles of shareholders and managers;
- **a guarantee of shareholder stability** and the common cause of a long-term partner who doesn't hesitate to make a financial commitment during tough times.

1.8.3 Seeking diversified investments

Wendel aims first and foremost to create value by developing assets over the long term, by actively encouraging its companies to make investments that drive organic growth and profitability and by providing support for their acquisitions. Since 2009, Wendel has restored its strong financial structure, notably by reducing its debt by more than 50%. It has thus regained room for maneuver to properly develop a diversified portfolio of companies on the one hand and to acquire new companies, principally unlisted, in the €200-500 million range in equity on the other. Wendel also intends to pursue diversification and innovation through Oranje-Nassau Développement.

Wendel is ready to invest €2 billion by 2017. This amount might be divided equally between Europe, North America and emerging economies, in particular in Africa. At the same time, Wendel intends to continue strengthening its financial structure. This should put the Group's loan-to-value ratio firmly below 35% and enable it to obtain long-term financing at favorable terms and to return to investment grade status.

1.8.3.1 Investment profile

Wendel invests for the long term as the majority or leading shareholder in listed or unlisted companies that are leaders in their markets, in order to boost their growth and development.

The Wendel Group has an investment model chiefly focused on companies with a majority of the following characteristics:

- located in countries that are well known to Wendel, based in particular in Europe, North America or new economies, with partners who already have a strong presence there;
- strong international exposure;
- led by high-quality management teams;
- first or second in their market;
- operating in sectors with high barriers to entry;
- sound fundamentals and, in particular, recurrent and predictable cash flows;
- offering high potential for long-term profitable growth, through both organic growth and accretive acquisitions; and
- significant exposure to markets undergoing rapid growth and/or major, long-term economic trends.

As a long-term shareholder, Wendel particularly favors certain circumstances, such as:

- control or joint control immediately or in phases;
- a need for a long-term, principal shareholder;
- opportunities for further reinvestment over time to accompany organic or external growth.

Lastly, Wendel does not invest in sectors whose reputation would be detrimental to its image or values.

1.8.3.2 Oranje-Nassau Développement

Early in 2011, Wendel set up an organization to seize opportunities for growth, diversification or innovation.

Oranje-Nassau Développement makes investments of smaller individual amounts than those made directly by Wendel. Oranje-Nassau Développement has been very active since its creation in 2011: for a total invested equity of about €600 million, it acquired Parcours, an independent specialist in long-term vehicle leasing to corporate customers; exceet, the European leader in embedded intelligent electronic systems; the Mecatherm group, the world leader in equipment for industrial bakeries; the Saham Group, a major pan-African provider in the insurance, healthcare and customer service center sectors; and Nippon Oil Pump, Japan's leading manufacturer of trochoid pumps and hydraulic motors. Once the invested amount reaches €200 million, the relevant company is included among Wendel's main investments.

1.8.3.3 Acquisitions by Group companies

Growth by acquisition is an integral part of the development model of Wendel Group companies. Our companies made 13 acquisitions in 2013, and all of them plan to achieve a non-negligible share of their growth through acquisitions, focusing on small or medium-sized purchases, which create the most value. Wendel's teams assist Group companies in their search for accretive acquisitions, in deploying their external growth strategy and in arranging the required financing.

1.8.3.4 An entrepreneurial model

Wendel has set up co-investment systems to allow its principal managers to invest their personal funds in the same assets in which the Group invests and be involved in the creation of value in the Group. This gives the executives a personal stake in the risks and rewards of these investments. Various mechanisms also exist to allow senior managers to participate in the performance of each entity. For listed subsidiaries and associates (Bureau Veritas, Legrand and Saint-Gobain), these mechanisms consist of stock-option and/or bonus share plans. For unlisted subsidiaries (Materis, Mecatherm, Parcours, Stahl and NOP), the participation policy is based on a co-investment mechanism through which these executives may invest significant sums alongside Wendel. In return, they have a profit profile that depends on the internal rate of return (IRR) achieved by Wendel in the investment concerned. These systems are described in section 5.7, note 4 of this registration document.

1.8.3.5 Creating and returning value to shareholders

The value created by Wendel is returned to shareholders in two ways. Firstly, the value of the Group's assets increases, manifested by Wendel's net asset value and its share price. Secondly, Wendel pays dividends and buys back shares. Since June 2002, the total shareholder return on Wendel shares (TSR) has been more than 15% p.a. whereas during the same time, the TSR on the CAC 40 has been about 4%. Since 2009, the ordinary dividend paid to shareholders has risen from €1 to €1.85 per share (subject to shareholder approval at the Annual Meeting on June 6, 2014). Wendel's objective regarding the dividend is to increase it regularly every year.

1.9 Corporate Social Responsibility (CSR)

Through its long-term involvement, Wendel encourages its companies to practice corporate social responsibility (CSR), while defining for itself a CSR policy in line with its role as investor with a tightly-knit team of professionals. More detailed information related to sustainable development is provided in section 3 of this registration document.

1.9.1 Encouraging subsidiaries to integrate CSR

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries but does ensure, mainly through close communication with their management teams, that these companies gradually integrate CSR issues in their risk management and growth strategies.

In 2009, Wendel signed the charter of the French association of private equity firms (AFIC). This public commitment mainly consists in a set of measures to promote sustainable development.

As a shareholder, Wendel assesses CSR risks and opportunities at every phase of its investing life cycle.

■ At the time of acquisition:

When Wendel considers a new investment, it carries out due diligence on environment and social issues as part of its analysis of the risks related to the business of the target company.

■ Throughout the long-term support it provides to its companies:

Although the management team in each Wendel Group company has direct responsibility for managing CSR issues, as a professional shareholder, Wendel monitors and encourages the CSR efforts of its subsidiaries and associated companies, especially in two areas: employee safety and the environmental performance of the products and services they design and distribute.

- Wendel's management is particularly attentive to indicators of workplace safety because it considers them to be an excellent proxy for

how well the management team runs the company. For example, at Materis, the accident rate is a factor in determining its management's variable compensation. At Wendel's request, Stahl's Board of Directors has also been tracking this indicator since 2006, when Stahl joined the Wendel Group.

- Wendel's subsidiaries are gradually integrating environmental issues into the design of their products and services. With its solutions, Bureau Veritas helps customers continuously improve their operations in the areas of health and hygiene, safety and the environment. Parcours encourages its customers to go green by including special features in its long-term leasing services, such as eco-driving training for its customers. Eighty percent of Stahl's products are now solvent-free. Materis develops innovative products with new functions that are more resistant, and therefore better for the environment from a life-cycle perspective, and meet French "HQE" (high environmental quality) standards. A large share of Saint-Gobain's sales comes from solutions that protect the environment by saving energy or producing clean energy.

Our listed companies – Saint-Gobain and Bureau Veritas – publish exhaustive sustainable development data in their annual and sustainable development reports. For Bureau Veritas, Materis, Stahl, Mecatherm and Parcours, of which Wendel is the majority shareholder, highlights of their sustainable development policies are presented in Wendel's registration document.

1.9.2 Implementing a CSR approach adapted to a small investment team

Wendel offers its employees the best working environment possible, with career advancement opportunities for all. Developing the employability of its staff is one of its priorities. Wendel encourages training, for example, and more than one-third of all employees received external training in 2012.

1.9.3 A limited environmental footprint

Wendel's activities have little impact on the environment. Nevertheless, Wendel strives to do its share to limit any negative impact. A waste sorting policy has been in place since 2011, and in 2012 Wendel carried out an assessment of its greenhouse gas emissions, so as to optimize its efforts to reduce its energy bill and level of waste production.

1.9.4 Helping the community

Wendel's commitment to the community is reflected in its support of projects in the higher education and cultural spheres. In addition to providing financial support spread over several years, Wendel contributes actively to the development of its partner institutions. In particular, Frederic Lemoine represents the Group on the Boards of Directors of Insead and the Centre Pompidou-Metz.

Supporting Insead since 1996

In 1996, Insead created a teaching chair for family-owned businesses; Wendel has been a partner from the start. In 2005, Insead inaugurated its International Center for Family Enterprise, which organizes events and teaching programs for family businesses around the world.

www.insead.edu/facultyresearch/centres/wicfe/index.cfm

Founding sponsor of Centre Pompidou-Metz

Since the opening of Centre Pompidou-Metz in 2010, Wendel has offered its support to this emblematic institution that promotes and widens the access to culture, through a renewable five-year commitment. It is the most frequently visited exhibition space in France, outside of the Greater Paris region.

In recognition of its long-term patronage of the arts, the Minister of Culture awarded Wendel the distinction of "Grand Mécène de la Culture" on March 23, 2012.

www.centrepompidou-metz.fr

1.10 Subsidiaries and associated companies

A balanced, diversified portfolio

The companies in the Wendel Group share three strengths: they are leaders in their industries; they use innovation as the cornerstone of their development; and they overcame the downturn, while seizing new opportunities for growth*.

Bureau Veritas	
Share of equity owned by Wendel***	50.9%
Business	Certification and verification
Capital invested**	€446 million
Date of first investment	January 1995
Saint-Gobain	
Share of equity owned by Wendel***	16.2%
Business	Production, transformation and distribution of building materials
Capital invested**	€5.7 billion
Date of first investment	September 2007
Materis	
Share of equity owned by Wendel	75.5%
Business	Specialty chemicals for construction
Capital invested**	€362 million
Date of first investment	February 2006
Stahl	
Share of equity owned by Wendel	92.2% (before Stahl's acquisition of Clariant Leather Services)
Business	High-performance coatings and leather-finishing products
Capital invested**	€142 million
Date of first investment	June 2006
IHS	
Share of equity owned by Wendel	More than 35%
Business	Mobile telephone infrastructure in Africa
Capital invested**	\$475 million
Date of first investment	March 2013

* All information regarding the competitive positioning and market shares of Group companies, as well as certain financial information, derives from the companies themselves and has not been verified by Wendel.

** Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date. Wendel's investment in IHS was increased to \$475 million on April 16, 2014.

*** Percentage holding before taking into account treasury shares.

Oranje-Nassau	Since 1908
Oranje-Nassau Développement	
Wendel created this structure in early 2011 to take advantage of opportunities for growth, diversification or innovation.	
Parcours	
Share of equity owned by Wendel	95.8%
Business	Long-term vehicle leasing to corporate customers
Capital invested**	€107 million
Date of first investment	April 2011
exceet	
Share of equity owned by Wendel	28.4%
Business	Design of embedded systems
Capital invested**	€50 million
Date of first investment	July 2011
Mecatherm group	
Share of equity owned by Wendel	98.1%
Business	Industrial bakery equipment
Capital invested**	€112 million
Date of first investment	October 2011
Van Gansewinkel Groep	
Share of equity owned by Wendel	8%
Business	Waste collection and processing
Capital invested**	€37 million
Date of first investment	January 2006
Saham Group	
Share of equity owned by Wendel	13.3%
Business	Multi-service insurance Group in Africa
Capital invested**	€100 million
Date of first investment	November 2013
Nippon Oil Pump	
Share of equity owned by Wendel	97.7%
Business	Manufacture of trochoid pumps and hydraulic motors in Japan
Capital invested**	¥3.3 billion
Date of first investment	October 2013

* All information regarding the competitive positioning and market shares of Group companies, as well as certain financial information, derives from the companies themselves and has not been verified by Wendel.

** Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

1.10.1 Bureau Veritas

Bureau Veritas pursues its growth and global leadership strategy

Bureau Veritas is the world's second-largest provider of compliance and certification services in the areas of quality, health, safety,

environment and social responsibility (QHSE-SR). The group derives 54% of its sales from high-growth countries.

Bureau Veritas in brief

Present in 140 countries	1,330 offices and laboratories	61,600 employees	400,000 clients
€3,933 million in sales in 2013	€397 million in attributable adjusted net income	Stake held by Wendel: 50.9%	Amount invested* by Wendel: €446 million since 1995

* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in Bureau Veritas?

Bureau Veritas is ideally positioned in markets driven by long-term, structural trends. QHSE regulations and standards are proliferating and becoming tougher to meet. Increasingly, certification and inspection activities are being outsourced. Health and environmental protection standards are becoming more stringent. And trade has become global.

Since it was founded in 1828, Bureau Veritas has gradually built up its globally renowned expertise. The market that Bureau Veritas addresses has numerous barriers to entry. Operating certification and approval are mandatory in each country. Service providers must offer a comprehensive range of inspection services (in particular for major clients) and extensive geographical coverage both locally and internationally. They must provide high value-added solutions through first-rate technical expertise and enjoy a reputation of independence and integrity. Wendel has gradually increased its holding in Bureau Veritas. When Wendel made its initial €25 million investment in 1995, obtaining 19% of the share capital, Bureau Veritas generated annual sales of less than €400 million. Wendel then supported the company's growth, until it held 99.2% of the capital in 2004. In 2007 Bureau Veritas was listed on the stock exchange at a price of €37.75 per share (€9.44 after adjusting for the four-for-one split on June 21, 2013), enabling it to continue its international expansion.

Highlights of 2013

Revenue in 2013 stood at €3,933.1 million, representing a 0.8% rise over the previous year and a 5.5% rise on a constant currency basis.

Organic growth of 3.5% for the financial year consisted of sustained growth of 7.3% across 88% of the business portfolio, specifically in Oil & Petrochemicals, Consumer Products, Industry and Construction, and a decline of 16.7% in Metals & Minerals, Marine New Construction and Government Contracts. Acquisitions contributed 2.8% of growth over the year, while businesses sold represented a revenue reduction of 0.8%. Exchange rate variations had a negative impact of 4.7% as a result of the decline in most currencies against the euro.

Adjusted operating profit totaled €656.9 million. It grew by €59.8 million on a constant currency basis, or 9.4% relative to 2012.

This growth was attributable primarily to the Industry, Construction, Consumer Products and In-Service Inspection & Verification Service (IVS) businesses, which benefited from either volume growth or the operational excellence initiatives. The contribution of the Certification, Marine and GSIT businesses was virtually unchanged. Commodities' contribution fell as a result of declining volumes in upstream minerals and an unfavorable mix effect.

The adjusted operating margin stood at 16.7% in 2013, up 30 basis points relative to 2012 and 60 basis points on a constant currency basis.

The attributable net profit for the year was €345.1 million, a 16.0% increase relative to 2012. Earnings per share (EPS) stood at €0.79, compared to €0.68 in 2012 (adjusted for the four-for-one split on June 21, 2013).

The adjusted attributable net profit totaled €397.0 million, up 7.6% on a constant currency basis. Adjusted EPS was stable at €0.91 in 2013, compared to 2012 (€0.91 adjusted for the four-for-one split). On a constant currency basis, it rose by 8.8%.

Accretive acquisitions on strategic markets

In 2013, Bureau Veritas made seven acquisitions, developing its technical expertise in strategic market segments and expanding its geographic coverage.

- with the acquisition of 7Layers, Bureau Veritas has become a leader in the testing and certification of electronic devices and wireless technologies;
- the company strengthened its position in industrial non-destructive testing, with the acquisition of Sievert, a leading company in India, South-East Asia and the Middle East, and the LVQ-WP Group, which operates in Germany and in Eastern Europe;
- Bureau Veritas continued to invest in Asia, expanding its construction offering with the acquisition of Kanagawa Building Inspection, a Japanese company, and CKM Consultants Pte Ltd, in Singapore;
- Bureau Veritas added complementary services in the power generation and petrochemical sectors in South Africa, with the acquisition of Carab Tekniva Group;
- additionally, Bureau Veritas acquired OTI Canada Group, specializing in the testing and inspection of petroleum products in Canada.

With the acquisition of the leading Canadian company Maxxam, completed in January 2014, Bureau Veritas is diversifying in food, petroleum and environmental analytical testing services. The total annual revenue of the acquired companies (including Maxxam) is €285 million.

On January 21, 2014, in order to accompany its development, especially for the acquisition of Maxxam Analytics, and to continue diversifying its financing sources, Bureau Veritas issued a €500 million, seven-year, non-rated bond with a coupon of 3.125%.

Operational excellence initiatives launched

Optimization of the business portfolio: Bureau Veritas continued to expand its offering in high value-added services and fast-growing markets. In 2013, it developed its range of services for offshore, non-conventional energy (including shale gas), the automotive sector and wireless technologies. The portfolio optimization strategy also involved strengthening its presence in high-potential regions such as China and North America.

In addition, Bureau Veritas carried out several targeted disposals (Paymacotas and Anasol) and decided not to renew certain low value-added contracts in Industry and Construction.

Lean Management deployment: Launched in 2012, the goal of Lean Management initiatives is to improve customer satisfaction and operational efficiency. In 2013, Bureau Veritas expanded its expertise and gradually rolled out Lean Management in the various operating entities by recruiting experts and training managers. The network's teams focused on this effort and identified a total of 140 projects. The initiatives in the Consumer Products and Commodities businesses and operations in France (primarily IVS) are particularly well advanced.

Development of shared services centers and launching of a centralized procurement policy: In order to take full advantage of scalability, Bureau Veritas is establishing shared services centers in the main countries in which it operates. The objective is to centralize support functions such as IT services, finance and human resources. They also cover operational support activities, particularly for Certification, Industry and Government Services. The centralized procurement project implemented in 2013 covers overhead costs (transport, office supplies and documentation) and equipment and consumables used in laboratories.

Outlook for development

Bureau Veritas expects a gradual increase in organic growth and further margin expansion in 2014.

2015 strategic plan

Bureau Veritas also confirms the 2012-15 financial targets set out in the "BV2015: Moving forward with confidence" plan:

- revenue growth of 9-12% on average per year, on a constant-currency basis:
 - two-thirds from organic growth: 6-8% on average per year,
 - one-third from acquisitions: 3-4% on average per year;
- improvement in adjusted operating margin of 100-150 basis points in 2015 (vs. 2011);
- growth in adjusted EPS of 10-15% on average per year between 2011 and 2015.

In millions of euros	2013	2012	Δ
Net sales	3,933.1	3,902.3	+0.8%
Adjusted operating income ⁽¹⁾	656.9	639.2	+2.8%
as a % of net sales	16.7%	16.4%	+30 bps
Attributable adjusted net income ⁽²⁾	397.0	402.6	-1.4%
Adjusted net financial debt ⁽³⁾	1,328.4	1,150.7	+€177.7 million

(1) Bureau Veritas defines "Adjusted" operating income as its operating income before revenue and expenses related to acquisitions and other non-recurring items (indicator not recognized under IFRS).

(2) Bureau Veritas defines attributable "adjusted" net income as attributable net income adjusted for other operating expense net of tax.

(3) Net financial debt after currency hedging instruments as defined in the calculation of bank covenants.

Top management

Didier Michaud-Daniel, CEO

Frédéric Lemoine, Chairman of the Board of Directors since November 5, 2013

Wendel's involvement

Board of Directors: Frédéric Lemoine (Chairman), Stéphane Bacquaert, Jean-Michel Ropert. Lucia Sinapi-Thomas from May 22, 2013 (Deputy CFO of CapGemini)

Strategic Committee: Frédéric Lemoine (Chairman), Stéphane Bacquaert

Audit and Risk Committee: Jean-Michel Ropert, Lucia Sinapi-Thomas

For more information, please visit: bureauveritas.fr

1.10.2 Saint-Gobain

Saint-Gobain is building our future

Saint-Gobain is the European or global leader in each of its businesses. It designs, manufactures and distributes construction materials with the ambition of offering innovative solutions to the basic challenges of our time – growth, energy savings and environmental protection.

Saint-Gobain in brief

Present in 64 countries	Nearly 190,000 employees	No. 1 worldwide in high-performance materials and insulation	No. 2 worldwide in flat glass and packaging
€42.03 billion in sales in 2013	€1.03 billion in recurring net income	Stake held by Wendel: 16.2%	Amount invested* by Wendel: €5.7 billion since 2007

* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in Saint-Gobain?

By offering solutions adapted to high-tech industrial applications and construction markets at varying stages of development, Saint-Gobain bases its growth on value-added segments. Saint-Gobain's priority is to focus on high-growth and high value-added markets in habitat and industry. Three pillars help drive its strategy:

- Innovative Materials (Flat Glass and High-Performance Materials) is the company's innovation driver, in particular due to its unique portfolio of materials and processes in the habitat and industrial markets. An increasing share of these solutions are co-developed with its customers;
- Construction Products offer differentiated interior and exterior building solutions. These markets are growing faster than GDP per capita in both mature and emerging economies. The leadership positions and strong brands of the Construction Products business ensure a global presence for Saint-Gobain and a strong foothold in high-growth markets;
- Building Distribution, with its deep knowledge of customer needs, provides an accelerator for the Habitat strategy. Through its well-recognized brands, it has detailed insight into the construction, renovation, and remodeling markets and how they are evolving.

Highlights of 2013

After a tough first half penalized by fewer working days and poor weather conditions, Saint-Gobain reported organic growth of 2.6% for the six months to December 31, 2013, with volumes up 1.5% and prices gaining 1.1%, as third-quarter trends continued in the last three months of the year.

Sales stabilized over the year as a whole, down 0.3% on a like-for-like basis with a solid 1.0% increase in sales prices despite a less inflationary environment. On a reported basis, sales retreated 2.7% due to the negative 2.7% currency impact. Changes in group structure had a slightly positive 0.3% impact.

All of Saint-Gobain's Business Sectors and Divisions reported an improvement in second-half trading, driven by more upbeat trends in their Western European markets (0.9% organic growth), as well as in Asia and emerging countries (10.4% organic growth). The upturn in North America was held in check by the decline in businesses linked to capital spending and by volatility in Exterior Products.

Operating income fell 3.5%, squeezed by the negative currency impact and by tough trading in the first half, but rallied in the six months to December 31, up 9.9%. The operating margin remained stable at 6.6% of sales as a result of cost cutting measures and to the second-half improvement up to 7.1%. Excluding Building Distribution, the operating margin for the year climbed from 8.5% to 8.8%.

Saint-Gobain's focus on its action plan priorities continues to pay off:

- an increase in sales prices in line with objectives;
- additional cost savings of €600 million in 2013 compared to 2012, particularly in Flat Glass, which saw its margin improve to 4.0% versus 2.0% in second-half 2012;
- a €400 million reduction in capex as a result of optimized timing of expenditures and to unit cost savings, while maintaining a strong focus on growth capex outside Western Europe;
- a selective acquisitions and divestments policy;
- a stronger balance sheet, with net debt down almost €1 billion as a result of an ongoing tight rein on cash.

Innovative Materials sales were down just 0.7% in the year on a like-for-like basis, on the back of 1.5% growth in the second half. The operating margin was 7.3%, and came in at 7.8% in the second half compared to 6.9% in second-half 2012 and 6.7% in first-half 2013, spurred by upbeat trends in Flat Glass.

Like-for-like sales for the **Construction Products (CP)** Sector climbed 1.9%, rallying 5.6% in the second half. The operating margin widened to 8.7% from 8.3% in 2012.

After particularly poor weather conditions took their toll on its first-half performance, **Building Distribution** was down 1.4% on a like-for-like basis, despite recovering 1.7% in the second half, reflecting improved trading in all regions.

Packaging (Verallia) sales retreated 1.8% on a like-for-like basis, despite a 1.9% rise in sales prices. Strong momentum in Latin America failed to offset the slowdown in trading in other regions (mainly Southern Europe and to a lesser extent, the US). Regarding the planned divestment of VNA, negotiations between Ardagh and the Federal Trade Commission (FTC) continue apace and Saint-Gobain remains confident that the sale will be finalized before the new deadline, set at April 30, 2014.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) retreated 2.5% to €1,027 million. **Net income** (group share) fell 14.1% to €595 million.

At its meeting of February 19, 2014, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 5, 2014 Shareholders' Meeting a dividend of €1.24 per share, 50% payable in cash and 50% in cash or in shares, at shareholders' discretion. The dividend represents 67% of recurring earnings per share and a dividend yield of 3.1% based on the closing share price at December 31, 2013 (€39.975).

Outlook for development

On November 27, 2013, Saint-Gobain held a meeting for investors and financial analysts to discuss its medium-term strategy. Over the next five years, Saint-Gobain will continue to roll out its strategy focusing on three main areas:

- Improving its growth potential by focusing more sharply on high value-added, asset-light activities; expanding its footprint in emerging countries; and further strengthening its business portfolio, particularly through the disposal of Verallia;
- Creating a stronger presence in differentiated products and solutions, with R&D efforts focused on local projects co-developed with its customers and on the fast-growing markets of sustainable habitat and industrial applications. Marketing initiatives will also be stepped up with an ambitious digital strategy and by the development of ever stronger brands;
- Continuing to work towards management's priorities of achieving operational excellence, with an additional cost savings plan over 2014-15; further progress in corporate social responsibility; attractive returns for shareholders; and a persistently solid financial structure.

For each of these strategic focuses, Saint-Gobain has set itself the following goals over the next five years:

1) Strengthen its profile to raise its potential for organic growth:

- Reduce capital intensity in developed countries to 27%-29%;
- Focus investments outside Western Europe so that two-thirds of Innovative Materials and Construction Products industrial assets are located there;
- Complete Saint-Gobain's business refocus by disposing of Verallia and stepping up small or mid-scale acquisitions: €4 billion in acquisitions;
- Focus Building Distribution development on leadership positions.

2) Increase its focus on differentiation:

- Concentrate R&D and marketing on local, co-developed innovations: +50% co-developments and partnerships;
- Improve internal differentiation ratio (to reach 53% of group sales) and new solutions ratio (target 30% of Innovative Materials and Construction Products sales);
- Step up development on highly innovative industrial markets to reach between €750 million and €1 billion in additional sales in new High-Performance Materials niche segments;
- Boost market demand for higher value-added solutions by supporting sustainable construction;
- Enhance Saint-Gobain's online offer to reach over €1.5 billion of sales, or 15% of Building Distribution sales, on the relevant markets in 2018, versus 5% currently;
- Better associate Saint-Gobain's brands with innovation, with a 5-point increase in average brand awareness.

3) Continue to work towards management's priorities:

- Continuously seek operational excellence: €800 million in additional cost savings in 2014-15;
- Make further progress in the Corporate Social Responsibility area;
- Target attractive returns for shareholders;
- Maintain a solid financial structure.

Regarding the **outlook for 2014**, after bottoming out in first-half 2013 and rallying in the second half of the year, operating income should see a clear improvement in 2014 on a comparable structure and currency basis, even though the macroeconomic environment remains unsettled.

Saint-Gobain should benefit from the ongoing recovery in the US, satisfactory growth in emerging countries, and a more stable economic environment in Europe led by growth areas (UK and Germany). Household consumption markets should hold firm.

Saint-Gobain will continue to apply strict cash discipline and to maintain a strong balance sheet in 2014, along with targeting a continuing high level of free cash flow.

In particular, Saint-Gobain:

- will maintain its priority focus on increasing sales prices amid a smaller rise in raw material and energy costs;

- will pursue its cost cutting measures to unlock additional savings of €450 million (calculated on the 2013 cost base);
- will step up its capital expenditure to around €1,500 million, the priority being growth capex outside Western Europe (around €550 million);
- will maintain its commitment to invest in R&D in order to support its differentiated, high value-added strategy;
- finalized the divestment of Verallia North America on April 11, 2014.

In millions of euros	2013	2012 ⁽²⁾	Δ
Net sales	42,025	43,198	-2.7%
Operating income	2,764	2,863	-3.5%
as a % of net sales	6.6%	6.6%	-
Net income ⁽¹⁾	1,027	1,053	-2.5%
Net financial debt	7,521	8,490	-€969 million

(1) Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.

(2) After IAS 19 restatement.

Top management

Pierre-André de Chalendar, Chairman and CEO

Wendel's involvement

Board of Directors: Frédéric Lemoine, Bernard Gautier, Gilles Schnepf (Chairman and CEO of Legrand)

Financial Statements Committee: Frédéric Lemoine

Appointments and Compensation Committee: Bernard Gautier

Strategic Committee: Frédéric Lemoine

For more information, please visit: saint-gobain.com

1.10.3 Materis

Materis drives growth through innovation

Materis, an international leader in specialty construction materials, has four businesses: admixtures (Chryso), aluminates (Kerneos), mortars (ParexGroup) and paints (Materis Paints). Materis has more than 100 brands recognized on their respective national markets.

Materis in brief

10,000 employees	4 independent companies	No. 1 worldwide in aluminates No. 4 worldwide in admixtures	No. 4 in Europe in paints No. 4 worldwide in specialty mortars
€2,098 million in sales in 2013	€13.0 million in net income from business sectors	Stake held by Wendel: 75.5%	Amount invested* by Wendel: €362 million since 2006

* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in Materis?

Materis is one of the world leaders in specialty materials for construction, with leadership positions in aluminates, admixtures, specialty mortars and paints.

On March 26, 2014, the aluminates business (Kerneos) was sold to Astorg for €610 million. With this transaction, the Materis group reduced its leverage to €1,346 million, versus €1,940 million at the end of December 2013. On March 26, 2014, Materis received a firm bid from funds advised by CVC for the acquisition of the entire capital of its subsidiary ParexGroup (Specialty Mortars). Materis entered into exclusive negotiations with CVC to finalize the terms of the sale of ParexGroup, valued at €880 million.

Materis enjoys high barriers to entry resulting from global coverage, innovative and high value-added products, outstanding quality of service, recognized brands, and close relationships with its clients. Materis has also built a portfolio of premium brands and an integrated distribution network of nearly 400 sales outlets in Europe (Materis Paints) and 1,300 in China (ParexGroup). It has leadership positions in high-growth regions, where 30-50% of its sales (excluding the paints business) are generated, with margins comparable to those in mature markets.

Materis is a company that thrives on innovation; it continuously develops new formulations so as to offer the most appropriate solutions to its clients' needs. For example, in energy savings, Materis offers external insulation solutions for painters, façade workers and restorers working on new construction or renovating old buildings.

Highlights of 2013

Materis posted sales of €2,097.9 million in 2013 (excluding IFRS 5 restatement), up 1.2%. Organic growth was 3.8% (volume/mix effects: 1.6%; price effects: 2.3%). The impact of currency fluctuations was

negative, totaling -3.3% over the full year. The Argentinian peso, the South African rand and the Brazilian real alone accounted for almost two-thirds of the impact.

The trend points to improvement. Organic growth in the fourth quarter was 8%, well into positive territory in all lines of business and significantly ahead of earlier quarters (-3% in Q1, +4% in Q2 and +7% in Q3).

Organic growth in emerging market countries came in at 16% in 2013, offsetting the contraction of 1% in mature markets. Changes in scope had a positive impact of 0.6%, and corresponded to the consolidation of Elmin in Greece (Kerneos) and Suzuka in China (ParexGroup), acquired in 2012.

Materis' recurrent EBITDA, excluding management fees, reflected the advances in all of the group's activities and totaled €265.1 million, up 2.7%. The corresponding margin widened by 10 basis points. At constant exchange rates, EBITDA grew by 7%.

- **Parex Group (Specialty Mortars)** posted record-high sales of €754.5 million in 2013. The company continued to deliver robust growth (5.9% overall and 8.6% organically) as it benefited from healthy business conditions in emerging economies, recovery in the United States, price increases and a favorable scope effect. Parex posted record EBITDA of €105.3 million in 2013, representing a margin of 14.0%, up 30 basis points from 2012.
- Sales at **Materis Paints** contracted in 2013 (by 2.4% and by 1% organically) to €753.9 million, given the difficult economic climate in Europe. Nevertheless, the trend brightened throughout the year. Sales grew organically by 3% in the last two quarters, after declining 9% in Q1 and 1% in Q2. This performance reflected the recovery that started in Southern Europe at mid-year and sales & marketing initiatives to bolster market share. Cost-cutting plans enabled Materis Paints to increase its EBITDA in 2013 by 6% to €61.5 million, representing 8.2% of sales, an increase of 70 basis points.

- Sales of **Chryso (Admixtures)** totaled €239.2 million, up 0.4%. Organically, sales rose 7.1% but negative currency fluctuations trimmed off 6.7%. Sales remained very strong in emerging markets, in particular in the Africa/Middle East region, where organic growth was nearly 20%, and saw a rebound in the United States. Good cost control enabled Chryso to post record EBITDA of €35.1 million in 2013, representing a margin of 14.7%, up 20 basis points from 2012. At constant exchange rates, EBITDA grew 9%.
- Growth at **Kerneos (Aluminates)** (down 0.4% overall and up 1.9% organically) was impacted by contraction in the refractories business in

mature economies (Europe and the United States). Increased sales in building chemistry, driven in part by buoyant conditions in North America, partly offset this decline, as did development of sewage systems. Over all of 2013, Kerneos' EBITDA totaled €72.7 million vs. €73.7 million in 2012.

Note: Financial information on Materis includes the earnings of Kerneos, the Aluminates division, which were reclassified into "Net income from operations held for sale" in the consolidated financial statements, in accordance with IFRS 5.

In millions of euros	2013	2012	Δ
Net sales	2,097.9	2,072.5	+1.2%
EBITDA ⁽¹⁾	265.1	258.2	+2.7%
as a % of net sales	12.6%	12.5%	+10 bps
Adjusted operating income ⁽¹⁾	203.9	188.6	+8.1%
as a % of net sales	9.7%	9.1%	+60 bps
Net income from business sectors	13.0	(9.8)	
Net financial debt	1,940	1,913	+€27 million

(1) EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items.

Sale of Kerneos to Astorg finalized on March 26, 2014

On March 26, 2014, Materis finalized the firm bid for the acquisition of the entire capital of its subsidiary Materis Aluminates, the holding company of Kerneos, received from Astorg. This transaction values Kerneos at €610 million, representing a multiple of 8.4x LTM EBITDA (2013). Materis will use the proceeds of the sale to partially deleverage. Wendel intends to take part in this transaction by reinvesting €60 million in subordinated debt, earning interest of 10.5%.

With this transaction, the Materis group reduced its leverage to €1,349 million, versus €1,940 million at the end of December 2013.

Materis enters into exclusive negotiations with CVC on March 26, 2014, with a view to selling ParexGroup for €880 million

Materis has received a firm bid from funds advised by CVC for the acquisition of the entire capital of its subsidiary ParexGroup. Materis has decided to enter into exclusive negotiations with CVC to finalize the terms of this sale.

This transaction would value ParexGroup at €880 million, representing a multiple of 8.4x 2013 EBITDA, and Materis would use the sale proceeds, an estimated €840 million on May 31, 2014, to significantly pay down debt. The proposed transaction will soon be submitted to the ParexGroup's Central Works Council for information and consultation purposes. The deal should close in the second half of 2014, subject to the necessary regulatory approvals.

ParexGroup: emerging economies and energy-saving products as growth drivers

ParexGroup is a market leader in ready-to-use specialty mortars for the construction industry. The mortars can be used for decorating and insulating façades, tiling, and repairing or waterproofing concrete. The products are manufactured using precise technical specifications, with up to 20 raw materials including sand, cement, lime, chemical additives and pigments. ParexGroup is positioned in the specialized industrial mortars segments. With 3,500 employees, 61 production units in 21 countries and two R&D centers in France and China, ParexGroup has well-known, market-leading local brands in France, North and South America and Asia.

ParexGroup benefits from the growth in the construction industry and the momentum of its own markets: demand for innovative solutions, reliable, ready-to-use products and systems that conform to new energy-saving requirements. Its ability to launch innovations and quickly transfer its technologies from one country to another has enabled

ParexGroup to expand rapidly. A leader in the mortars industry, ParexGroup is continuing to develop its presence throughout the world, in particular in emerging market countries (48% of its activity). ParexGroup has experienced remarkable growth in China, with business volumes increasing more than fivefold in only five years. Alongside its six factories and R&D center in the country, ParexGroup has rapidly developed an exclusive distribution network for its products – a network that has doubled in size in two years and now has 1,300 stores across China.

ParexGroup also produces textured acrylic coatings, used in particular for exterior insulation systems. This market segment is destined for strong growth. It represents almost 20% of ParexGroup's activity in façade products. For more than ten years, ParexGroup has delivered steady, robust financial performance, doubling its sales and operating income while consistently generating significant operating cash flow.

Chryso: Innovation and emerging economies as growth drivers

Chryso designs and produces admixtures, which when added to concrete or cement (itself a constituent of concrete), give them specific properties. Thanks to the use of admixtures, modern concrete is now attaining unparalleled levels in many areas including mechanical performance, workability and durability, against a backdrop of increasing constraints. The admixtures used in cement-making have a variety of properties that principally decrease energy consumption during the manufacturing process and increasingly reduce the carbon footprint for each ton of cement produced.

Chryso offers custom-made products with high technological value, adapted to its customers' local needs and to the specific requirements of each country (climate, type of raw materials, performance levels required) and to each major customer category. Chryso's customers are all companies in the concrete (ready-to-use and pre-manufactured) and cement industries and general construction companies that make concrete on-site for infrastructure projects, in particular in emerging economies where the ready-to-use concrete industry is not always well-structured.

With nearly 1,000 employees and a direct presence via its manufacturing and sales subsidiaries in 14 countries, Chryso derives

half of its sales in emerging economies, and generates an operating margin that is one of the best among producers of specialty chemicals for the construction industry. Chryso's development is based on two growth drivers:

- its exposure to emerging economies enables it to take advantage of the pressing need for infrastructure and housing, which buoys the demand from cement and concrete companies. The share of sales attributed to these emerging market countries is expected to reach 60% within five years. Chryso is also aiming to strengthen its technological leadership and positioning as a high-end specialty provider. As demand for sustainable construction soars, construction materials are becoming increasingly sophisticated. The construction materials of the future will consume less energy, be quicker and easier to use and more respectful of the environment. Chryso is well-positioned to operate in this changing market thanks to its significant capacity for innovation. Its R&D investments represent 3% of its sales, and almost 40% of Chryso's sales derive from products that are less than five years old;
- its ability to rapidly detect specific customer expectations and efficiently transform them into new products distributed worldwide, for which it needs an agile organization and proximity to its customers. This strength is one of Chryso's key performance drivers.

Materis Paints: Adapting to be ready for a medium-term recovery in the renovation market

Materis Paints is Europe's fourth-largest manufacturer of decorative paint, a market valued at more than €10 billion. Materis Paints manufactures, sells and distributes a wide range of decorative paint and technical products to professionals and consumers. 66% of its activity is in France, 28% in the rest of Europe, and 8% in emerging economies.

The decorative paint market is mainly driven by home renovations, which makes it a resilient market offering long-term growth. It is generally accepted that a home needs repainting on average every eight years, and more often if the occupant changes. This timeframe can be shorter or longer depending on the country's economic activity, household confidence and purchasing power. The customers of Materis Paints are both professionals and consumers. They expect product quality, availability and excellent customer service, which Materis Paints provides through its portfolio of high-end brands and a dense distribution network ensuring that it remains close to customers. Materis Paints has strong local brands in the top three of each of its markets (Tollens and Zolpan in France, Robbialac in Portugal, Max Meyer in Italy, Colorin in Argentina, and Claessens in Switzerland). Another of Materis Paints' major strengths is that it generates more than 60% of its sales in its integrated distribution network of close to 400 stores. This network distributes Materis Paints along with a select range of complementary products, such as tools or floor and wall coverings, to cater to the needs of a broad and diverse customer base. 28% of its sales come from independent retailers and 11% from large DIY stores. Materis Paints is also growing rapidly in the external thermal insulation sector.

For more than 10 years, Materis Paints has posted average annual sales growth of 9%. Its profitability suffered in 2011 and 2012 for two reasons: firstly, due to its significant exposure to southern Europe, which was a vector for high growth in the last decade, but which has

since been experiencing difficult economic conditions. Since 2008, sales volume has fallen by almost a quarter in Italy and by half in Spain and Portugal combined. Secondly, like the other players in the decorative paint market, Materis Paints has had to cope with a steep increase in the prices of raw materials, especially titanium dioxide, an essential component in the formulation of decorative paints.

Performance significantly improved in 2013 following the implementation a major turnaround plan, which led to a significant reduction of costs. In order to be ready to take full advantage of market recovery in 2014-15, Materis Paints and its new CEO, Bertrand Dumazy, have been working since autumn 2012 to reorganize the supply chain, sales and marketing functions, implement improved distribution concepts, and strengthen customer loyalty.

Top management

Olivier Legrain, Chairman, Bertrand Dumazy, CEO of Materis Paints, Thierry Bernard, CEO of Chryso

Richard Seguin, CEO of ParexGroup

Wendel's involvement

Management Board: Bernard Gautier, Patrick Tanguy, Patrick Bendahan, Jean-Michel Ropert

Appointments and Compensation Committee: Bernard Gautier (Chairman), Patrick Tanguy

Audit Committee: Jean-Michel Ropert (Chairman), Patrick Bendahan

For more information, please visit: materis.com

1.10.4 Stahl

Global group with a strong presence in emerging economies

Stahl is the world leader in high-performance coatings and leather-finishing products. Its products are used in particular in the

clothing, leather goods, shoes, automotive and furniture industries. Stahl also sells chemicals and dyes used in early stages of the leather processing chain.

Stahl in brief⁽¹⁾

Physically present in 28 countries	38 laboratories and 8 production sites	1,178 employees including more than 400 expert sales staff	No. 1 worldwide in leather-finishing products
€356.3 million in net sales in 2013	€31.3 million in net income from business sectors	Stake held by Wendel: 92.2%	Amount invested* by Wendel: €142 million since 2006

* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in Stahl?

Stahl is the world leader in leather finishing products and is developing large market shares in niche applications for high-performance chemical coatings on other substrates. It enjoys high barriers to entry as a result of its expertise, the long-term relationships it maintains with its principal customers, which include major luxury and high-end car brands, as well as the very high skill levels of its “golden hands” technicians. Stahl has prospects for sustained growth generated by global leather consumption markets, in Asia in particular, and the development of niche markets for high-performance coatings. Potential consolidation in the sector, combined with rigorous financial discipline, should allow Stahl to expand further and strengthen its market leadership. It derives more than 60% of its sales from emerging markets countries.

17.9% and representing a margin of 18.2%, up 300 basis points from 2012.

Stahl deleveraged itself significantly during the year. Net financial debt stood at €110.4 million at end-2013, down 31.0% from 2012.

Acquisition of Clariant Leather Services: Stahl takes on a new dimension

On October 30, 2013 Stahl announced that it had entered into exclusive negotiations to acquire⁽²⁾ the Leather Services division of Clariant AG, which posted sales of €255 million and EBITDA of €23 million in 2012. This transaction will enable Stahl to strengthen its offering across the entire leather finishing value chain, notably downstream in Leather Finish and upstream in Wet End (division). Stahl estimates that it will deploy synergies worth €15 million over the 18 months following the transaction.

Following this acquisition and the expected synergies, Stahl will have sales of more than €600 million and an EBITDA margin in excess of 15%.

Highlights of 2013

In 2013, Stahl posted sales of €356.3 million, representing a slight decline of 1.4%. This resulted from a business slowdown in the first half of the year, elimination of lower margin business and negative currency fluctuations. Over the full year, Stahl’s organic growth remained positive at 1.3%.

Sales generated by the “Leather products” activities were negatively impacted by the slowdown in the European automotive industry and by non-automotive activities in Asia. “High-performance coatings” activities were adversely affected by a slowdown in South America, largely offset by continuing sales growth in Asia and North America.

Adjustment plans launched in the last few years, together with selective review to eliminate lower margin business, significantly improved Stahl’s margins and profitability levels over the course of the year. As a result, Stahl’s 2013 EBITDA came in at €64.7 million, up

Outlook for development

Amid a still-volatile global economy, Stahl will continue to target organic growth and increased market share. To do so, it will focus on ongoing product innovation, while stepping up marketing efforts and capitalizing on the positions it has established in high-growth regions (more than 60% of sales). Stahl also intends to develop its activities in the earlier stages of leather processing, in order to expand its scope of business and gain greater market share. The group will continue to capitalize on its strengths, which are emerging markets, innovation and active cost management. Specifically, in emerging markets Stahl will renew its distribution network, focus more on large account customers and offer high value-added services. On the innovation front, it will emphasize innovative non-polluting products and custom

(1) 2013 figures for Stahl, before acquisition of Clariant Leather Services.

(2) The transaction is expected to be finalized at the end of April 2014, after consultation with the employee representative bodies and subject to the necessary regulatory approvals.

technologies. Finally, Stahl will concentrate on strict financial discipline and value-adding investments.

Stahl's businesses continue to be driven by powerful long-term trends. Its markets are gradually shifting to the emerging market countries, average annual growth of 2-3% in meat consumption is supplying the

market for hide processing, and certain competitors are gradually disappearing. Stahl is expected to finalize the acquisition of Clariant Leather Services in the second quarter of 2014 and should see another year of profitable growth in 2014. Stahl aims to achieve average long-term organic growth of about 5% per year.

In millions of euros	2013	2012	Δ
Net sales	356.3	361.2	-1.4%
EBITDA ⁽¹⁾	64.7	54.9	+17.9%
<i>as a % of net sales</i>	<i>18.2%</i>	<i>15.2%</i>	<i>+300 bps</i>
Adjusted operating income ⁽¹⁾	56.0	47.0	+19.2%
<i>as a % of net sales</i>	<i>15.7%</i>	<i>13.0%</i>	<i>+270 bps</i>
Net income from business sectors	31.3	26.6	+17.6%
Net financial debt	110.4	160	-€49.6 million

(1) Adjusted EBITDA and operating income before goodwill allocation entries, management fees and non-recurring items.

Top management

Huib Van Beijeren, Chairman and CEO

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren (Chairman), Bernard Gautier, Olivier Chambriard, Jean-Michel Ropert, Félicie Thion de la Chaume

Appointments and Compensation Committee: Dirk-Jan Van Ommeren (Chairman), Bernard Gautier

Audit Committee: Jean-Michel Ropert (Chairman), Dirk-Jan Van Ommeren, Olivier Chambriard

For more information, please visit: stahl.com

1.10.5 IHS

IHS is developing its pan-African telecom infrastructure network

IHS is one of Africa's leading providers of telecom tower infrastructure for mobile phone operators. The group builds, leases and manages

telecommunications towers that it owns or that are owned by others. IHS intends to base its growth on the rapid increase in infrastructure needs across Africa, supporting mobile phone operators with which it has long-term relationships.

IHS in brief

Present in 6 countries	Manages 10,500 towers in Africa (pro forma, including MTN towers in Rwanda and Zambia)	Leading African provider of telecoms infrastructure
\$168.3 million in sales in 2013	1,144 employees	Stake held by Wendel: more than 35%
		Amount invested by Wendel: \$475 million as of April 2014

Why did we invest in IHS?

IHS is a leading provider of passive telecom tower infrastructure for mobile phone operators. Over the last 12 years, the group has successfully developed along the entire telecom tower value chain, from construction to leasing to maintenance. It provides high quality service to its large customers, who are leading telecom operators such as MTN, Orange, Etisalat and Airtel.

IHS is a growth company, with an average annual rate of growth in sales of more than 20% over the past five years.

With its investment in IHS, Wendel has made its first direct investment in Africa, thereby demonstrating its intention to gain exposure to the rapid growth this continent is experiencing and to participate therein. Wendel has chosen a company whose positive momentum is expressed in its projects, its high-quality management and its outlook for balanced and profitable growth in several important and promising African nations. IHS's business is being buoyed by long-term trends that make Africa a strong growth region for telecom infrastructure:

- growth potential is higher than in mature economies, both in terms of GDP and demographics. African GDP has grown by 5% p.a. on average over the last ten years and the continent's population is young, with a growing middle class;
- the African telecom market is expanding steadily, driven by a continuous rise in the number of subscribers, expected to increase by nearly 10% p.a. between now and 2017, and by an increase in the mobile penetration rate, which at 65% is one of the lowest in the world;
- telecom operators need to extend their network coverage on a continent whose population density is low. This situation favors the

sharing model for telecom towers. The need for new towers in Africa is estimated at around 170,000 units over the next few years, which would bring the total to 350,000;

- regulations are encouraging sharing of tower space so as to rapidly increase the coverage of telecom networks;
- new mobile internet services (3G and 4G deployment) are constantly being rolled out. Fixed-line telephone service, available to only 14% of the population, is low, and for reasons specific to Africa, this penetration rate will not rise;

In this promising context, fundamentals specific to IHS will enable it to achieve high growth rates in the coming years:

- as they focus increasingly on the services they provide to customers and less on infrastructure, mobile telephone operators are externalizing the management of their telecom towers. IHS offers these operators turnkey services enabling them to cover the regions they target and benefit from excellent quality services;
- IHS has local expertise in site acquisition and security, installation of electrical supply (generator, photovoltaic systems, or connection to the grid), and logistics;
- historically, ICS's success has been based on experience, specialized knowledge and the excellence of its engineers at the operating level. These qualities enable IHS to consistently deliver a high level of service to its customers. IHS's key performance indicators exceed those of its competitors and the company has a reputation as an innovator in the industry. This leads both to improved margins and better customer service;

- its business model is resilient, based on contracts with mobile phone operators generating guaranteed lease payments indexed to inflation over periods of 10-15 years. Counterparties have a very sound financial condition;
- its multicultural and entrepreneurial management team have extensive experience in the African and worldwide telecom markets. IHS's founders are still present in the company.

These advantages should enable IHS to continue growing at a rapid pace. It will be able to increase its installed base of towers in the countries where it is already present and acquire passive networks in African countries offering attractive economic and demographic prospects.

Highlights of 2013

With nearly 10,500 towers under management (including the MTN towers in Rwanda and Zambia on a pro forma basis), IHS Holding is the leader in passive telecom tower infrastructure for mobile phone operators in Africa.

IHS pursued its telecom tower acquisition strategy throughout the year, and already has begun to reap the benefits of its network pooling business model. IHS's revenue (unaudited) before pass-through of diesel fuel costs to customers totaled \$168.3 million. In terms of profitability, IHS used its expertise to attract new customers to its towers (increasing the rate of collocation on existing sites), and EBITDA advanced to \$44.3 million in 2013, representing a margin of 26.3%.

To finance its rapid growth and its expansion into new countries, IHS carried out two capital increases in 2013, totaling \$562 million. Wendel took part in both of them.

In March 2014, IHS increased its capital again, by \$420 million. The company's equity value before new financing was close to \$1 billion, reflecting a premium of 30% compared with the previous capital increase in July 2013. The purpose of this latest capital increase is to support the IHS group as it:

- expands across Africa, in particular through the acquisition of 1,228 telecom towers from MTN Group in Zambia and Rwanda, increasing the number of towers it manages to approximately 10,500;
- finances its business development plan in the other regions where it is present (Nigeria, Côte d'Ivoire and Cameroon);

- repurchases the minority interests in IHS Nigeria after the latter's delisting from the Nigeria stock market, which should be finalized at the end of March.

In April 2014, as a follow-on to this capital increase, Wendel participated in a second tranche by exercising all of its subscription rights, thereby investing an additional \$47 million.

Wendel's biggest equity investment in an unlisted company since 2006

To support IHS's pan-African growth strategy, Wendel has already invested \$475 million between 2013 and 2014, by participating in three capital increases alongside IHS's existing shareholders, who are major financial institutions active in economic development and top-tier private equity companies in Africa.

Among these are Emerging Capital Partners, the leader in private equity in Africa with more than 50 investments realized since 1997, International Finance Corporation (IFC), part of the World Bank group, FMO, the Netherlands development bank, and Investec Asset Management, one of the largest investors in listed and unlisted companies in Africa. Emerging Capital Partners and IFC, current shareholders of IHS Holding alongside Wendel, as well as three new investors, Goldman Sachs, IFC Global Infrastructure Fund and African Infrastructure Investment Managers, also took part in IHS's latest capital increase in March 2014.

In this regard, given IHS's favorable prospects for future growth, Wendel intends to support the company's long-term growth strategy possibly by investing additional amounts to ensure and accelerate IHS's development.

Top management

Issam Darwish, Executive Vice Chairman, CEO and founder

For more information, please visit: ihstowers.com

Wendel's involvement

Board of Directors of IHS Holding: Bernard Gautier, Stéphane Bacquaert, Stéphanie Besnier

Board of Directors of IHS Nigeria: Stéphane Bacquaert

In millions of dollars	2013
Sales ⁽¹⁾	168.3
EBITDA ⁽²⁾	44.3
as a % of net sales	26.3%
Net financial debt	260.2

(1) Sales before pass-through of diesel fuel consumption costs to customers.

(2) Non-adjusted EBITDA, before goodwill allocation entries and non-recurring items.

1.10.6 Parcours

A major business mobility player focused on service

Parcours is an independent specialist in long-term vehicle leasing in France with a managed fleet of 50,763 vehicles. It has specific,

strategic assets and offers a unique and differentiating range of services, based on its “3D” model, at the crossroads of financial services, business services and the automobile industry.

Parcours in brief*

27 branches, incl. 19 in France	Managed fleet: 50,763 vehicles	320 employees	Leading independent long-term leasing specialist in France
€309.6 million in sales in 2013	€21.8 million in pre-tax ordinary income	Stake held by Wendel: 95.8%	Amount invested* by Wendel: €107 million since 2011

* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in Parcours?

Founded in 1989 by Jérôme Martin, Parcours is the only independent player of a significant size operating in the long-term car leasing sector in France. It is a fast-growing challenger of the industry’s heavyweights – subsidiaries of the carmakers and the banks – and has positioned itself at the crossroads of financial services, business services and the automobile industry. After only nine years of operation, Parcours was listed on the stock exchange in 1998, then delisted in 2005, as market conditions were no longer appropriate for the company. As Parcours was seeking a shareholder that could support its long-term growth, Wendel became, via Oranje-Nassau Développement, the company’s majority shareholder in 2011. Parcours has achieved exceptional growth (14% on average for the past ten years) and showed strong resilience during the recent recession. With its fleet of 50,763 vehicles, Parcours operates throughout France via its differentiating network of 19 branches and has also been replicating its business model internationally since 2005, with eight locations in other European countries (Luxembourg, Belgium, Spain and Portugal). The group also has specific strategic strengths:

- a skilled, experienced management team with a strong service culture;
- a unique and differentiating range of services based on its integrated “3D” business model: long-term vehicle leasing, maintenance & repair and resale of used vehicles;
- growth accelerated by an increase in market share that its strong positioning and high customer satisfaction have enabled it to obtain;

- regional coverage allowing Parcours to meet the needs of large national clients;
- a unique and effective business model for selling used vehicles to individuals.

These combined strengths will enable Parcours to gain more market share while furthering its international expansion and continuing to outpace the long-term leasing market.

Highlights of 2013

Parcours reported sales of €309.6 million, up 5.7% compared with 2012. Between end-2012 and end-2013, Parcours’ fleet expanded by 7.1% to 50,763 vehicles. This rate of growth was once again faster than the French industry average. The long-term leasing and maintenance businesses, which account for 72% of the year’s sales, grew by 6.3% in 2013. Used vehicle sales advanced by 4%.

Parcours opened new offices during the year: a 1D office in Bilbao, a 2D office in Montpellier, and 3D offices in Bordeaux and Lyon Saint-Priest. At the end of 2013 it also set up a new 3D office in Nanterre, outside Paris, which also serves as its new head office.

Pre-tax ordinary income rose 7.5% to €21.8 million in 2013, representing a 10-basis-point improvement in its margin.

Outlook for development

For 2014, Parcours expects substantially higher growth than the expected growth of the long-term leasing fleet in France as a whole. Parcours intends to continue converting its French locations to the "3D" model and step up expansion in its international business, either

organically or through acquisitions. In the medium term, Parcours is ideally positioned to capture major trends such as the growing penetration of the long-term vehicle leasing market and the increased demand for services on the part of customers in France as well as in countries where the group is establishing a foothold.

In millions of euros*	2013	2012	Δ
Net sales	309.6	292.9	+5.7%
Pre-tax ordinary income ⁽¹⁾	21.8	20.2	+7.5%
as a % of net sales	7.0%	6.9%	+10 bps
Net income from business sectors	13.0	12.3	+5.6%
Gross operating debt ⁽²⁾	450	409	+€41 million

(1) Adjusted pre-tax income before goodwill allocation entries, management fees and non-recurring items.

(2) Gross debt related to vehicle fleet funding.

Top management

Jérôme Martin, Chairman and CEO

Wendel's involvement

Board of Directors: Olivier Chambriard (Chairman), Dirk-Jan Van Ommeren, Patrick Tanguy, Jérôme Michiels

Audit Committee: Jérôme Michiels, Benoit Drillaud

For more information, please visit: parcours.fr

1.10.7 exceet

exceet develops and markets technological solutions for critical applications.

exceet is an international group specializing in the development and production of smart technologies, critical systems and security solutions, manufactured in small and mid-sized production runs. The group distinguishes itself from competitors by its advanced solutions

and technical expertise in embedded electronics and has leadership positions in the health, industry and security markets.

With six centrally located production sites in Europe and seven technical facilities for development and distribution, exceet remains close to its customers, enabling it to quickly respond to their needs with innovative technological solutions.

exceet in brief*

Present in 5 countries	13 laboratories and production sites	954 employees	Leadership positions in embedded solutions
€190.8 million in sales in 2013		Stake held by Wendel: 28.4%	Amount invested* by Wendel: €50 million since 2010

* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in exceet?

In February 2010, Helikos SPAC raised €200 million at its IPO on the Frankfurt stock exchange. Wendel, via Oranje-Nassau Développement, was the principal sponsor. The purpose of this innovative transaction was to invest in a German Mittelstand company. After 15 months of analysis, Helikos chose to acquire exceet Group AG, European leader

in embedded intelligent electronic solutions. With its roots and a strong industrial and commercial presence in Germany, exceet designs, develops and produces essential, customized components and solutions for major industrial companies. Its areas of expertise include medical technologies and healthcare, industrial automation, financial services, security, avionics and transportation.

Since 2006, based on its highly specialized know-how, exceet has stepped up its growth both organically and by acquiring niche companies and technologies. It therefore has a strategy for strong business development that dovetails with Oranje-Nassau Développement's investment criteria. exceet is listed on the Frankfurt stock exchange. VMCap, its historical shareholder, holds 33.9% of the capital and Oranje-Nassau Développement holds 28.4%.

Highlights of 2013

In 2013, exceet posted a 1.1% upturn in sales to €190.8 million, and a 2.2% decline organically. The company saw a rise in sales in the second half of the year and returned to organic growth. EBITDA totaled €18.3 million, up 10.9% from 2012 (€16.5 million), reflecting

increased focus on sales of high-margin products. In August 2013, exceet inaugurated its new Berlin facility, which will help meet the strong demand for high value-added medical products. This new, optimized facility will also improve exceet's profitability.

In terms of new products and business deals, exceet reinforced its existing relationship with Siemens by supplying components for the launch of two new medical imaging devices.

For 2014, exceet is well-positioned in the health, industry and security markets and ready to face a challenging market environment, continuing to focus on business activities with high margins. Accordingly, exceet projects moderate organic growth in sales and improved profitability.

In millions of euros	2013	2012	Δ
Net sales	190.8	188.8	+1.1%
EBITDA	18.3	16.5	+10.9%
as a % of net sales	9.6%	8.7%	+90 bps
Net income	7.5	3.1	+141.9%
Net financial debt	7.0	14.0	-€7 million

Top management

Ulrich Reutner, CEO

Wendel's involvement

Board of Directors: Roland Lienau, Dirk-Jan van Ommeren

Observers on the Board of Directors: Celia Möller, Albrecht von Alvensleben

For more information, please visit: exceet.ch

1.10.8 Mecatherm

Mecatherm automates bread production worldwide

The Mecatherm group is the world leader in industrial baking equipment. It designs, develops, assembles and installs ovens,

machines and automated production lines for fresh, frozen, cooked or pre-cooked bread, cakes and pastries, around the world. The group covers the entire production line market with three complementary solutions: "High Capacity", "Premium" and "Variety" lines.

Mecatherm in brief

Present in over 50 countries	750 industrial lines installed	303 employees, incl. 18 in R&D	World leader in equipment for industrial bakeries
€96.1 million in sales in 2013	17.3% EBITDA margin	Stake held by Wendel: 98.1%	Amount invested* by Wendel: €112 million since 2011

* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in Mecatherm?

Founded in 1963, Mecatherm is the world leader in industrial bakery equipment, with a 60% market share in high-capacity, crispy-bread lines. It serves the entire market with three complementary solutions: high-capacity lines (baguettes and crusty bread), "Premium" lines (artisan quality bread and baguettes), and "Variety" lines (buns, brioches, loaves of bread, pastries, etc.). Today, the group has an installed base of 750 automatic lines in more than 50 countries worldwide, representing 16,000 metric tons of goods produced by Mecatherm lines every day. Mecatherm has strong competitive advantages, including:

- unique R&D and product innovation know-how with its team of 18 experts. Since 1995, Mecatherm has launched nearly 20 new products and benefits from 15 active patents;
- strong brands (Mecatherm and Gouet) and the trust of its customers (50% have been customers for over 10 years), illustrated by its position as world leader;
- a sales network that has more than doubled in three years, with about 30 sales representatives serving all market segments;
- a flexible industrial model whereby Mecatherm can easily call upon sub-contractors to produce components (e.g. sheet metal, tanks). This allows Mecatherm to focus on the higher value-added phases, such as R&D and customer service and to limit its fixed costs.

Mecatherm was listed on the stock exchange between 1994 and 2004, and Wendel finalized its acquisition of the company via Orange-Nassau Développement in October 2011.

Highlights of 2013

Mecatherm's sales totaled €96.1 million in 2013, up 31.5% from the previous year. EBITDA totaled €16.6 million, representing a significant recovery from 2012 (€7.8 million).

The recovery in orders observed since Q3 2012 continued, with order intake even reaching a record level of €104 million in 2013. Mecatherm is reaping the benefits of the reorganization and its intensive sales & marketing efforts. It is continuing to expand on new markets. Business development efforts are underway in South America, with a focus on Brazil. In addition, Mecatherm has opened its first foreign branch, in Dubai, which will enable it to better cover the Africa/Middle East region.

To support these efforts, Mecatherm has also introduced new, facilitated financing solutions for its customers. Finally, the company presented three production line innovations at the IBIE and Europain trade shows in Las Vegas and Paris, respectively, which were enthusiastically received.

Outlook for development

The group's growth is based on four main pillars:

- geographic expansion, as bread consumption and demand increases in high-growth countries, where the group already achieved 34% of its sales in 2013;
- the growing share of industrial bakery on a global scale;
- bigger market shares in the "Premium" and "Variety" segments;
- market consolidation, reinforcing Mecatherm's range with complementary technologies.

These major assets, combined with a light cost structure and rigorous financial discipline, will enable the Mecatherm group to further expand and consolidate its leadership position in an industry that can slow considerably in certain years but whose overall growth is strong and here to stay.

In April 2014, Olivier Sergent was named Chairman of the Mecatherm group. Bernard Zorn is retiring after 40 years of dedicated service to Mecatherm. He will continue to play a non-executive role in the group.

Mecatherm 2020 plan

This year, Mecatherm revealed its strategic growth plan named "Mecatherm 2020". The company is targeting €400 million in sales and €70 million in EBITDA, an 18% margin, by 2020. The plan provides for

the optimization of Mecatherm's industrial organization, pursued R&D efforts, a reinforced service offering, and targeted external growth transactions.

In millions of euros	2013	2012	Δ
Net sales	96.1	73.1	+31.5%
EBITDA ⁽¹⁾	16.6	7.8	+112.8%
as a % of net sales	17.3%	10.7%	-660 bps
Adjusted operating income ⁽¹⁾	15.3	6.5	+135.2%
as a % of net sales	15.9%	8.9%	+700 bps
Net financial debt	€49.9 million	€61.5 million	-€11.6 million

(1) EBITDA and adjusted operating income excluding management fees.

Top management

Olivier Sergent

Wendel's involvement

Board of Directors: Stéphane Bacquaert, Patrick Bendahan, Albrecht von Alvensleben, Dirk-Jan Van Ommeren

For more information, please visit: mecatherm.fr

1.10.9 Van Gansewinkel Groep

From waste collection to energy production

Van Gansewinkel is a European waste service provider as well as a raw materials and energy supplier. The group finds innovative solutions to

give waste products a second life, in the form of raw materials or energy. The process begins with waste collected and carefully sorted at the source to obtain the maximum value from it.

Van Gansewinkel Groep in brief

Approx. €1 billion in sales in 2013	Present in 9 countries	Stake held by Wendel: 8%	Amount invested* by Wendel: €37 million since 2006
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* Amount of equity invested by Wendel as of December 31, 2013, for the stake held at that date.

Why did we invest in Van Gansewinkel?

In 2006, Oranje-Nassau developed an investment activity in the Netherlands, in addition to the energy and real estate businesses already in its portfolio.

In this new context, Oranje-Nassau teamed up with CVC Capital Partners and KKR in January of that year to acquire AVR from the city of Rotterdam for €1,400 million, with Oranje-Nassau taking an 8% stake.

In March 2007, AVR merged with Van Gansewinkel Groep, thereby becoming one of Europe's principal waste collection and treatment companies.

Extracting value from waste is central to Van Gansewinkel's strategy, and the company is at the crossroads of three major long-term, economic and societal trends: environmental protection, managing natural resources and saving energy. The company has developed a whole set of waste collection and recycling techniques and solutions. Its various specialized divisions handle products ranging from glass to refrigerators & freezers, televisions, small household appliances and computers & peripherals. Van Gansewinkel obtains value from these products by producing secondary raw materials, heat, steam, energy and transforming organic material through composting and fermentation. So it was only natural that Oranje-Nassau Développement should choose to support the growth of this company.

Highlights of 2013

2013 was a transition period for **Van Gansewinkel Groep, which implemented a program to reduce** eight waste collection zones in

the Benelux countries to four, divided into two principal regions: Belgium and the Netherlands. This reorganization is part of a vast upgrade and development program that includes investments and improvements in logistics and operations, in IT and communications infrastructure and in innovative projects such as district heating systems and steam distribution. In the coming years, the program will strengthen the company's finances, while leveraging its underlying principles and values: customer orientation, innovation, compliance.

To strengthen its financial position, VGG sold AVR – Energy from Waste (EfW) to a consortium led by Cheung Kong Infrastructure (CKI). The traditional waste incineration activities of AVR have been developed in recent years into an industrial Energy from Waste platform through the implementation of innovative growth projects to produce an optimal mix of heat, steam and energy from collected waste. With a total permitted capacity of over 1.8 million tons, AVR is the market leader in the Netherlands, with two main locations in Rozenburg and Duiven. In addition to the production of electricity, a growing part of the energy produced at the EfW plants is delivered as steam to neighboring industry and heat to local district heating systems.

Van Gansewinkel Groep is present in the Benelux countries, Germany, France, Czech Republic, Poland, Portugal and Hungary.

Wendel's involvement

Board of Directors: Dirk-Jan Van Ommeren (Chairman)

For more information, please visit: vangansewinkelgroep.com

1.10.10 Saham Group

Saham Group, diversified insurance leader in Africa

Saham is a diversified, pan-African group with two historical businesses: insurance and customer relationship centers. It is also developing its activities in the real estate and healthcare sectors in

order to benefit from the existing synergies with its insurance activities. Saham offers an attractive opportunity to access African growth. It operates in more than 20 African countries, which already represent nearly 50% of the continent's GDP.

Saham Group in brief

Present in 20 countries	6,000 employees	46 subsidiaries in the world	Largest pan-African insurance group (excluding South Africa).
€745 million in gross written premiums in 2013*	€781 million in consolidated sales*	Stake held by Wendel: 13.3%	Amount invested by Wendel: €100 million in 2013

* Unaudited 2013 figures.

Why did we invest in Saham Group?

On November 28, 2013, Wendel made its second investment in Africa, becoming a shareholder of the Saham Group, based in Morocco and majority-held by its founder and CEO, Moulay Hafid Elalamy. Wendel intends to support this pan-African group in its future, long-term growth and development. Moulay Hafid Elalamy is a Moroccan entrepreneur who enjoys a very strong reputation in Africa. Since 1995 he has successfully built a multiservices group operating in insurance, customer relationship centers, healthcare and real estate. Saham Group leverages the broad sectoral and geographic diversification of its activities and its highly experienced management.

Insurance

The insurance market in Africa is developing rapidly, driven in particular by population growth, a fast-rising standard of living and regulatory changes that are likely to further increase demand. Insurance penetration continues to be very low (0.5% to 2.9%) in Sub-Saharan Africa compared to average global rates (6.9%), and since 2007 the insurance market (based on premiums) has been growing about 8% a year on average.

Saham Finances is the largest insurer in Africa (excluding South Africa). The group is present principally in non-life insurance in 20 African and Middle Eastern countries, via 29 companies. The Group's principal insurance companies include:

- in Morocco, Saham Assurance, the leading property & casualty insurer, and Saham Assistance, the leading provider of assistance services;
- in Africa, Saham Assistance (formerly Colina), the leading insurer in Africa's CIMA region (Inter African Conference for the Insurance Market);

- in Lebanon, LIA Insurance, with a strong presence in automotive, health and life insurance; and
- in Angola, GA Angola Seguros, the leading private company in the country with 16% of a very fast-growing market.

Saham Finances employs 1,900 people and reported gross written premiums of €745 million in 2013 (unaudited), up 16% from 2012.

Assistance

Saham Assistance is the leading provider of assistance in Morocco. It is specialized in travel, vehicle and health assistance. Saham Assistance has a wide distribution network, backed by 600 intervention spots across Morocco, more than 400,000 service providers in addition to 240 correspondents through the network of Mondial Assistance Group worldwide.

Healthcare

With Asisa, a Spanish leader in health insurance and care centers, Saham offers a unique range of services in its diagnostic centers, which it intends to deploy in Africa. Saham Group also aims to develop an international network of clinics.

Customer relationship centers

Phone Group (40% held by Saham, alongside Bertelsmann) was a pioneer in customer relationship centers in Morocco. Phone Group now operates ten platforms in Africa, including eight in Morocco, has 3,800 employees and operates on behalf of large international companies.

At the end of 2013, Phone Group opened a new call center in Senegal, which will be fully operational in 2014. It also plans to set up a new call center in Côte d'Ivoire in 2014.

Real estate

Leveraging its experience in insurance, Saham manages residential and social real estate development projects in Morocco and Côte d'Ivoire.

Proven ability to build partnerships with top-ranking players

Saham has both business and ownership ties to top-ranking international financial and strategic partners such as IFC (World Bank), Abraaj Capital, Bertelsmann and Asisa. These partnerships have enabled Saham to step up its growth and support its African and Middle Eastern development strategy.

Its position as a leading insurance player in Africa and its development and diversification strategy are assets that make Saham Group a promising contributor to Wendel's strategy in Africa.

Highlights of 2013

Wendel and the founder and CEO of Saham Group, Moulay Hafid Elalamy, conducted in-depth negotiations for nearly a year, with the goal of announcing a partnership before the end of 2013. Following the appointment of Moulay Hafid Elalamy as Minister of Industry, Commerce, Investment and the Digital Economy in the government of His Majesty the King of Morocco on October 10, 2013, the Board of Directors of Saham, chaired by Moulay Hafid Elalamy, appointed Saad Bendidi as Deputy CEO of the holding company on November 25, 2013. The Deputy CEO is in charge of managing the company during Moulay Hafid Elalamy's term in government, coordinating the group's activities and supervising the heads of each business unit. Mr. Bendidi has acquired extensive experience in Morocco and the African continent, particularly in insurance and managing large groups.

Accordingly, Wendel and the Saham Group adapted the terms of their partnership and signed the final agreement, which was announced on November 28, 2013.

Throughout 2013, the Saham Group continued to integrate its acquisitions. To support its rapid growth in Africa and the Middle East, it has embarked on a widespread project to update its information systems and implement a shared corporate identity across the group and across all countries in which the group operates.

Making an investment of 60 million Moroccan dirhams, Saham began in 2013 to adopt a unified brand for its insurance companies in Africa: from now on, CNIA Saada, Colina group and Mercantile Insurance will operate under the brand of Saham Assurance. Issaf Assistance was rebranded Saham Assistance. This key step for the group will give it a visual identity that is immediately recognizable in the various countries in which it operates, reinforce the sense of belonging between the group and subsidiaries, and enhance awareness of its brand

A €100 million investment for Wendel to date

Wendel has invested an initial €100 million in the Saham Group for 13.33% of the share capital, becoming the group's largest shareholder, alongside its founder, Moulay Hafid Elalamy. Wendel also has a seat on Saham's board of directors. Wendel has the option to invest an additional €150 million by December 2014, increasing its ownership to 27.78% and gaining two additional seats on the board of directors, as well as the additional rights described in chapter 7.9.1 of this registration document. If this follow-on investment is not made, the majority shareholder of Saham will have the option to buy back the whole of Wendel's investment in Saham (at a price guaranteeing a minimum IRR of 15% for Wendel) and, if no buy-back is carried out before the fifth anniversary of the investment, Wendel can ask for a liquidity process to be set in motion.

Top management

Moulay Hafid Elalamy, Chairman

Saad Bendidi, Deputy CEO

For more information, please visit: saham.com

Wendel's involvement

Board of Directors: Stéphane Bacquaert

Board of Directors of Saham Finances: Jean Azema, former CEO of Groupama

1.10.11 Nippon Oil Pump (NOP)**NOP innovates to accelerate growth**

NOP leads the Japanese market for the design, development and manufacture of trochoid pumps, rotary vane pumps, and hydraulic

motors. It also has worldwide leadership positions in the trochoid pump segment. These pumps are used principally to circulate oil in machine tools, for the purposes of lubrication and cooling.

NOP in brief

2 production sites		Market leader in Japan for trochoid pumps, water pumps and hydraulic motors	200 employees
¥4.8 billion in sales in 2013	17.5% EBITDA margin	Stake held by Wendel: 97.7%	Amount invested by Wendel: ¥3.3 billion in 2013

Why did we invest in NOP?

Founded 95 years ago, Nippon Oil Pump leads the Japanese market for the design, development and manufacture of trochoid pumps, water pumps, and hydraulic motors. It also has worldwide leadership positions in the trochoid pump segment. These pumps are used principally to circulate oil in machine tools, for the purposes of lubrication and cooling. NOP has strong competitive advantages, including:

- unique R&D and product innovation know-how, enabling NOP to meet the detailed specifications of machine tool manufacturers;
- a strong brand and customer confidence, illustrated by its leadership positions in Japan;
- a flexible industrial model, allowing NOP to provide quality customer service (e.g. short delivery periods);
- significant barriers to entry, due to the high penetration rate of NOP's products in the installed fleet of machine tools in Japan and the lengthy procedures required to obtain referencing with customers.

The group's development is based on markets offering significant long-term growth, such as the continued industrialization of emerging markets and the modernization of machine tool fleets to keep pace with constant innovation.

Wendel's investment in NOP is its first direct investment in Japan since opening an office there in 2008. Although small, the size of this investment corresponds to Wendel's strategy in Japan: build a reputation over time as a long-term investor with a three-century industrial heritage. NOP enjoys a solid business base underpinned by strong leadership positions in Japan and offers significant scope for international growth, which Wendel intends to support, in particular with the help of its teams at Wendel Japan.

Highlights of 2013

In Japan's mixed economic environment, NOP's sales declined organically by 3% to ¥4.8 billion. This performance reflected the continued low level of economic activity in Japan, which impacted NOP's historical core products, and the slower ramp-up of new

innovations, due to lead times for testing and referencing by large machine tool manufacturers.

NOP nevertheless maintained its strong profitability in 2013 with an EBITDA of ¥849 million (17.5% of sales), even while continuing to invest in R&D and develop innovative new products to support NOP's future growth.

Outlook for development

The group's development is based on four main strategic pillars:

- ongoing product innovation, such as the development and launch of its new Vortex pump range enabling end users to achieve considerable savings in terms of space and maintenance costs;
- continued optimization of its operating structure to implement increasingly flexible and responsive manufacturing processes and to further improve customer service (shorter delivery periods);
- development of sales in nearby regions with high growth potential (Taiwan and India) and in Europe, where the group has yet to establish a presence;
- targeted acquisitions and partnerships to support the group's sales development;

The implementation of these strategic plans, combined with NOP's recognized know-how in Japan and rigorous financial management, will enable the group to replicate its successful business model internationally, while consolidating its leadership positions in Japan.

Top management

Masato Nakao, CEO

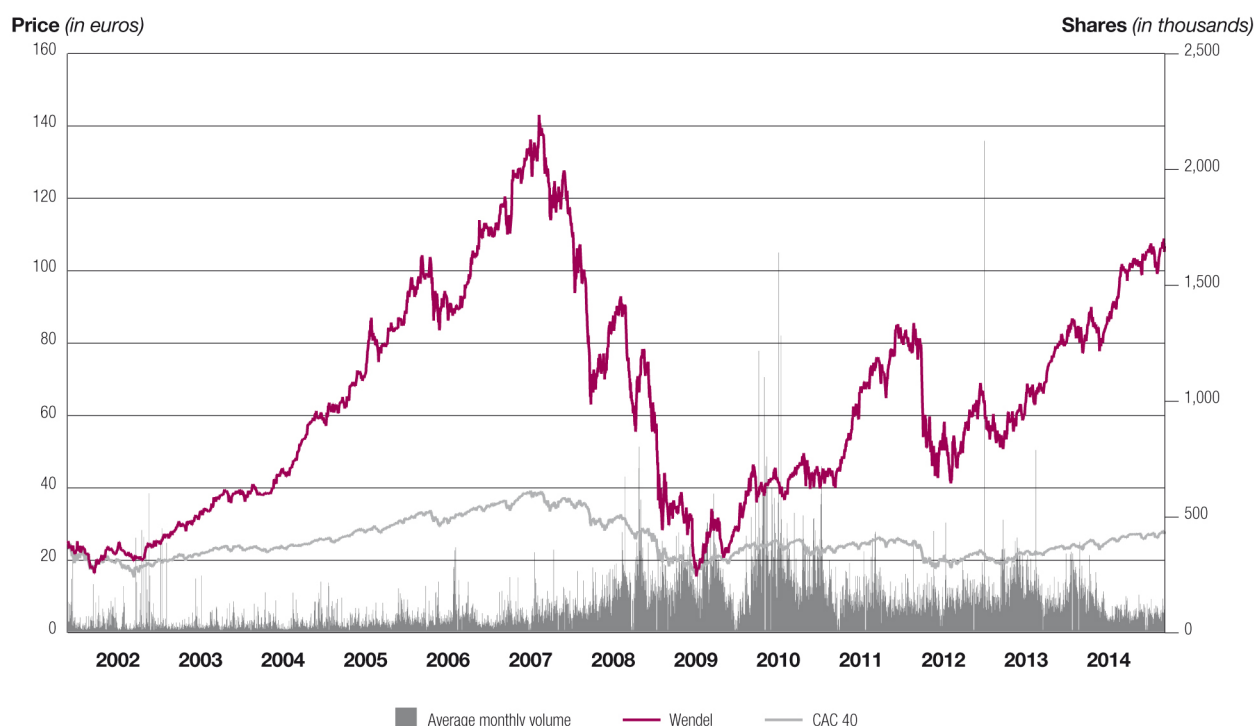
For more information, please visit: nopgroup.com

Wendel's involvement

Board of Directors: Makoto Kawada, Shigeaki Oyama, Bruno Fritsch.

1.11 Shareholder information

1.11.1 Market data



Change in CAC 40 and Wendel share price rebased to compare with the Wendel share price in 2002. Source: FactSet.

Comparison of total shareholder return for Wendel and the CAC 40, since the CGIP/Marine-Wendel merger

Source: FactSet

Reinvested dividend performance from June 13, 2002 to March 27, 2014	Total returns for the period	Annualized return over the period
Wendel	470.8%	16.0%
CAC 40	60.5%	4.10%

Share data

Listing market: EUROLIST SRD, Segment A

ISIN code: FR0000121204

Bloomberg code: MF FP

Reuters code: MWDP.PA

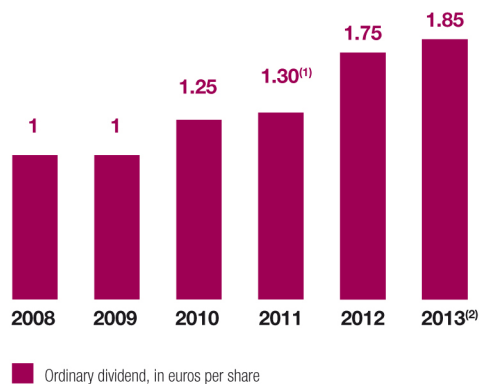
Abbreviation: MF

Indices: CAC AllShares, Euronext 150, SBF120, SBF250, STOXX® Europe, EURO STOXX®, STOXX® Europe Private Equity 20, STOXX® Europe Strong Style Composite 40, STOXX® Europe Strong Value 20, LPX 50.

Quota: 1 share/PEA: Eligible/SRD: Eligible/Par value: €4/Number of shares outstanding: 48,631,341 as of December 31, 2013.

1.11.2 Dividends

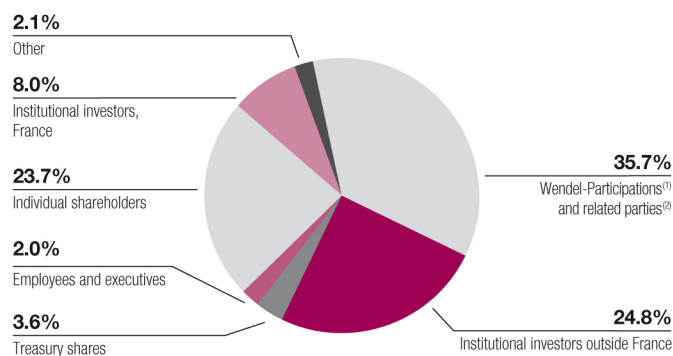
Ordinary dividend, in euros per share



⁽¹⁾ The 2011 ordinary dividend included an exceptional distribution of 1 Legrand share for every 50 Wendel shares held.
⁽²⁾ The 2013 dividend is subject to shareholder approval at the Annual Shareholder's Meeting on June 6, 2014.

1.11.3 Shareholders

As of December 31, 2013



⁽¹⁾ Formerly SLPS.
⁽²⁾ Pursuant to Article L.233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.

1.11.4 Shareholder relations

Wendel's constant and in-depth dialogue with all of its shareholders is an intrinsic component of our value-creation approach. A number of initiatives have been taken to meet the needs of individual and institutional investors and interact with them.

In 2013, the Wendel group pursued its communications policy dedicated to the 36,200 individual shareholders who represent nearly 24% of its capital. This high rate of individual share ownership makes Wendel the large-cap company with the third-largest number of individual shareholders on the Paris stock exchange.⁽¹⁾

The Shareholders Advisory Committee, set up in 2009, is consulted regarding all communications addressed to shareholders. Wendel values the Committee's recommendations and advice highly, as they help shareholders understand our business better and help us provide an attractive, simplified presentation of our activities. The Committee met four times in 2013.

Wendel again took part in Actionaria, a trade show bringing companies and shareholders face to face, held in Paris in November 2013.

Wendel met with its individual shareholders at a meeting at the Centre Pompidou-Metz in October 2013.

All of the resources for shareholders can be viewed in the "Shareholders portal" of Wendel's website: letters to shareholders, quarterly publications, the annual report, the registration document, a calendar of key dates, and more.

For institutional investors, Wendel has organized a series of roadshows every year since 2009. Some of these roadshows are intended specifically for bond investors. During these campaign periods, the Executive Board members meet prominent investors and asset managers, shareholders and non-shareholders alike, who are interested in the Wendel Group. The rest of the year, Wendel takes part in various events organized by brokers who cover Wendel.

In 2013, Wendel organized 24 roadshows, including 17 for equity investors and seven for bond investors.

Through these various events, the Investor Relations team, the members of the Executive Board and the Group Vice-President for Finance met with more than 310 equity and bond investors in 2013.

2014 Calendar

Publication of Q1 2014 net sales (pre-market release)	Tuesday, May 13, 2014
Shareholders' Meeting and publication of NAV	Friday, June 6, 2014
Publication of first-half 2014 earnings (pre-market release)	Thursday, August 28, 2014
Publication of Q3 2014 net sales (pre-market release)	Friday, November 7, 2014
Investor day - publication of NAV (pre-market release)	Thursday, December 4, 2014

Contacts

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Tel: +33 (0)1 42 85 30 00

Toll-free number (in France): 0 800 897 067

wendelgroup.com

Christine Anglade Pirzadeh,

Director of Communications and Sustainable Development

e-mail: c.angladepirzadeh@wendelgroup.com

Olivier Allot,

Director of Financial Communication

e-mail: o.allot@wendelgroup.com

⁽¹⁾ According to an exclusive survey of equity investors in France, *Investir-Journal des Finances*, October 20, 2012.

1.11.5 Trading in Wendel shares

	Average closing price 1 month	Intraday high	Intraday low	Trading volume Daily average
January 2011	71.30	75.66	66.44	11,481,539
February 2011	73.94	76.80	68.40	10,779,749
March 2011	71.24	76.58	62.99	12,001,604
April 2011	79.58	86.56	75.39	13,725,523
May 2011	82.10	85.91	78.96	21,749,636
June 2011	79.93	84.04	76.00	12,070,642
July 2011	80.59	85.55	75.27	12,254,498
August 2011	58.02	80.99	49.66	13,889,354
September 2011	49.47	59.72	40.09	13,754,052
October 2011	51.77	58.96	41.25	11,725,240
November 2011	47.44	54.81	40.96	11,475,990
December 2011	49.57	55.26	45.12	8,057,113
January 2012	54.96	58.91	49.56	7,201,035
February 2012	61.12	63.93	56.41	8,023,208
March 2012	64.88	69.03	58.97	11,203,306
April 2012	57.38	64.92	53.03	13,989,956
May 2012	55.24	60.60	51.43	10,568,184
June 2012	53.69	58.40	49.70	9,050,481
July 2012	58.71	62.36	55.16	7,161,849
August 2012	60.61	63.50	56.99	3,743,526
September 2012	65.11	68.95	59.50	5,673,816
October 2012	66.18	68.75	62.58	5,528,204
November 2012	68.41	72.80	65.77	4,778,196
December 2012	75.04	77.85	72.00	6,285,677
January 2013	79.94	82.90	77.77	6,518,640
February 2013	81.53	85.98	78.60	6,603,960
March 2013	84.65	87.39	80.75	6,386,513
April 2013	81.14	84.84	76.36	7,422,144
May 2013	86.04	89.99	79.60	6,474,729
June 2013	82.90	86.21	77.70	7,191,806
July 2013	83.96	87.72	79.41	6,997,295
August 2013	89.91	93.40	85.55	5,815,621
September 2013	98.32	103.25	91.58	8,372,931
October 2013	100.52	103.00	97.13	6,130,918
November 2013	102.20	104.00	100.25	4,749,449
December 2013	103.35	106.20	98.55	6,741,048
January 2014	104.72	107.90	99.55	6,992,294
February 2014	104.86	108.90	98.25	5,197,135

Source: Nyse Euronext.

1.11.6 Documents available to shareholders and the public

In accordance with applicable law, the Company's by-laws, minutes of Shareholders' Meetings and other Company reports, as well as historical financial information and other documents, may be consulted at the Company's registered office, at 89, rue Taitbout, 75009 Paris (France).

Pursuant to Article 28 of EC regulation 809/2004, the following information is included by reference in this registration document:

- the key figures on page 2 as well as the consolidated financial statements and corresponding audit report on pages 109-207 of the 2011 registration document filed with the AMF on March 30, 2012 under number D.12-0241;
- the key figures on page 2 as well as the consolidated financial statements and corresponding audit report on pages 147-227 of the 2012 registration document filed with the AMF on April 8, 2013 under number D.13-0311.

The unincluded parts of these documents either do not apply to investors or are covered in a section of this registration document.

In addition, all financial news and all information documents published by Wendel are accessible on the Company's website: www.wendelgroup.com.

CORPORATE GOVERNANCE

2.1 GOVERNING AND SUPERVISORY BODIES	48	2.3 REPORT ON RISK MANAGEMENT AND INTERNAL CONTROL	92
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This "Corporate governance" section includes the report of the Chairman of the Supervisory Board on corporate governance and internal control prepared pursuant to Article L.225-68, paragraph 7 of the French Commercial Code. The Chairman's report also includes the sections pertaining to Annual Meeting procedures and the information

required under Article L.225-100-3 of the French Commercial Code, which can be found in section 7, "Information on the Company and share capital". This report was approved by the Supervisory Board at its meeting of March 26, 2014, after review by the Audit and Governance Committees.

2.1 Governing and supervisory bodies

Since 2005, the Company has been governed by an Executive Board and a Supervisory Board. This section explains how the Company's governing bodies operate, their composition, the rules of ethics that apply to them and the compensation paid to corporate officers.

2.1.1 The Executive Board and its operations

2.1.1.1 Composition of the Executive Board

The Executive Board is composed of a minimum of two and a maximum of seven members.

The Executive Board is composed of two members. Since April 7, 2009, they have been Frédéric Lemoine, Chairman, and Bernard Gautier. At its meeting of March 27, 2013, the Supervisory Board renewed the terms of Messrs. Lemoine and Gautier as members of the Executive Board for four years. These appointments took effect on April 7, 2013, at the expiration of their previous terms. The Board reappointed Mr. Lemoine as Chairman of the Executive Board.

Executive Board members, with the exception of its chairman, may have an employment contract with the Company that remains in force during and after the member's term on the Executive Board. This is the case for Mr. Gautier (see section 2.1.7.8 "Position of executive corporate officers with respect to Afep-Medef recommendations"). Conversely, Mr. Lemoine, the Chairman of the Executive Board, does not have an employment contract, in accordance with the Afep-Medef code.

Members of the Executive Board are appointed and can be removed by the Supervisory Board, based on a proposal from the Chairman of the Supervisory Board. The term of their appointment is four years. The age limit for members of the Executive Board is 65. Removal of a member of the Executive Board does not cause his or her employment contract, if applicable, to be terminated.

Bruno Fritsch, Investment Manager and member of the investment team since 2007, acted as the Secretary of the Executive Board until June 2013. He has been replaced by Christine Anglade Pirzadeh, Director of Communications and Sustainable Development since that date.

No conviction for fraud, formal accusation and/or public sanction or liability for bankruptcy during the previous five years

To the best of the Company's knowledge, as of the date of issue of this document, no member of the Executive Board has in the past five years: (i) been convicted for fraud or formally accused or publicly sanctioned by the judiciary or government agencies; (ii) been involved in bankruptcy, the sequestration of assets or liquidation; (iii) been prevented by a court from acting as a member of a corporate, executive or supervisory body of an issuer or being involved in the management or the running of the business of an issuer.

Conflicts of interest, family ties and service contracts

Frédéric Lemoine and Bernard Gautier hold directorships in some of the Group's subsidiaries and associated companies.

To the best of the Company's knowledge, as of the date of issue of this document, there is no conflict of interest between the private interests or other obligations of the members of the Executive Board and their obligations with regard to the Company.

No Executive Board member has been selected during his term of office as a Wendel client or supplier nor is any member tied to the Company or to one of its subsidiaries by a service contract.

Executive Board members have no family ties with the Supervisory Board members.

Restrictions on the sale of shares held by the members of the Executive Board are described in section 2.1.6.6.



Frédéric LEMOINE

Chairman of the Executive Board

Date first appointed to the Executive Board: April 7, 2009

Current term expires: April 7, 2017

Born on June 27, 1965

French nationality

Business address:

Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Frédéric Lemoine is a graduate of the HEC business school (1986) and of the Institut d'études politiques de Paris (1987). He is an alumnus of the École nationale d'administration ("Victor Hugo" class) and an Inspecteur des finances. In 1992-93, he was head of the Institut du Coeur of Ho Chi Minh-City, Vietnam for a year, and from 2004 to 2011 he was General Secretary of the Fondation Alain Carpentier, which supported this hospital. From 1995 to 1997, he was deputy chief of staff of the Minister of Labor and Social Affairs (Jacques Barrot), in charge of coordinating reform of the national health insurance system and hospital reform. At the same time he was a chargé de mission with the Secretary of State for Healthcare and the National Health Insurance system (Hervé Gaymard). From 1997 to 2002, he was Delegated CEO, then CFO under Serge Kampf and the Executive Board of Capgemini, before being named Group VP in charge of finance of Capgemini Ernst & Young. From May 2002 to June 2004, he was the deputy General Secretary of French President Jacques Chirac, in charge of economic and financial affairs and other areas.

From October 2004 to May 2008, he was a Senior Advisor to McKinsey. From March 2005 to April 2009, he was Chairman of the Supervisory Board of Areva.

He is also a member of the Board of Directors of Insead and a member of the Board of Directors of the Centre Pompidou-Metz.

He is a Knight of the National Order of Merit and a Knight of the National Order of the Legion of Honor.

Appointments as of December 31, 2013:

Wendel Group:

Listed companies:

Chairman of the Board of Directors of Bureau Veritas
Director of Saint-Gobain

Unlisted companies:

Chairman of the Board of Directors of Trief Corporation SA
Chairman of the Supervisory Board of Oranje-Nassau Groep BV
Permanent representative of Trief SA on the Boards of Directors of Winvest International SA SICAR, Oranje-Nassau Développement SA SICAR, Expansion 17 SA SICAR, and Global Performance SA SICAR
Manager of Winvest Conseil Sarl

Other appointments: none

Appointments expired in the last five years:

Vice-Chairman of the Board of Directors of Bureau Veritas (2009-2013)

Director of Legrand (2013)

Director of Flamel Technologies (2005-11)

Director of Groupama (2005-12)

Chairman of the Supervisory Board of Bureau Veritas (2009)

Chairman of Winbond SAS (2009-11)

Member of Wendel's Supervisory Board (2008-09)

Chairman of the Supervisory Board of Areva (2005-09)

Member of the Supervisory Board, then non-voting Board member of Générale de Santé (2006-09)

Manager of LCE Sarl (2004-09)

Number of Wendel shares held as of December 31, 2013: 98,850



Bernard GAUTIER

Member of the Executive Board

Date first appointed to the Executive Board: May 31, 2005

Current term expires: April 7, 2017

Born on June 6, 1959

French nationality

Business address:

Wendel
89, rue Taitbout
75009 Paris
France

Career path:

Alumnus of the École supérieure d'électricité.

After serving as Chairman in 1981 of the National Confederation of Junior Companies, he began his career by creating a media company, AG Euromedia. From 1983 to 1989, he was a consultant and then a director of studies at Arthur Andersen (which later became Accenture) in the industry media-press and services sectors. He joined Bain & Co. strategy consultants, where he became a Partner in 1995 and then a Senior Partner in 1999, responsible for Telecom, Technologies and Media in Europe and a member of the International Board of Directors, with major industrial groups and the largest investors in Europe as clients. He acquired direct investment experience with venture capital fund Atlas Venture, where he was Senior Partner and manager of the Paris office from 2000 to 2003. He joined Wendel in 2003 and was appointed a member of the Executive Board in 2005.

Appointments as of December 31, 2013:

Wendel Group:

Listed company:

Director of Saint-Gobain

Unlisted companies:

Director of Stahl Holding BV, Winvest Part BV, Stahl Group SA (formerly Winvest Part 4 SA), Stahl Lux 2 SA, and Stichting Administratiekantoor II Stahl Groep II, and member of the Management Board of Materis Parent

Director of Trief Corporation SA

Director and Chairman of Winvest International SA SICAR, Oranje-Nassau Développement SA SICAR, Global Performance 17 SA SICAR, and Expansion 17 SA SICAR

Manager and Chairman of Winvest Conseil Sarl

Director of Wendel Japan KK

Director of Sofisamc

Director of IHS Holding Ltd

Other appointments (unlisted companies):

Member of the Supervisory Board of Altineis (since 2004)

Appointments expired in the last five years:

Director of Communication, Media Partner (2013)

Member of the Supervisory Board of Legron BV (until July 2, 2010)

Vice-Chairman of the Board of Directors of Deutsch (until April 3, 2012)

Number of Wendel shares held as of December 31, 2013: 330,368

2.1.1.2 The Executive Board and its operations

In accordance with Article 20 of the by-laws, Executive Board meetings are held at the head office or at any other venue specified by the Chairman in the meeting notice. The agenda can be amended at the time of the meeting. Meeting notices can be sent out by any means, including verbally, without advance notice if necessary. Decisions of the Executive Board are valid only if at least half of its members are present, and are based on a majority of those voting. In the event of a tie, the Chairman casts the deciding vote. Minutes of Executive Board meetings are recorded in a special register kept at the head office and signed by the members of the Executive Board who took part in the meeting.

The Executive Board met 30 times in 2013.

During each of its meetings, it discussed the following issues:

- the Group's financial situation;
 - updates on subsidiaries and investments and their acquisitions and divestments;
 - updates on financial transactions underway, which in 2013 included:
 - bond issues in April and September 2013,
 - new bank lines of credit,
 - the August 2013 cancellation of 2% of shares.
- The following topics were addressed on a regular basis during the year:
- the Company's overall strategy and positioning;
 - new investment or divestment opportunities:
 - the divestment of Wendel's remaining stake in Legrand,
 - the investment in IHS Holding,
 - the investment in Saham,
 - the acquisition of Nippon Oil Pump;
 - finalizing the financial statements and periodic financial information;
 - share and bond repurchases;
 - financial communication issues:
 - net asset value,
 - roadshows,
 - Investor Day;
 - internal organization and labor issues:
 - organization of Wendel teams,
 - ethics,
 - sustainable development,
 - the training plan,
 - compensation policy,
 - allocation of stock options and performance shares, subject to approval by shareholders at their Annual Meeting,
 - insurance and pension plans;
 - Group governance;
 - disputes and litigation in progress;
 - support for the Centre Pompidou-Metz as a Founding Sponsor and for the Wendel International Center for Family Enterprise (at Insead business school);
 - preparation of the Annual Shareholders' Meeting.

2.1.2 The Supervisory Board and its operations

2.1.2.1 Composition of the Supervisory Board

The Supervisory Board is composed of a minimum of three and a maximum of 18 members.

The members of the Supervisory Board are appointed by the shareholders, voting in their Ordinary Meeting. The term of their appointment is four years. They can be re-appointed. However, to avoid having to reappoint the entire Supervisory Board at once, reappointments were staggered beginning in 2005, following the switchover to a dual governance structure and in accordance with Afep-Medef recommendation no. 14 as amended.

Prior to the Annual Shareholders' Meeting of May 28, 2013, the Supervisory Board was composed of nine members. Three new

members were appointed during the Meeting and the term of Édouard de l'Espée was renewed. Ernest-Antoine Seillière, whose term expired at the Meeting, did not seek a new term.

Therefore, at the close of the Annual Shareholders' Meeting of May 28, 2013, the Supervisory Board was composed of 11 members.

The expiry dates for the terms of each member as of December 31, 2013 were as follows:

- 2014 (Annual Meeting to approve 2013 financial statements):
 - Dominique Hériard Dubreuil,
 - Guylaine Saucier,
 - Nicolas Celier;

- 2015 (Annual Meeting to approve 2014 financial statements):
 - Humbert de Wendel,
 - Gérard Buffière,
 - Didier Cherpitel;
- 2016 (Annual Meeting to approve 2015 financial statements):
 - François de Wendel;
- 2017 (Annual Meeting to approve 2016 financial statements):
 - Bénédicte Coste,
 - Priscilla de Moustier,
 - Édouard de l'Espée,
 - Laurent Burelle.

In its meeting of March 27, 2013, the Supervisory Board appointed Ernest-Antoine Seillière as Honorary Chairman of Wendel, François de Wendel as Chairman of the Supervisory Board, and Dominique Hériard Dubreuil as Vice-Chairman of the Supervisory Board.

Dominique Hériard Dubreuil and Guylaine Saucier agreed to seek renewal of their terms at the Annual Meeting of June 6, 2014. Nicolas Celier will not seek renewal of his term, which expires at the close of this Meeting. As a result, the appointment of a new member – family shareholder Christian van Zeller d'Oosthove – will be submitted for shareholder approval at the Annual Meeting of June 6, 2014. His biography can be found below (section 2.1.2.2).

During the June 6, 2014 Meeting, shareholders will be asked to approve an amendment to Article 12, "Composition of the Supervisory Board," of the Company's by-laws following France's new job protection act of June 14, 2013. The proposed amendment sets forth the conditions for designating one or more Supervisory Board members to represent employees. The amendment is included in the Meeting's 12th resolution (see the Executive Board's report on the Meeting resolutions in section 8.9.1).

Since the Supervisory Board meeting of June 9, 2008, two representatives of the Works Council attend Supervisory Board meetings in a consultative role.

An Afep-Medef recommendation issued in April 2010 sets targets for the percentage of women that should be on corporate boards: at least 20% at the end of the Shareholders' Meeting held in 2013 and at least 40% at the end of the Shareholders' Meeting held in 2016. In addition, a French law enacted on January 27, 2011, on gender equality on corporate boards and in the workplace, stipulates that these same percentages be attained 2014 and 2017.

Wendel shareholders appointed Dominique Hériard Dubreuil and Guylaine Saucier to the Company's Supervisory Board at their June 4, 2010 Annual Meeting; the renewal of these terms will be proposed at the Annual Shareholders' Meeting on June 6, 2014. The shareholders appointed Bénédicte Coste and Priscilla de Moustier to the Supervisory Board at their May 28, 2013 Annual Meeting. Four of the Supervisory Board's 11 members, or 36%, are women – well beyond the 20% requirement and close to the 40% recommendation for 2016. The percentage will remain at 36%, subject to shareholder approval at their June 6, 2014 Meeting.

The number of Supervisory Board members more than 70 years old may not, after each year's Ordinary Annual Meeting, exceed one-third of current Board members. Should this proportion be exceeded, the term of the oldest member of the Supervisory Board, except for the Chairman, will end at the close of the following Ordinary Shareholders' Meeting.

2.1.2.2 Company management expertise and experience of Supervisory Board members and appointments held during the previous five years



François de WENDEL

Chairman of the Supervisory Board since March 27, 2013

Date appointed to first term: May 31, 2005

Current term expires: Annual Meeting to be held in 2016

Born on January 13, 1949

French nationality

Business address:
Wendel-Participations
89, rue Taitbout
75009 Paris
France

Career path:

Graduate of the Institut d'études politiques in Paris, master's degree in economics from the University of Paris and an MBA from Harvard University.

He began his career with a number of senior management roles at Carnaud and CarnaudMetalbox. In 1992, he joined the Pechiney Group where he was CEO of Aluminium de Grèce. From 1998 to 2005, he held executive management roles at Crown Cork, firstly as Senior Vice-President in charge of procurement for Europe, then as Executive Vice-President in charge of the "Food Europe Africa & Middle East" division.

Appointments and positions as of December 31, 2013:

Wendel Group:

Chairman and CEO of Wendel-Participations* (unlisted company)

Other Appointments:

Director of Burelle SA and member of the Audit Committee (listed company)

Member of the Supervisory Board of Massilly Holding (since 2007) (unlisted company)

Appointments expired in the last five years:

Vice-Chairman of the Supervisory Board of Wendel (2013)

Number of Wendel shares held as of December 31, 2013: 77,693



Dominique HÉRIARD DUBREUIL

Vice-Chairman of the Supervisory Board since March 27, 2013

Member of the Governance Committee

Date appointed to first term: June 4, 2010

Current term expires: Annual Meeting to be held in 2014

Born on July 6, 1946

French nationality

Business address:
Rémy Cointreau
21, boulevard Haussmann
75009 Paris
France

Career path:

Alumna of Assas law school (Paris) and the Institut des relations publiques.

Dominique Hériard Dubreuil worked in international public relations from 1970 to 1988, first at Havas Conseil, then at Ogilvy & Mather, Hill & Knowlton and McCann-Erikson, before creating her own agency, Infoplan, in 1978.

In 1990, she was named CEO of Rémy Martin, then in 1998 Chairman & CEO of Rémy Cointreau and was Chairman of the Board of Directors until 2012. She is currently a Director of Rémy Cointreau.

Appointments and positions as of December 31, 2013:

Principal positions:

CEO and member of the Executive Committee of Andromède (unlisted company)

Chairman of E. Rémy Martin & Cie. (unlisted company)

Chairman of Cointreau (unlisted company)

Director of Rémy Cointreau (listed company)

Other Appointments:

Member of the Supervisory Board of Vivendi (listed company)

Director of INRA

Director of the Fondation de France

Director of the 2nd Chance Foundation

Director of Afep

Director of the Colbert Committee and the Federation of Wine and Spirit Exporters (FEVS)

Appointments expired in the last five years:

Chairman of the Board of Directors of Rémy Cointreau

Member of the Medef Executive Council

Chairman of Vinexpo Overseas and member of the Supervisory Board of Vinexpo SAS (unlisted companies)

Director of Baccarat

Director of Stora Enso OYJ

Number of Wendel shares held as of December 31, 2013: 1,500



Gérard BUFFIÈRE

Member of Wendel's Supervisory Board

Member of the Governance Committee

Date appointed to first term: May 30, 2011

Current term expires: Annual Meeting to be held in 2015

Born on March 28, 1945

French nationality

Business address:
GyB-Industries
41, boulevard de la Tour-Maubourg
75007 Paris
France

Career path:

Graduate of École polytechnique de Paris and Stanford University (United States), where he obtained a Master of Science.

Gerard Buffière began his career in 1969 with the French group Banexi. After holding a range of positions with US-based Otis Elevator, he joined the international group Schlumberger in 1979, where he held several management positions before becoming President of the Electronic Transactions branch in 1989. He moved on to become Chief Executive Officer, Industrial Equipment division, for the French group Cegelec in 1996. He joined the Imétal group in March 1998 as a member of the Executive Board and the head of the Building Materials division. In 1999, Imétal became Imerys, focusing exclusively on industrial minerals, and Mr. Buffière was named head of the Construction Materials, Minerals for Ceramics and Specialty Minerals divisions. From 2000 to 2002, he was also in charge of the Pigments & Additives division. Gérard Buffière was Chairman of the Executive Board from January 1, 2003, to May 3, 2005, on which date he was appointed as a member of the Board of Directors and the Chief Executive Officer of Imerys, coinciding with the change in the company's governance structure.

Appointments and positions as of December 31, 2013:

Listed companies:

Director of Imerys
Member of the Supervisory Board of Tarkett

Appointments expired in the last five years:

CEO of Imerys (2011)

Number of Wendel shares held as of December 31, 2013: 500

**Laurent BURELLE****Member of the Supervisory Board**

Date appointed to first term: May 28, 2013

Current term expires: Annual Meeting to be held in 2017

Born on October 6, 1949

French nationality

Business address:
Compagnie Plastic Omnium
1, rue du Parc
92593 Levallois-Perret cedex
France**Career path:**

Mr. Burelle is a graduate of the Swiss Federal Institute of Technology in Zurich and holds a master's of science from the Massachusetts Institute of Technology (MIT).

Compagnie Plastic Omnium: Manufacturing engineer, Assistant to the Langres factory manager (1975), CEO of Plastic Omnium Iberica (1977), Chairman & CEO of Plastic Omnium Spain (1980) and then of Compania Plastic Omnium Spain (1981), Compagnie Plastic Omnium service department head (1981-88), Vice-Chairman and CEO (1987-2001), Chairman & CEO (since 2001).

Appointments and positions as of December 31, 2013:*Principal positions:*

Chairman & CEO of Compagnie Plastic Omnium (listed company)
Director and Deputy CEO of Burelle SA since 1982 (listed company)

Appointments in the Plastic Omnium group:*France:*

Director and Deputy CEO of Sogec 2 SA
Director of Burelle Participations SA
Chairman and member of the Supervisory Committee of Sofiparc SAS
Chairman and member of the Supervisory Committee of Plastic Omnium Environnement SAS
Chairman of Plastic Omnium Auto Exteriors SAS
Chairman of Inergy Automotive Systems SAS

Germany:

Manager of Plastic Omnium GmbH

China:

Chairman of Plastic Omnium Holding Co Ltd (Shanghai)

Spain:

Chairman and Director-Delegate of Compania Plastic Omnium SA

United States:

Chairman of Plastic Omnium Inc.

Netherlands:

Chairman of Plastic Omnium International BV

Switzerland:

Director of Signal AG

Other appointments:

Director of Pernod Ricard (listed company)
Director of Lyonnaise de banque
Member of the Supervisory Board of Labruyère Eberlé SAS
Chairman of Cie financière de la Cascade SAS

Appointments expired in the last five years:*France:*

Chairman of Plastic Omnium Auto SAS (2013)
Chairman of Signature SAS (2009)

United Kingdom:

Chairman of Plastic Omnium Ltd. (2013)

United States:

Chairman of Plastic Omnium Automotive Services Inc. (2012)
Director of Inergy Automotive Systems LLC (2012)
Chairman of Plastic Omnium Auto Exteriors LLC (2011)
Chairman of Performance Plastics Products – 3P Inc. (2011)
Chairman of Plastic Omnium Industries Inc. (2011)
Chairman of Espco International Inc. (2009)

Switzerland:

Director of Plastic Omnium AG (2009)

Number of Wendel shares held as of December 31, 2013: 3,500



Nicolas CELIER

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 29, 2006

Current term expires: Annual Meeting to be held in 2014

Born on August 31, 1943

French nationality

Address:
12, rue Berbier-du-Mets
75013 Paris
France

Career path:

Engineering graduate from the Polytechnic Institute, Zurich.

After working at Sacilor with responsibility for its rolling mills and then as a product manager, Nicolas Celier was Managing Director of Air Conditionné – Airwell from 1980 to 1983, then, from 1983 to 1986, delegated CEO at Lyonnaise des Eaux and Chairman of Unidel-Sécurité. From 1987 to 1993, he headed the French activities of the ABB-Fläkt group (Fläkt, Ventilation Industrielle and Minière, Solyvent-Ventec, etc.). Beginning in 1994, he was CEO of Sulzer-Infra SA, then Director of development at Cofixel, and manager of various companies in the Fabricom group in Germany and the UK, and, until 2004, he headed up the European companies of Axima Refrigeration.

Appointments and positions as of December 31, 2013:

Wendel Group (unlisted company):

Non-voting Board member of Wendel-Participations

Other appointments (unlisted companies):

Director of Sofoc SA

Chairman of Cherche-Midi Participations SAS

Chairman of Messine Investissements SAS

Director of I-ces SAS

Director of Ixeo SAS

Manager of FKO Invest BV

Manager of Optical Square Investors SC

Appointments expired in the last five years:

Chairman of the Supervisory Board of Optimprocess SA (2013)

Director of Ubiant SAS (2013)

Director of Financière de Mussy SAS (2012)

Director of Pakers Mussy SAS (2012)

Director of Lamibois SAS (2012)

Director of RSO SpA (Milan) (2011)

Member of the Supervisory Board of Solving Efeso International SA (listed company) (2010)

Member of the Supervisory Board of Oslo Software SA (2010)

Board Member of Oslo Partners Investment SAS (2010)

Number of Wendel shares held as of December 31, 2013: 8,000



Didier CHERPITEL

Member of Wendel's Supervisory Board

Chairman of the Governance Committee

Member of the Audit Committee

Date appointed to first term: June 13, 1998

Current term expires: Annual Meeting to be held in 2015

Born on December 24, 1944

French nationality

Business address:

Le Hameau de Crans
Chemin de l'Arnouva, 4
CH 3963 Crans-Montana
Switzerland

Career path:

Postgraduate degree (DES) from the Institut d'études politiques de Paris.

Didier Cherpitel worked from 1970 to 1998 at J.P. Morgan in New York, Paris, Singapore, Brussels and London. He was Managing Director of J.P. Morgan Guaranty Ltd in London, Chairman and CEO of J.P. Morgan France and Managing Director with responsibility for private banking activities in Europe. After two years as Manager Director with responsibility for capital markets activities at Security Capital Group in London, he spent four years as General Secretary of the International Federation of Red Cross and Red Crescent Societies in Geneva.

Appointments and positions as of December 31, 2013 (listed companies):

Director of Fidelity International

Director of Prologis Targeted Europe Logistics Fund

Other appointments (unlisted companies):

Director of Swiss Philanthropic Foundation

Co-Chairman of François-Xavier Bagnoud International

Director and treasurer of the Fondation Mérieux

Director of IFFim/Gavi Alliance (UK Charity)

Director of Porticus

Appointments expired in the last five years:

Founder and Director of Managers Sans Frontières (2013)

Member of the Fondation MSF France (2003-09)

Director of Fédéractive (2012)

Director of ProLogis European Properties (PEPR) (2012)

Number of Wendel shares held as of December 31, 2013: 3,000



Bénédicte COSTE

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 28, 2013

Current term expires: Annual Meeting to be held in 2017

Born on August 2, 1957

French nationality

Business address:
4, avenue Lamartine
78170 La Celle-Saint-Cloud
France

Career path:

Bénédicte Coste is a graduate of HEC (major in finance) and also holds a degree in law, which she pursued after obtaining a two-year technical degree (BTS) in the analysis of agricultural enterprises. She began her career in the finance division of Elf Aquitaine where she managed a portfolio in the Markets & Portfolio department from 1980 to 1984. In 1986, she started a portfolio management business first as an independent, then created Financière Lamartine SA, a portfolio management company, which obtained approval from the French market regulatory authority (COB) in 1990 (authorization no. GP 9063 on July 27, 1990). Financière Lamartine is specialized in discretionary management for private clients. Ms. Coste is a member of the Bank and Asset Management Group at the HEC Association. She was President of AFER, the French savings and retirement association, from April 2004 to November 2007.

Appointments and positions as of December 31, 2013:

Main position:

Chairman & CEO of Financière Lamartine

Wendel Group (unlisted company):

Director of Wendel-Participations

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2013: 500



Édouard de l'ESPÉE

Member of Wendel's Supervisory Board

Member of the Audit and Governance Committees

Date appointed to first term: September 6, 2004

Current term expires: Annual Meeting to be held in 2017

Born on September 5, 1948

Business address:

Compagnie Financière Aval
6, route de Malagnou
CH-1208 Geneva
Switzerland

Career path:

Graduate of the École Supérieure de Commerce de Paris.

Edouard de L'Espée began his career in 1972 as a financial analyst in Geneva, then as a bond specialist and portfolio manager at Banque Rothschild in Paris. From 1979 to 1985, he was in charge of centralized asset management at Banque Cantrade Ormond Burrus, Geneva. In 1986, he took part in creating and developing an independent portfolio management company in London. He co-founded of Praetor Gestion (Luxembourg) in 1987 (and has managed its bond funds since then), Concorde Bank Ltd (Barbados) in 1988 and Calypso Asset Management (Geneva) in 1999. In 2008, he merged Calypso with Compagnie Financière Aval (Geneva) and became its Executive Director. He has been a member of the Swiss Financial Analysts Association since 1984.

Appointments and positions as of December 31, 2013:

Main position (unlisted company):

Executive Director of Compagnie Financière Aval

Wendel Group (unlisted company):

Director of Wendel-Participations

Other appointments (unlisted companies):

Chairman of Praetor Sicav

Director of Praetor Advisory Company

Director of Compagnie Financière Aval

Appointments expired in the last five years:

Chairman of Praetor Global Fund (2013)

Director of Concorde Asset Management Ltd (2009)

Number of Wendel shares held as of December 31, 2013: 5,000



Priscilla de MOUSTIER

Member of the Supervisory Board

Member of the Governance Committee

Date appointed to first term: May 28, 2013

Current term expires: Annual Meeting to be held in 2017

Born on May 15, 1952

French nationality

Business address:

94, rue du Bac

75007 Paris

France

Career path:

Priscilla de Moustier holds an MBA from Insead and a degree in mathematics and economics from the Institut d'études politiques de Paris.

After negotiating the sale of turnkey manufacturing facilities for Creusot-Loire Entreprises and working as a consultant at McKinsey, Ms. de Moustier joined Berger-Levrault, where she was responsible for new project development in the Metz technology park. Since 1997, she has supervised Wendel's involvement in the university teaching chair and subsequently the Wendel center at Insead. She also represents Wendel-Participations in the Family Business Network.

Appointments and positions as of December 31, 2013:

Wendel Group (unlisted company):

Director of Wendel-Participations

Other appointments (unlisted companies):

Chairman of the Supervisory Board of Oxus Holding

Vice-President of the French chapter of the Family Business Network

Director of FBN International

Director of Acted

Director of Somala (Marais de Larchant SA)

Appointments expired in the last five years: none

Number of Wendel shares held as of December 31, 2013: 140,463



Guylaine SAUCIER

Member of Wendel's Supervisory Board

Chairman of the Audit Committee

Member of the Governance Committee

Date appointed to first term: June 4, 2010

Current term expires: Annual Meeting to be held in 2014

Born on June 10, 1946

Canadian nationality

Business address:

1000, rue de la Gauchetière-Ouest

Bureau 2500

Montreal, QcH3BOA2

Canada

Career path:

Graduate, with a baccalauréat ès arts, from the College Marguerite-Bourgeois and a licence degree in business from the École des Hautes Études Commerciales de Montreal.

A Fellow of the Order of Certified Public Accountants of Quebec, Guylaine Saucier was Chairman and CEO of Gerard Saucier Ltée, a major group specializing in forestry products, from 1975 to 1989. She is also a certified Director of the Institute of Corporate Directors.

Ms. Saucier holds or has held positions on the Boards of Directors of several major companies, including Bank of Montreal, Axa Assurances Inc., Danone and Areva.

She was Chairman of the Joint Committee of Corporate Governance (ICCA, CDNX, TSX) (2000-01), Chairman of the Board of Directors of CBC/Radio-Canada (1995-2000), Chairman of the Board of Directors of the Canadian Institute of Chartered Accountants (1999-2000), Member of the Board of Directors of the Bank of Canada (1987-91), member of the Commission of Inquiry on Unemployment Insurance (1986) and member of Minister Lloyd Axworthy's task force on social security reform (1994). Ms. Saucier was the first woman appointed President of the Quebec Chamber of Commerce. She has played a very active role in the community as a Board member of various institutions, including the University of Montreal, the Montreal Symphony Orchestra and the Hôtel-Dieu de Montreal.

She was recognized as a member of the Order of Canada in 1989 for her exceptional civic-mindedness and significant contribution to the business world.

On May 18, 2004, she was named a "Fellow" of the Institute of Corporate Directors, and on February 4, 2005, received the 25th McGill University Management Achievement Award. On September 23, 2010, she was made Honorary Corporate Director by the College des Administrateurs de Sociétés.

Appointments and positions as of December 31, 2013 (listed companies):

Member of the Board of Directors of Scor

Member of the Supervisory Board of Areva (since 2006) and Chairman of the Audit Committee

Member of the Board of Directors of Junex Inc (Québec)

Appointments expired in the last five years:

Member of the Board of Directors of the Bank of Montreal, member of the Audit Committee and member of the Risk Management Committee (1992-2013)

Member of the Board of Directors of Petro-Canada (1991-2009)

Member of the Board of Directors of Axa Assurances Inc. (and member of the Audit Committee 1987-2011)

Member of the Board of Directors of Danone and Chairman of the Audit Committee (2009-12)

Number of Wendel shares held as of December 31, 2013: 500



Humbert de WENDEL

Member of Wendel's Supervisory Board

Member of the Audit Committee

Date appointed to first term: May 30, 2011

Current term expires: Annual Meeting to be held in 2015

Born on April 20, 1956

French nationality

Business address:

Total
2, place Jean-Millier
La Défense
692400 Courbevoie
France

Career path:

Graduate of the Institut d'études politiques de Paris and Essec.

Humbert de Wendel has spent his entire career with the Total group, which he joined in 1982, mainly holding positions in the Finance department, first heading trading floor operations and then financial operations, successively, for several divisions in the group. He also spent several years in London heading the finance division of one of Total's joint ventures. Director of acquisitions and divestments and in charge of the group's corporate business development from 2006 to 2011, he is currently Director of financing and cash management and Treasurer of the group.

Appointments and positions as of December 31, 2013:

Main position:

Total – Senior Vice-President, Finance and Cash management, Corporate Treasurer

Wendel Group (unlisted company):

Director of Wendel-Participations

Other appointments within the Total group:

Unlisted French companies:

Chairman, CEO and Director of Sofax Banque
Chairman, CEO and Director of Total Capital
Chairman, CEO and Director of Total Capital International
Chairman of Total Finance
Chairman of Total Finance Exploitation
Chairman of Total Treasury
Director of Société Financière d'Auteuil
Director of Elf Aquitaine
Permanent representative of Total SA Eurotradia International

Unlisted non-French companies:

Chairman of Total Finance Global Services SA (Belgium)
Chairman of Total Finance Nederland BV (Netherlands)
Director of Total Finance Corporate Services Ltd (United Kingdom)
Chairman and Director of Total Capital Canada Ltd (Canada)
Director of Sunpower Corp. (listed on NASDAQ)

Other appointments not related to the Total group (unlisted companies):

Manager of Omnium Lorrain (non-trading company)

Appointments expired in the last five years:

Chairman, CEO and Director of Odival from September 28, 2007 to September 28, 2011
Director and Chairman of the Audit Committee of Compania Espanola de Petroleos – Cepsa (Spain) until August 2, 2011 (company listed in Madrid)

Number of Wendel shares held as of December 31, 2013: 225,054

Supervisory Board members whose term ended in 2013

**Ernest-Antoine SEILLIÈRE****Honorary Chairman****Chairman of Wendel's Supervisory Board until March 27, 2013****Member of the Supervisory Board until May 28, 2013**

Date appointed to first term: June 2, 1981

Born on December 20, 1937

French nationality

Business address:
Wendel
89, rue Taitbout
75009 Paris
France**Career path:**

Graduate of the Institut d'études politiques de Paris and a law graduate. Alumnus of the École nationale d'administration.

After serving as foreign affairs adviser and technical adviser to several government ministers, Mr. Seillière joined the Wendel Group in 1976, where he has held several positions, including those of CEO and Board member (1978-87), then Chairman and CEO (1987-2002) of CGIP, and Deputy CEO, then Chairman of Marine-Wendel (1992-2002). After the merger of the two companies he was Chairman and CEO of Wendel Investissement, before becoming Chairman of the Supervisory Board in 2005.

He was President of the Medef (French Employers' Federation) from 1997 to 2005 and then President of BusinessEurope from 2005 to 2009.

He is a Commander of the National Order of the Legion of Honor, an Officer of the National Order of Merit, and a Commander of the Order of Oranje-Nassau (Netherlands) and of the Order of Leopold I (Belgium).

Appointments and positions as of May 28, 2013:*Wendel Group:*

Non-voting Board member of Wendel-Participations* (unlisted company)

Other appointments (listed companies):

Member of the Supervisory Board of Hermes International

Appointments expired in the last five years:

Member of the Supervisory Board of Peugeot SA

Director of Bureau Veritas (2009-13)

Chairman of the Supervisory Board of Oranje-Nassau Groep BV (2001-09)

Member of the Supervisory Board of Gras Savoye (2003-09)

Director of Legrand (2002-11)

Director and Honorary Chairman of Wendel-Participations

Director of Sofisamc (2012)

Number of Wendel shares held as of May 28, 2013: 776,911

New Supervisory Board member to be proposed to shareholders at their Annual Meeting of June 6, 2014:



Christian VAN ZELLER d'OOSTHOVE

New member of the Supervisory Board

Proposed at the Annual Meeting of June 6, 2014

Born on December 24, 1946

French nationality

Business address:
12 Gorodetskogo, Apt 12
Kiev 81001
Ukraine

Career path:

Graduate of ESSEC business school, a Master's degree with thesis in private law from Sorbonne University in Paris, and an MBA from Columbia University in New York.

Mr. van Zeller d'Oosthove began his career in 1972 at France's School of Public-Sector Management (CESMAP), then served as General Secretary and Chief Financial Officer of a Crédit Lyonnais subsidiary from 1974 to 1975. He was the authorized representative of Institut de développement industriel (IDI) from 1975 to 1981 before being appointed Chief Financial Officer of Imprimerie Moderne de Paris. In 1983 he moved to Elf-Erap where he remained for seven years as General Secretary and Chief Financial Officer. In 1990 Mr. van Zeller d'Oosthove joined CCF-Electra as Managing Director. He was later promoted to CCF's international business development team where he analyzed investment banking opportunities in emerging markets such as India, Tunisia, Egypt, and Morocco from 1994 to 1997.

Since 1997 he has been a consultant at Greg First Ltd., where he works for the European Commission on privatization and restructuring projects in Central Asia. He also advises French bank Société Générale's private equity fund on opportunities in Central Europe and North Africa. In 2005 he took part in creating an investment fund in North Africa, from which he withdrew in 2012.

Appointments and positions as of December 31, 2013:

Main position (unlisted company):
International Consultant, Greg First Ltd

Wendel Group (unlisted company):
Director of Wendel-Participations

Other appointments: none

Appointments expired in the last five years: none

No conviction for fraud, formal accusation and/or public sanction or liability for bankruptcy during the previous five years

To the best of the Company's knowledge, as of the date of issue of this document, no member of the Supervisory Board has in the past five years: (i) been convicted for fraud or formally accused or publicly sanctioned by the judiciary or government agencies; (ii) been involved in bankruptcy, the sequestration of assets or liquidation; (iii) been prevented by a court from acting as a member of a corporate, executive or supervisory body of an issuer or being involved in the management or the running of the business of an issuer.

One Supervisory Board member has noted that he was director of unlisted companies that were subject to class actions.

Conflicts of interest, family ties and service contracts

Ernest-Antoine Seillière, François de Wendel, Humbert de Wendel, Édouard de l'Espée, Nicolas Celier, Bénédicte Coste, and Priscilla de Moutiers are members of the Wendel family.

François de Wendel, Édouard de l'Espée, Humbert de Wendel, Bénédicte Coste, and Priscilla de Moutiers are directors of Wendel-Participations, the Company's main shareholder, which represents the interests of Wendel family members. Ernest-Antoine Seillière was a non-voting Board member of Wendel-Participations and Nicolas Celier continues to be.

Christian van Zeller d'Oosthove, whose appointment is subject to shareholder approval at the June 6, 2014 Annual Meeting, is also a member of the Wendel family and a director of Wendel-Participations.

Ernest-Antoine Seillière has held appointments in certain Group subsidiaries and associated companies. His term as member of the Bureau Veritas Board of Directors expired on May 22, 2013.

To the best of the Company's knowledge, as of the date of issue of this document, there is no existing or potential conflict of interest between the private interests or other obligations of the members of the Supervisory Board and their obligations with regard to the Company that has not been handled in accordance with the conflict-of-interest management procedure specified in the internal regulations of the Supervisory Board and described in section 2.1.6.5.

To the best of the Company's knowledge, no Supervisory Board member has been selected as a Wendel client or supplier nor is any member tied to the Company or to one of its subsidiaries by a service contract.

Supervisory Board members have no family ties with the Executive Board members.

Restrictions on the sale of shares held by the members of the Supervisory Board are described in section 2.1.6.6.

Independence of Supervisory Board members

The Supervisory Board is designed to guarantee impartial deliberation and includes members who qualify as independent.

It uses the Afep-Medef report's definition of "independent member": "A director is independent if he or she has no relationship of any kind with the Company, its group or its management, which could compromise his or her judgment."

At their meetings on February 12 and 13, 2014, the Governance Committee and the Supervisory Board reviewed the independence of each member based on the following criteria, in accordance with recommendation 9.4 of the Afep-Medef Code, as amended in June 2013, as to whether they:

- were not employees or executive corporate officers of the Company, employees or directors of the parent company or of a company consolidated by it, either currently or at any time in the five previous years;
- were not executive corporate officers of a company in which the Company holds, directly or indirectly, a directorship, or in which an employee designated as such or an executive corporate officer of the company (current or in the last five years) holds a directorship;
- were not customers, suppliers, investment bankers or corporate bankers:
 - of the Company or the Group to a significant extent, or
 - for which the Company or the Group accounts for a significant portion of the business;
- did not have family ties with a corporate officer of the Company;
- have not been a Statutory Auditor of the Company during the previous five years;
- have not been directors of the Company for more than 12 years (the loss of independent director status under this criterion occurring at the end of the term during which seniority exceeds 12 years).

The Supervisory Board applies the proposed independence criteria. However, it interprets the application of the criterion limiting successive terms of an independent director to 12 years in a slightly different manner (see table summarizing the Afep-Medef recommendations, section 2.1.3).

Consequently, the Supervisory Board believed that as of February 13, 2014, five of the 11 members, or more than one-third, met the independence criteria of the Afep-Medef Code as amended: Dominique Hériard Dubreuil, Guylaine Saucier, Didier Cherpitel, Gérard Buffière, and Laurent Burelle. The composition of the Supervisory Board therefore complies with recommendation 9.2 of the amended Afep-Medef Code, which advocates that at least one-third of the Board members of controlled companies be independent.

At the conclusion of the June 6, 2014 Annual Meeting – provided that shareholders renew the terms of Dominique Hériard Dubreuil and Guylaine Saucier and appoint Christian van Zeller d'Oosthove – the proportion of independent members will be 5/11 or 45%. This does not take into account the upcoming appointment of a Supervisory Board member representing employees.

2.1.2.3 Preparation and organization of the Board's proceedings

The Supervisory Board's internal regulations set down the rights and responsibilities of the members of the Board, state the criteria for evaluating independence, describe the composition and the remit of the Board and its committees, and lay out rules of ethical conduct. In particular, they reiterate the rules for trading shares of Wendel or its listed subsidiaries or investments (see section 2.1.6 "Compliance issues involving the Group's governing and supervisory bodies").

The main provisions of the Board's internal regulations are detailed below.

The members of the Supervisory Board agree to comply with all legal and regulatory obligations as well as all requirements set forth in the Company's by-laws, the Board's internal regulations, and the Market Confidentiality and Ethics Code.

The Supervisory Board meets as often as the interests of the Company require, and at least once a quarter, as convened by its Chairman.

The Chairman of the Supervisory Board is responsible for convening the Board and chairing its discussions. Meetings are held and decisions made according to the quorum and majority conditions required by law. In the event of a tie, the Chairman casts the deciding vote.

Notices of meeting are sent by post or e-mail and, whenever possible, one week in advance. Should a meeting need to be called urgently, the Supervisory Board may be convened without advance notice and be held by telephone or videoconference. One Supervisory Board meeting was held by conference call in 2013.

The Statutory Auditors are invited to all meetings of the Supervisory Board at which the annual or semi-annual financial statements are examined, attending the parts of the meeting during which those financial statements are discussed.

The Supervisory Board meets regularly. It met nine times in 2013. The average attendance rate was over 92% and the meetings lasted an average of three and a half hours.

The Supervisory Board's Secretary is Caroline Bertin Delacour, Director of Legal Affairs.

Considerable care is taken to provide Supervisory Board members with comprehensive, high-quality information in preparation for meetings and to transmit these information packages promptly. The Board Secretary prepares minutes of each meeting. The minutes are distributed prior to the following meeting and any changes are sent subsequently. Minutes of a Supervisory Board meeting are approved at the start of the Board's following meeting, then entered into the register. Board members also receive all information published by the Company (press releases) at the time of its release. The main analyst studies and the most significant press articles are given to them at the following Board meeting or sent by e-mail if there is urgency. A record of attendance is also kept.

2.1.2.4 Responsibilities of the Supervisory Board

As specified in the Supervisory Board's internal regulations, the members of the Supervisory Board individually and collectively represent all shareholders. The Board must conduct its business in the shared interest of the Company. The Supervisory Board is a collegial body; its members make decisions collectively.

The main items discussed at Supervisory Board meetings during 2013 were as follows:

Strategy and operations:

- company strategy and positioning;
- proposed investments and divestments;
- quarterly reports of the Executive Board on the situation of the Company and the Group;

Financing and financial communications:

- the Company's financial position;
- net asset value and share price;
- parent company and consolidated financial statements at December 31, 2012 and June 30, 2013 and Statutory Auditors' reports;
- preparation of the management report;
- Audit Committee reports;
- quarterly financial information;
- management forecasts;
- financing and bond issues;
- share buybacks;
- capital reductions;
- shareholding structure;
- financial communications.

Corporate governance:

- Governance Committee reports;
- Executive Board compensation;
- grant of stock options and performance shares to Executive Board members and recognition of whether or not performance conditions have been met;
- co-investment principles and co-investment on the part of Executive Board members;
- review of the Company's compliance with the Afep-Medef Code;
- Supervisory Board's operation and proceedings;
- report of the Chairman of the Supervisory Board on corporate governance and internal control;
- regulated agreements;
- resolutions submitted by the Executive Board to shareholders at their Annual Meeting;
- changes in the composition of the Board and its committees;
- appointment of a new Board Chairman;
- equal representation and equal salary treatment for men and women;
- renewal of Executive Board members' terms and appointment of an Executive Board Chairman;
- capital increase reserved for members of the Group savings plan;
- review of disputes and litigation.

2.1.2.5 Evaluation of the Supervisory Board and its committees

Recommendation 10 of the amended Afep-Medef Code advises the Board to "evaluate its capacity to meet shareholder expectations (...) by periodically reviewing its composition, organization and operations (...)". Specifically, it suggests that the Board devote one agenda item every year to a discussion of its operations, and that it performs a formal evaluation at least once every three years.

The Supervisory Board devoted an agenda item to its operations at its December 4, 2013 meeting; the ensuing discussion led to the following main conclusions:

- coordination should be improved between the Audit and Governance Committees for issues that fall within both of their remits;
- more information should be communicated to the Board about the state of business at Wendel's companies;
- the Board's composition may need to be updated to reflect Wendel's international expansion.

2.1.3 Corporate governance statement

In 2008 the Company adopted the Afep-Medef Corporate Governance Code for listed companies, which was last amended in June 2013, and uses it as a guideline for its corporate governance. This Code is available on the Medef website (in French): www.medef.fr/main/core.php.

At its meeting on February 13, 2014, the Supervisory Board examined the Company's situation with regard to the Afep-Medef Code as amended in June 2013.

In accordance with AMF recommendation 2012-14 on corporate governance and executive compensation, the following table summarizes the recommendations in the Code that the Company does not apply.

Proportion of independent members on the Audit Committee	<p>Two of the Audit Committee's six members are independent, which is less than the 2/3 independent members recommended by the Code. As Wendel is controlled by a majority shareholder, it is sufficient for 1/3 of its Supervisory Board members to be independent.</p> <p>The Audit Committee meets this criterion. Moreover, other factors – such as that the Chairmanship is held by an independent member, that the Audit Committee's members have in-depth involvement and knowledge of the Company, that external experts are regularly called upon, and that meetings are held frequently – outweigh the arithmetic approach to the composition of the Audit Committee.</p> <p>Finally, the Chairman of each Committee, an independent Supervisory Board member, is now a member of the other Committee which he or she does not chair, thereby increasing the number of independent members in attendance.</p> <p>The Supervisory Board's oversight role, distinct from that of a Board of Directors, protects it from conflicts of interest between its members and Wendel management or the Wendel Group.</p> <p>This protection is even stronger for Audit Committee members. No Supervisory Board members – and therefore no Audit Committee members – are Wendel employees.</p>
Criterion for Supervisory Board independence that limits total terms to 12 years excluded	<p>At its February 13, 2014 meeting, the Supervisory Board decided that Didier Cherpitel should be considered an independent member in light of his skills and involvement in the Board's work. Due to his long-standing experience on the Board, he is able to speak freely and objectively – precisely the qualities that the Afep-Medef Code aims for in Supervisory Board members.</p> <p>Because Wendel's core business is making long-term investments, an extended term of office is essential for Board members to fully understand those investments and build up a wealth of knowledge to draw from. Those are major advantages for Wendel as well as its subsidiaries and associates.</p> <p>Mr. Cherpitel aside, four of the Supervisory Board's 11 members, or 36%, are independent – more than the recommended one-third.</p>
No variability of director's fees based on attendance	<p>The Supervisory Board did not feel it was necessary to create an attendance-based variable portion of director's fees, because the rate of attendance at Board and Committee meetings is already high. (Board: 92%, Audit Committee: 88%, Governance Committee: 89%).</p>
Acquisition of shares upon vesting of performance shares	<p>There is no system for reporting this, as the members of the Executive Board each already own a very significant number of shares of the Company.</p> <p>In addition, they are required to hold 25,000 shares at all times.</p>
Termination benefits paid to executive corporate officers	<p>The situations in which Executive Board members are eligible for termination benefits are more numerous than those specified in recommendation 23.2.5 of the Afep-Medef Code, which states that executives may receive a termination benefit only if the departure is involuntary and due to a change in control or strategy.</p> <p>At Wendel, these benefits might also be paid in the event of an involuntary departure resulting from a substantial change in responsibilities. The Supervisory Board believes that this payment condition is legitimate, because the substantial change in responsibilities would in effect be imposed on the executive.</p> <p>In addition, demanding performance conditions must be met to receive such benefits; the Supervisory Board determines whether those conditions have been met.</p>

2.1.4 Supervisory Board Committees

For the Board to discharge its responsibilities under optimal conditions, its internal regulations stipulate that discussions on certain topics should be prepared in advance by standing Committees. There are two such committees: the Audit Committee and the Governance Committee. The responsibilities of each committee are specified in the internal regulations of the Supervisory Board.

2.1.4.1 The Audit Committee

Composition of the Audit Committee

The Audit Committee has six members:

- Guylaine Saucier, Chairman;
- Gérard Buffière (until July 3, 2013);
- Nicolas Celier;
- Bénédicte Coste (starting August 28, 2013);
- Édouard de l'Espée;
- Humbert de Wendel;
- Didier Cherpitel, starting August 28, 2013 in his capacity as Chairman of the Governance Committee.

The Chairman of the Supervisory Board and the Chairman of the Governance Committee, who became an Audit Committee member during the year, were invited to all Audit Committee meetings in 2013.

All Audit Committee members have the financial and accounting expertise necessary to be a member of the Committee, insofar as they occupy or have occupied senior executive positions in several industrial or financial companies, as prescribed by recommendation 16.1 of the amended Afep-Medef Code.

Ms. Saucier and Mr. Cherpitel are the Committee's independent members.

The composition of the Audit Committee does not strictly comply with recommendation 16.1 of the amended Afep-Medef Code, which suggests that at least two-thirds of the members be independent (see the summary of Afep-Medef recommendations in section 2.1.3).

Responsibilities of the Audit Committee

Pursuant to recommendation 16.2 of the amended Afep-Medef Code, French decree no. 2008-1278 of December 8, 2008 pertaining to the Statutory Auditors, the AMF's final report on Audit Committees published in July 2010, and AMF Recommendation 2010-19, Wendel's Audit Committee is principally responsible for monitoring:

- the process for preparing financial information;
- the effectiveness of internal control and risk management systems;

- the audit of parent company and consolidated financial statements by the Statutory Auditors;
- the independence of the Statutory Auditors.

More specifically, and pursuant to Article 17.1 of the internal regulations of the Supervisory Board, the main tasks of Wendel's Audit Committee are to:

- ensure that the accounting policies chosen are appropriate and properly applied in the preparation of parent company and consolidated financial statements;
- verify the accounting treatment of any significant or complex transaction realized by the Company;
- ensure that the processes used to produce financial information are rigorous enough to guarantee the sincerity of this information;
- ensure that a procedure exists to identify and analyze risks that may have material impact on accounting and financial information, and in particular on the Company's assets, and make sure that appropriate action plans are in place for any identified weaknesses;
- serve as liaison with the Statutory Auditors;
- review all accounting and financial documents to be issued by the Company before they are published (in particular the periodic calculation of net asset value);
- inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are finalized;
- oversee the Statutory Auditor selection process and submit its findings to the Supervisory Board, and issue a recommendation on the Statutory Auditors for shareholder approval at the Annual Meeting;
- review the audit and consulting fees paid by the Group and Group-controlled companies to the Statutory Auditors and their networks and submit a report thereon to the Supervisory Board.

Organization and procedures

The Audit Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Supervisory Board's review of the semi-annual and annual financial statements. The Committee may hold meetings using videoconferencing or other telecommunications tools. It may, in the context of its responsibilities, examine a topic whenever it believes it is necessary and worthwhile to do so. The Audit Committee has access to all the resources it considers necessary to discharge its responsibilities.

To the greatest extent possible, its meetings are held sufficiently in advance of Board meetings to allow for an in-depth examination of any subject requiring the Committee's attention. Accordingly, documents are addressed to Committee members sufficiently in advance of each meeting. The Chief Financial Officer of the Company presents the subjects on the agenda to the members of the Committee as well as any risks to the Company and off-balance-sheet commitments. The Statutory Auditors are invited to each meeting. The Audit Committee may interview the members of the Finance department as well as the Statutory Auditors in the absence of the Company's management.

Information on specific aspects of the Company's accounting, financial and operating processes are provided to Audit Committee members on request.

The Committee may also hire experts to perform specific tasks falling within the scope of its responsibilities. In this regard, the Committee has engaged a recognized independent expert, in the context of evaluating the Company's net asset value.

No members of the Company's Executive Board are present during the Committee's deliberations. The Chairman of the Audit Committee presents a report at the next Supervisory Board meeting. The minutes of each Audit Committee meeting are approved at the next Committee meeting.

The Audit Committee met eight times in 2013, with an attendance rate of 88%. The meetings lasted an average of three hours.

Caroline Bertin Delacour, Director of Legal Affairs and Secretary of the Supervisory Board, is the Audit Committee Secretary.

The Audit Committee examined the following topics in 2013:

- 2012 parent company and consolidated financial statements;
- first-half 2013 consolidated financial statements;
- impairment tests;
- net asset value and its calculation method;
- the Statutory Auditors' reports;
- Wendel's liquidity and debt situation and that of its subsidiaries;
- risk monitoring and control measures;
- outstanding disputes;
- the accounting treatment of certain transactions;
- the Group's tax situation;
- report of the Chairman of the Supervisory Board on risk management and internal control;
- validation of the performance conditions for Executive Board members' stock options and performance shares;
- validation of Executive Board members' 2013 quantitative objectives;
- Statutory Auditors' statement of independence and fees;
- the Committee's operations.

2.1.4.2 The Governance Committee

Composition of the Governance Committee

The Governance Committee, which includes the functions of an Appointments Committee and a Compensation Committee, has six members:

- Didier Cherpitel, Chairman;
- Gérard Buffière (from October 23, 2013);
- Dominique Hériard Dubreuil;
- Édouard de l'Espée (from October 23, 2013);
- Priscilla de Moustier (from October 23, 2013);
- Guylaine Saucier in her capacity as Chairman of the Audit Committee (from October 23, 2013);
- François de Wendel (until May 27, 2013).

The Chairman of the Supervisory Board and the Chairman of the Audit Committee, who became a Governance Committee member during the year, were invited to all Governance Committee meetings in 2013.

Four of the Governance Committee's six members, or two-thirds, are independent: Dominique Hériard Dubreuil, Guylaine Saucier, Gérard Buffière, and Didier Cherpitel, the Committee Chairman.

The composition of the Governance Committee complies with recommendation 18.1 of the amended Afep-Medef Code, which prescribes a majority of independent members and an independent Chairman.

Responsibilities of the Governance Committee

According to Article 17.2 of the internal regulations of the Supervisory Board, the responsibilities of the Governance Committee are as follows:

- propose candidates for Supervisory Board appointment after reviewing all factors that must be taken into account: desired balance on the Board given the composition of, and changes in, the Company's shareholding; legitimate number of independent members; promotion of gender equality;
- propose the current and deferred (termination benefits) compensation of Executive Board members, whether fixed or variable, including benefits in kind and the granting of stock options or performance shares;
- examine Executive Board proposals involving stock options, the granting of performance shares, and other bonus programs for Company employees;
- present the general principles of the co-investment policy for Executive Board members and the management team to the Supervisory Board for its decision;
- propose the compensation package for the Chairman of the Supervisory Board;
- propose the methods for apportionment of Director's fees among the members of the Supervisory Board;

- express an opinion on any question related to the governance of the Company or the functioning of its governing bodies;
- review any question concerning business ethics raised by the Supervisory Board.

Organization and procedures

The Governance Committee met seven times in 2013 with an average attendance rate of 89%. The meetings lasted on average two and a half hours.

The Committee may call upon recognized independent experts to help it carry out its assignments. In 2013 it consulted a specialized firm to advise it on changes to Executive Board compensation as part of the renewal of the Executive Board members' terms.

The agenda and other necessary documents and reports are sent to Committee members about one week prior to each Committee meeting. The Chairman of the Governance Committee presents a report at the next Supervisory Board meeting. The minutes of each Governance Committee meeting are approved at the next Committee meeting.

Caroline Bertin Delacour, Director of Legal Affairs and Secretary of the Supervisory Board, is the Governance Committee Secretary.

Governance Committee meetings in 2013 addressed the following topics:

- renewal of Executive Board members' terms and appointment of a Board Chairman;
- Executive Board compensation;
- the Company's compliance with the Afep-Medef Code, especially regarding Board member independence;
- the amendments to the Afep-Medef Code;
- report of the Chairman of the Supervisory Board on corporate governance;
- the granting of stock options and performance shares to Executive Board members and validation of performance conditions;
- changes to co-investment principles for the 2013-17 period;
- co-investment on the part of Executive Board members;
- capital increase for the Group savings plan and shares owned by the Executive Board;
- the Supervisory Board's self evaluation of its operations and proceedings;
- the composition and process for renewing the appointments of Board members;
- appointment of a new Supervisory Board Chairman;
- review of Board candidates;
- review of answers to questions posed by the AMF on the 2012 Registration Document;
- review of the Company's Code of Ethics.

2.1.5 Division of powers between the Executive and Supervisory Boards

At the Annual Shareholders' Meeting of May 31, 2005, Wendel adopted a dual governance structure with an Executive Board and a Supervisory Board. The Company made this change with the aim of improving its governance, by setting out a clear division of responsibilities between the executives and the shareholders and between the company's management and its supervision.

Pursuant to Article 21 of the by-laws, the Executive Board manages the Company on a collegial basis under the oversight of the Supervisory Board. With authorization from the Supervisory Board, Executive Board members may divide management tasks among themselves. However, this division of tasks may under no circumstances have the effect of nullifying the collegial manner in which the Executive Board manages the Company.

The Executive Board has the broadest powers to act on the Company's behalf under all circumstances. It exercises these powers within the limits of the Company's purpose and as long as they have not been expressly attributed to shareholders or the Supervisory Board. The Chairman of the Executive Board and, if applicable, the Executive Board member or members designated as CEO by the Supervisory Board, represent the Company in its relations with outside parties. The Company is bound even

by actions of the Chairman or CEOs that do not comply with the Company's purpose, unless the Company can prove that the third party knew, or that given the circumstances, must have known, that the action was outside of the scope of the Company's purpose.

The Executive Board may vest one or more of its members or any non-member with special, ongoing or temporary assignments that it has determined and may delegate to them for one or more set purposes, with or without the option to sub-delegate, the powers that it deems necessary.

The Executive Board draws up and presents strategy, budgeting and the reports mentioned below to the Supervisory Board, as well as annual and semi-annual financial statements, as prescribed by law.

The Executive Board, after discussion with the Supervisory Board, sends out the notice of Shareholders' Meetings and, if applicable, any other meeting, and draws up the agenda of these meetings, without prejudice to the provisions of Article 15 of the by-laws.

The Executive Board shall execute all decisions made at these meetings.

The Supervisory Board exercises ongoing oversight of the Executive Board's management of the Company, pursuant to Article L.225-68 of the French Commercial Code and Article 14 of its internal regulations. Throughout the year, it performs the checks and controls it deems appropriate and may request any document it considers necessary to fulfill its duties. The Supervisory Board may mandate one or more of its members to carry out one or more assignments of its choosing. Whenever it deems necessary, the Supervisory Board may convene a Shareholders' Meeting and set the agenda thereof.

The Executive Board ensures that the draft resolutions submitted to the Annual Shareholders' Meeting regarding the composition or the operations of the Supervisory Board accurately reflect the Supervisory Board's decisions.

At least once every quarter, the Executive Board presents to the Supervisory Board a detailed report on the Company's situation and outlook. In particular, it reports on the performance and the development strategy of the companies in its portfolio (including their sales and financial position), planned or completed financial transactions and any other transactions likely to significantly impact the Company.

Within three months after the close of each fiscal year, the Executive Board submits the parent company and consolidated financial statements for the year to the Supervisory Board for verification, along with the management report to be presented to shareholders at their Annual Meeting. The Supervisory Board reports its observations on the Executive Board's report and on the annual parent company and consolidated financial statements to the shareholders. The Executive Board also presents the semi-annual financial statements to the Supervisory Board, as well as the documents containing management forecasts.

The Executive Board informs the Supervisory Board each quarter of the change in net asset value (NAV) per share, which measures the Company's creation of value (see section 4.3). As often as necessary, it also reports to the Supervisory Board on the Company's balance sheet and the type and maturity of its bank and bond debt.

The Supervisory Board is kept regularly informed of the risks the Company assumes and the measures the Executive Board takes to address them (see sections 2.2 and 2.3 and Note 15.1 to the consolidated financial statements). It is also regularly informed about changes in the share capital and voting rights, as well as the Company's proposed acquisitions or divestments.

Prior approval of the Supervisory Board is required for certain transactions, specified in Article 15 of the Company's by-laws:

- a) under current laws and regulations and the Supervisory Board decisions of December 1, 2010 and December 4, 2013 for:
- divestment of real property of more than €10 million per transaction,

- divestment of financial investments of more than €100 million per transaction,
- granting of security interests, guarantees, endorsements and collateral of more than €100 million per transaction,
- any contract subject to Article L.225-86 of the French Commercial Code;

b) under Wendel's by-laws for:

- any transaction, including the acquisition or divestment by the Company (or an intermediate holding company) of more than €100 million,
- any decision binding the Company or its subsidiaries, *i.e.* any decision that, according to the interpretation of the Supervisory Board, involves a significant change to the Wendel Group's strategy or image,
- any proposal to shareholders to change the by-laws,
- any transaction that may lead, immediately or at a later date, to a capital increase or reduction of capital through the issuance of securities or cancellation of shares,
- any proposal to shareholders regarding the appropriation of earnings or the distribution of dividends, as well as any interim dividend,
- any merger or spin-off that the Company is party to,
- any proposal to shareholders regarding a share buyback program,
- any proposal to shareholders regarding the appointment or re-appointment of the Statutory Auditors.

The Supervisory Board is also involved in the financial communication policy.

The Supervisory Board defines the terms and conditions of the Executive Board Chairman's compensation as well as the form in which it is paid (current or deferred, fixed or variable). It approves the Executive Board Chairman's proposal for Bernard Gautier's compensation. It sets stock-option and performance share grants allocated to Executive Board members, as well as the relevant performance and holding conditions.

Finally, the Supervisory Board sets the general principles of the co-investment policy for the members of the Executive Board and the management team and authorizes the co-investment of Executive Board members (see Note 4.1 to the consolidated financial statements). In all cases, the Supervisory Board acts on the recommendation of the Governance Committee. It is the Executive Board's responsibility to set employee stock option and performance share grants, the grant dates and the details of the plan.

2.1.6 Compliance issues involving the Group's governing and supervisory bodies

Recommendation 20 of the amended Afep-Medef Code and AMF Recommendation 2010-07 of November 3, 2010 set out a series of obligations applicable to members of governing bodies.

To fulfill these obligations, the Executive Board created a Market Confidentiality and Ethics Code on December 1, 2009, applicable to its members, to the members of the Supervisory Board and to the Company's employees.

In addition, the Supervisory Board adopted a set of internal regulations at its meeting of December 1, 2010 and added an amendment in February 2012.

Wendel's Market Confidentiality and Ethics Code defines the responsibilities of the Ethics Officer. Since July 24, 2009, the role of Ethics Officer has been filled by Caroline Bertin Delacour.

2.1.6.1 Regulated agreements

Agreements between the Company and a member of the Executive or Supervisory Board, either directly or indirectly, must be approved in advance by the Supervisory Board. The same requirement applies to agreements between the Company and a shareholder holding more than 10% of the voting rights as well as to agreements between the Company and a third party, should they have executives in common. The Chairman of the Supervisory Board reports all authorized agreements to the Statutory Auditors and submits them to shareholders for approval at their Annual Meeting. The Statutory Auditors present a special report to shareholders during the Meeting, which the shareholders vote on. This procedure does not apply to ordinary agreements executed at standard terms.

2.1.6.2 Registered shares

Shares or any other securities issued by the Company or by its listed subsidiaries and associates, which are held or may be held by members of the Executive Board or the Supervisory Board or any related person, such as their spouse or dependent children, must be held in registered form.

2.1.6.3 Blackout periods

Executive and Supervisory Board members are bound by strict confidentiality rules regarding specific, non-public information that could have a material impact on the price of shares or of any other listed security of the Company. This information is considered to be privileged.

The confidentiality requirement also applies to any privileged information that the members may have about a company in which Wendel is considering an investment.

When members of governing bodies are in possession of privileged information, they must refrain from carrying out, directly or indirectly, on their own behalf or on behalf of another party, any transaction involving the Company's shares or any other of its listed securities.

This same restriction on trading is required during certain so-called "blackout" periods during which the Company publishes its annual and semi-annual financial statements, issues quarterly financial reports or announces net asset value (NAV, see section 4.3). These periods are as follows: for annual and semi-annual financial statements, from 30 days before to two days after their publication; for quarterly reports and NAV, from 15 days before to two days after their publication.

Trading is also restricted during any other period communicated by the Company's Ethics Officer.

Unless specified to the contrary, these blackout periods end upon the publication of the information in question, in an official notice and/or a press release that is effectively and fully disseminated.

Members of management must also refrain from trading in the securities of Wendel Group subsidiaries and listed equity investments. This restriction does not apply to shares held by the directors to fulfill obligations imposed by legislation or the by-laws or in accordance with any recommendations issued by the companies in which they serve as director. This restriction also does not apply to the payment of a dividend in kind in the form of shares in subsidiaries or associates held in the Company's portfolio, nor to the shares of Wendel's listed subsidiaries or associates acquired before July 15, 2007. Individuals holding such shares may keep them or sell them, as long as they comply with the Company's Market Confidentiality and Ethics Code.

To prevent illegal insider trading, members of the Company's governing and supervisory bodies are included on the list of permanent insiders drawn up by the Company's Ethics Officer. This list is made available to the AMF and kept for at least five years from the date it was drawn up or updated. When necessary, corporate officers can also be included on the list of occasional insiders.

2.1.6.4 Transactions carried out by executives

Executive and Supervisory Board members and parties related to them are required to report to the AMF, electronically and within five trading days of execution, all acquisitions, disposals, subscriptions or exchanges of shares of the Company as well as all transactions in related instruments. This notification is also sent to the Company's Ethics Officer. The Company has been publishing all of these transactions on its website since 2005.

2.1.6.5 Conflicts of interest

The members of the Executive and Supervisory Boards must clear up any actual or potential conflicts of interest and bring them to the attention of the Company's Ethics Officer.

Each Executive Board member is required to disclose to the Ethics Officer any situation of conflict of interest, even potential situations, and refrain from participating in related votes or discussions (see "Conflicts of interest, family ties and service contracts" in section 2.1.1.1).

At its meeting of February 10, 2012, the Supervisory Board strengthened the procedures in its internal regulations aimed at preventing conflicts of interest. The regulations now specify that the members of the Supervisory Board have an obligation to maintain confidentiality and to be loyal to the Company. Each Board member prepares a statement, addressed to the Company's Ethics Officer (i) when he or she assumes the office of Board member, (ii) at any time, at the initiative of the member or upon the request of the Ethics Officer and (iii) in any event within ten business days of any event rendering all of part of the previous statement inaccurate. In the event of conflict of interest, even a potential one, the Board member abstains from participating in debate and does not take part in the corresponding vote. He or she does not receive the information related to the agenda item giving rise to the conflict of interest. The Chairman of the Supervisory Board asks the Board member not to participate in the voting. Any Board decision relating to a conflict of interest is explained in the minutes of the meeting.

Members of the Supervisory Board must also inform the Chairman of the Supervisory Board and the Chairman of the Governance Committee of his or her intention to accept a new appointment in a company that does not belong to a group of which he or she is an executive, if the Board member believes that this new appointment might create a conflict of interest. In this case, the Board decides whether the

appointment is incompatible with the position of member of the Supervisory Board of Wendel. Should the Board decide that there is a conflict of interest, it asks the Board member to choose between the new appointment and his/her appointment at Wendel. The Board explains the reasoning behind its decision to declare an appointment incompatible.

2.1.6.6 Restriction on the sale of Wendel shares by Supervisory and Executive Board members

To the Company's knowledge, members of the Supervisory and Executive Boards have accepted no restrictions on the divestment of their shareholdings in the Company, with the following exceptions:

- in accordance with the by-laws of the Company, each member of the Supervisory Board must hold 100 fully paid-up shares. The internal regulations of the Supervisory Board has increased this minimum to 500 shares;
- the members of the Executive Board are obligated to hold shares obtained through the exercise of their stock options or the vesting of their performance shares;
- Executive Board members may not exercise their options during the 30-day period preceding the publication of annual or semi-annual financial statements, in accordance with the Supervisory Board's decision of June 4, 2010, which complies with recommendation 23.2.4 of the amended Afep-Medef Code;
- Wendel's Market Confidentiality and Ethics Code imposes certain abstention obligations;
- certain corporate officers have entered into collective lock-up commitments under Article 885 I bis and 787 B of the French Tax Code, described in section 7.9.1 of this Registration Document
- Executive Board members are required to hold 25,000 Wendel shares at all times; this retention requirement may be waived or modified by the Supervisory Board, based on a recommendation by the Governance Committee, in exceptional circumstances/
- One corporate officer has made the commitment to hold a significant number of Wendel shares resulting from the acquisition of Solfur in 2007 for the duration of his/her presence in the Group; this retention requirement may be waived or modified by the Supervisory Board, based on a recommendation by the Governance Committee, in exceptional circumstances.

2.1.7 Compensation of corporate officers

2.1.7.1 Compensation policy for Executive Board members

Executive Board members' compensation is approved by the Supervisory Board on the Governance Committee's recommendation and after the Audit Committee has verified the financial items.

The Governance Committee's recommendation is based on market practices for listed companies and European investment companies, which it determines using sector benchmarks provided by independent experts. Specifically, as part of the renewal of Executive Board members' terms in April 2013, the Committee retained an independent firm to benchmark overall Executive Board compensation.

Executive Board members' compensation is designed so as to be:

- competitive compared with rival European investment companies;
- consistent with Wendel's long-term investment strategy;
- aligned with the interests of shareholders;
- subject to demanding performance conditions.

2.1.7.2 Summary of compensation, stock options and performance shares granted to each executive corporate officer

The compensation paid to the members of the Executive Board includes:

- a fixed portion, including Director's fees paid with respect to their appointments within the Group;
- a variable portion, according to specific objectives. The calculation is based on quantitative and qualitative criteria. The choice and weighting of these criteria is decided each year by the Supervisory Board on the recommendation of the Governance Committee. The level of variable pay actually attributed by the Supervisory Board depends on the extent

to which objectives are achieved (see table showing compliance with the Afep-Medef Code, section 2.1.3);

- stock options and/or performance shares.

The Supervisory Board ensures a balance between the stock options and/or performance shares granted to Executive Board members and the Company's share capital, their overall respective compensation, and the total number of stock options and performance shares granted.

Since 2009, in accordance with the law and as recommended in the Afep-Medef Code of Corporate Governance, Executive Board members have been required to hold Company shares at all times. The Supervisory Board has set the number of such shares at 25,000, including 500 from each of the Company's performance share and stock option plans.

As of December 31, 2013, Frédéric Lemoine and Bernard Gautier held 98,850 and 330,368 shares, respectively.

The Executive Board members have undertaken to not hedge their risk on the shares they must hold until the end of their term of office with the Company.

Executive Board members do not receive any deferred bonuses or supplementary pension benefits.

Executive Board members' terms were renewed in April 2013 for a period of four years. The method for calculating Executive Board members' variable compensation has been established for the duration of their new term. The method may be revised half-way through their term.

The compensation owed or granted to Executive Board members for 2013 will be submitted to shareholder approval at the Annual Meeting on June 6, 2014, in accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013 (the proposed compensation is given in the Executive Board's report on Annual Meeting resolutions, see section 8.9.2).

Table 1 under the Afep-Medef Code

	2013	2012
Frédéric Lemoine Chairman of the Executive Board		
Total compensation due for the year (detailed in table 2)	2,290,879	1,715,860
Number of options granted during the year	53,518	54,542
Valuation of options ⁽¹⁾ granted during the year (detailed in table 4)	743,900	507,241
Number of performance shares granted during the year	17,838	18,181
Valuation of performance shares ⁽²⁾ granted during the year (detailed in table 6)	717,088	485,433
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	3,751,867	2,708,534
Bernard Gautier Member of the Executive Board		
Total compensation due for the year (detailed in table 2)	1,528,461	1,004,595
Number of options granted during the year	35,677	36,361
Valuation of options ⁽¹⁾ granted during the year (detailed in table 4)	495,910	338,157
Number of performance shares granted during the year	11,892	12,120
Valuation of performance shares ⁽²⁾ granted during the year (detailed in table 6)	478,058	323,604
Total: compensation due for the year and valuation of stock options and performance shares granted during the year	2,502,429	1,666,356

The options and performance shares in this table have been measured at their "fair value" from an accounting standpoint, calculated at the time they were granted and in accordance with IFRS. They correspond neither to amounts actually received nor to the real amounts that could be obtained if the presence and performance conditions enabling their beneficiaries to receive income were fulfilled.

(1) The valuation of these options rose from €9.30 in 2012 to €13.90 in 2013 due to an increase in the underlying share price (see section 2.1.7.4);

(2) Similarly, the valuation of performance shares rose from €26.70 for those granted in 2012 to €40.20 for those granted in 2013 (see section 2.1.7.6)

2.1.7.3 Summary of each executive corporate officer's compensation

The Governance Committee commissioned an independent firm in 2013 to perform a benchmarking study of Executive Board members' compensation as part of their term renewal. The study looked at both the level and structure of their pay packages.

Based on the study's findings, the Governance Committee and the Supervisory Board decided to:

- maintain Frédéric Lemoine's fixed compensation at €1,200,000, unchanged since he was appointed in 2009. His fixed compensation will remain at this level in 2014;
- increase Bernard Gautier's fixed compensation from €700,000 – the level it was at from 2009 to 2012 – back to €800,000 for 2013, the level it was at before 2009. His fixed compensation will remain at this level in 2014;
- change Executive Board members' variable compensation. Since 2009 it had been set at 50% of fixed compensation, or higher if the Company posts exceptionally strong results, as it did in 2010. Now variable compensation can reach 75% to 100% of fixed compensation.

Variable compensation may reach, but not exceed, 100% of fixed compensation. As before, it is not guaranteed.

Variable compensation is paid in the beginning of the year following the year for which it is due. The objectives used to determine variable compensation are both quantitative (70% of the 2013 variable compensation) and qualitative (30% of the 2013 variable compensation). The quantitative objectives set by the Supervisory Board for 2013 include the operating income of Wendel companies, cash usage, debt levels, and the increase in net asset value.

After the Audit Committee verified the relevant financial items, the Governance Committee decided that the objectives of the two Executive Board members had been 87.93% met in 2013. Therefore the Governance Committee proposed to the Supervisory Board that Frédéric Lemoine be attributed 87.93% of his maximum variable compensation, or €1,055,160. The Supervisory Board approved this compensation.

Mr. Lemoine suggested that both Executive Board members be assessed in the same way. Accordingly, the Governance Committee proposed that Bernard Gautier receive 87.93% of his maximum variable compensation, or €703,400. The Supervisory Board approved this compensation.

Table 2 under the Afep-Medef Code

The amounts paid for 2013 equal the amounts actually received by each corporate officer. The amounts due correspond, in accordance with the AMF definition, to “compensation granted to the executive corporate officer during the year, irrespective of the date of payment”.

The differences between the amounts paid and the amounts due result from the lag between the date on which Director's fees and variable compensation are paid and the years to which they apply. These amounts include all compensation paid by Group companies during the year.

	2013		2012	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Frédéric Lemoine Chairman of the Executive Board				
Total fixed compensation	1,200,000	1,200,000	1,200,000	1,200,000
<i>of which Director's fees ⁽¹⁾</i>	254,270	278,049	273,758	269,190
Variable compensation	1,055,160	480,000	480,000	600,000
Other compensation ⁽²⁾	23,821	23,491	23,395	5,209
Benefits in kind ⁽³⁾	11,898	11,898	12,465	12,465
TOTAL	2,290,879	1,715,389	1,715,860	1,817,674

(1) Frédéric Lemoine received Director's fees from Bureau Veritas, Legrand, Saint-Gobain, Trief Corporation SA, and Winvest Conseil Sarl.

(2) Frédéric Lemoine benefits from the agreements in force at Wendel, including the collective performance bonus plan and the Group savings and pension plans, in the same manner as any Wendel employee.

In 2014 he should receive a gross collective performance bonus for 2013 of half the annual reference amount determined by French Social Security (“*plafond annuel de la sécurité sociale*”) for 2013, i.e. €18,516.

His subscription to the 2013 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,305.20.

(3) Since Frédéric Lemoine does not have an employment contract, he has had unemployment insurance provided by GSC (a specialized provider of unemployment insurance for business owners and corporate officers) since October 1, 2009. He also receives health and death & disability insurance under the same terms and conditions as Wendel management employees.

He has use of a company car exclusively for business purposes.

All compensation paid to Bernard Gautier was done so under the terms of his employment contract.

	2013		2012	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Bernard Gautier Member of the Executive Board				
Total fixed compensation	800,000	800,000	700,000	700,000
<i>of which Director's fees ⁽¹⁾</i>	160,447	166,211	152,758	142,390
Variable compensation	703,440	280,000	280,000	350,000
Other compensation ⁽²⁾	25,021	24,691	24,595	6,409
Benefits in kind	-	-	-	-
TOTAL	1,528,461	1,104,691	1,004,595	1,056,409

The compensation paid to Bernard Gautier is entirely under his employment contract.

(1) Bernard Gautier received Director's fees from Saint-Gobain, Trief Corporation SA, Winvest Conseil SARL, Winvest International SICAR SA, Oranje-Nassau Développement SICAR SA, and Sofisamc.

(2) Mr. Gautier benefits from the agreements in force at Wendel:

In 2014 he should receive a gross collective performance bonus for 2013 of half the annual reference amount determined by French Social Security (“*plafond annuel de la sécurité sociale*”) for 2013, i.e. €18,516.

His subscription to the 2013 capital increase reserved for employees who are members of the Group savings plan was matched by an increased contribution of €5,305.20.

As a salaried employee, he also received €1,200 in 2013 as part of a special profit-sharing premium.

2.1.7.4 Stock options granted to executive corporate officers

Wendel grants stock options in accordance with the following principles:

- stock options are granted each year to certain employees and senior managers of Wendel or its associated companies;
- neither corporate officers nor members of Wendel management receive stock options from subsidiaries or associated companies.

Executive Board members were granted stock options in 2013 of an amount determined by the Supervisory Board on the recommendation of the Governance Committee, as presented in the table below.

These stock options have the following features:

- a presence condition: the options are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; subject to achievement of the performance condition, the first half of the options may be exercised after one year and all of the options may be exercised after two years;
- a performance condition: the number of options ultimately exercisable is subject to NAV increasing by 5% p.a. over two years as follows: half of the options vest if the increase in NAV over the 2013-14 period is greater than or equal to 5%; all the options vest if the increase in NAV over the 2013-15 period is greater than or equal to 10.25%. The NAV used as the point of reference for 2013 is that calculated on May 16, 2013, or €124.10 per share. The NAVs used as the points of reference for 2014 and 2015 will be the last NAVs published before July 1, 2014 and July 1, 2015, respectively, plus accumulated dividends paid after May 16, 2013;
- a holding period condition: the members of the Executive Board must hold at least 500 shares obtained through the exercise of options granted under the 2013 plan, as part of their obligation to hold 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 4 under the Afep-Medef Code

	Plan no. and date	Type of options (purchase or subscription)	Option valuation according to the method used for the consolidated financial statements	Number of options granted during the year	Strike price	Exercise period	Performance conditions
Frédéric Lemoine	Plan W-6	Purchase	€13.90	53,518	€82.90	2014-2023	
	Date: July 1, 2013						See above
Bernard Gautier	Plan W-6	Purchase	€13.90	35,677	€82.90	2014-2023	
	Date: July 1, 2013						See above
TOTAL				89,195			

Options were valued by an independent expert using a mathematical model known as binomial pricing. The model takes into account various events that might take place while the options are valid, including various points in time at which the pre-determined requirements for both performance and presence within the Company are tested. Based on this model, each option was worth €13.90 as of the grant date (July 1, 2013), as indicated in the table above. This value reflects the particularly restrictive assumptions that are made to ensure that the Executive Board's interests are aligned with the Company's objectives. On the other hand, this valuation does not reflect the blackout periods or other periods during which possession of privileged information would prevent the beneficiaries from

exercising their options and selling the corresponding shares. These factors should reduce the value of these options. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these options.

The purchase or subscription price is based on the average of the share price in the 20 trading days preceding the grant date, with no discount.

A total of 93,750 stock options were granted in 2013 to the ten non-corporate-officer employees who received the highest number of stock options that year.

2.1.7.5 Options exercised by executive corporate officers during the year

Table 5 under the Afep-Medef Code

	Plan no. and date	Type of options (purchase or subscription)	Number of options exercised during the year	Strike price
Frédéric Lemoine	Plan 2-1 Date: July 16, 2009	Purchase	105,000	€22.58
Bernard Gautier	Plan 2-1 Date: July 16, 2009	Purchase	80,000	€22.58
TOTAL			185,000	

The performance condition for the exercise of the stock options is a 20% per year increase in net asset value for three years, or a total increase of 72.8% or more from 2009 to 2012. This performance

condition was met: the NAV rose from €31 in May 2009 to €93.60 in May 2012, or a 202% total increase.

Table 8 under the Afep-Medef Code – Summary of all stock subscription or purchase option plans to date

Plans WENDEL Investissement													Wendel plans	
	Plan no. 3			Plan no. 1			Plan no. 2	Plan no. 3	Plan no. 4	Plan no. 5	Plan no. 6			
Date of Annual Shareholders' Meeting	June 10, 2004			June 4, 2007			June 5, 2009	June 4, 2010	May 30, 2011	June 4, 2012	May 28, 2013			
Plan	WI 3-1	WI 3-2	WI 3-3	W1-1	W1-2	W1-3	W2-1	W2-2	W-3	W-4	W-5	W-6		
Date of Board of Directors or Executive Board meeting	July 9, 2004	July 6, 2005	July 4, 2006	June 4, 2007	July 16, 2008	April 2, 2009	July 16, 2009	February 8, 2010	June 4, 2010	July 7, 2011	July 5, 2012	July 1, 2013		
Type of option	Sub- scription	Sub- scription	Sub- scription	Sub- scription	Sub- scription	Sub- scription	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase		
Initial total number of shares that can be subscribed or purchased	428,223	49,000	60,600	837,500	890,600	271,000	391,200	7,000	353,177	404,400	227,270	252,182		
Of which:														
Number initially granted to corporate officers:														
Mr. Seillière	171,612*	-	-	90,000	-	-	-	-	-	-	-	-	-	
Mr. Lemoine	-	-	-	-	-	-	120,000	-	105,000	96,000	54,542	53,518		
Mr. Gautier	20,190*	-	-	150,000	150,000	-	80,000	-	70,000	64,000	36,361	35,677		
Start date for exercise of the options	July 9, 2005	July 6, 2006	July 4, 2007	June 4, 2012	July 15, 2013	April 2, 2014	July 16, 2010(2)	February 8, 2011	June 4, 2011	July 7, 2012	July 5, 2013	July 1, 2014		
Option expiration date	July 8, 2014	July 5, 2015	July 3, 2016	June 4, 2017	July 15, 2018	April 2, 2019	July 16, 2019	February 8, 2020	June 4, 2020	July 7, 2021	July 5, 2022	July 1, 2023		
Subscription or purchase price per share	€39.98	€65.28	€90.14	€132.96	€67.50	€18.96	€22.58	€41.73	€44.32	€80.91	€54.93	€82.90		
Discount	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Performance conditions ⁽¹⁾	-	-	-	For everyone	For everyone	For everyone	For corporate officers	-	For everyone	For everyone	For everyone	For everyone		
Cumulative number of shares subscribed or purchased as of Dec. 31, 2013	416,248	9,000	1,300	0	22,050	0	341,158	0	11,274	0	250	0		
Cumulative number of canceled or expired options	5,151	9,000	19,900	710,600	779,410	64,000	6,667	0	6,900	9,350	500	0		
Number of options remaining to be subscribed or purchased as of Dec. 31, 2013⁽²⁾	6,824	31,000	39,400	126,900	89,140	207,000	43,375	7,000	335,003	395,050	226,520	252,182		
NUMBER OF OPTIONS REMAINING TO BE EXERCISED BY CORPORATE OFFICERS⁽³⁾:														
Mr. Seillière				22,500			-							
Mr. Lemoine							0	-	105,000	96,000	54,542	53,518		
Mr. Gautier	0				37,500	37,500	0	-	70,000	64,000	36,361	35,677		

* Amounts adjusted as part of capital transactions.

(1) All performance conditions are tied to an increase in NAV.

(2) For corporate officers, the starting date for exercise of the options is July 16, 2012.

(3) Maximum number, subject to the realization of performance objectives.

2.1.7.6 Performance shares awarded to executive corporate officers during the year

Executive Board members were granted performance shares in 2013 of an amount determined by the Supervisory Board on the recommendation of the Governance Committee, as presented in the table below.

These performance shares have the following features:

- a presence condition: the performance shares are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; subject to achievement of the performance condition, all performance shares vest after the two-year period and may be sold after an additional two-year holding period;
- a performance condition: the number of performance shares that ultimately vest is subject to NAV increasing by 5% p.a. over two years as follows: half of the shares vest if the increase in NAV over the 2013-14 period is greater than or equal to 5%; all the shares vest if the increase in NAV over the 2013-15 period is greater than or equal to 10.25%. The NAV used as the point of reference for 2013 is that calculated on May 16, 2013, or €124.10 per share. The NAVs used as the points of reference for 2014 and 2015 will be the last NAVs published before July 1, 2014 and July 1, 2015, respectively, plus accumulated dividends paid after May 16, 2013;
- a holding period condition: the members of the Executive Board must hold at least 500 performance shares received under the 2013 plan, as part of their obligation to hold 25,000 shares of the Company in registered form until the end of their term of office with the Company.

Table 6 under the Afep-Medef Code

	Plan no. and date	Number of performance shares granted during the year	Share valuation according to the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Frédéric Lemoine	Plan 5-1	17,838	€40.20	July 1, 2015	July 1, 2017	
	Date: July 1, 2013					See above
Bernard Gautier	Plan 5-1	11,892	€40.20	July 1, 2015	July 1, 2017	
	Date: July 1, 2013					See above
TOTAL		29,730				

Performance shares were valued by an independent expert using a mathematical model known as binomial pricing. The model takes into account various events that might take place while the performance shares are valid, including various points in time at which the pre-determined requirements for both performance and presence within the Company are tested. Based on this model, each performance share was worth €40.20 as of the grant date (July 1, 2013), as indicated in the table above. This value reflects the particularly restrictive assumptions that are made to ensure that the Executive Board's interests are aligned with the Company's objectives. In any event, this value is theoretical: the Company has paid no cash amount to the beneficiaries with regard to these options.

A total of 21,500 performance shares were granted in 2013 to the ten non-corporate-officer employees who received the highest number of performance shares that year.

2.1.7.7 Performance shares awarded to executive corporate officers that became available during the year

No performance shares awarded to executive corporate officers became available in 2013.

Table 9 under the Afep-Medef Code – Summary of all performance share grants to date

Situation as of December 31, 2013	Plan 2-2	Plan 2-3	Plan 3-1	Plan 4-1	Plan 4-1
Date of Annual Shareholders' Meeting		June 5, 2009	June 4, 2010	June 4, 2012	May 28, 2013
Number of authorized shares as % of capital		0.20%	0.30%	0.30%	0.30%
Share grants as a % of capital	0.20%		0.30%	0.15%	0.15%
Date of Executive Board meeting	January 12, 2010	May 17, 2010	June 4, 2010	July 5, 2012	July 1, 2013
Number of performance shares granted	83,450	10,500	151,362	75,754	64,595
of which, shares granted to corporate officers:					
Frédéric Lemoine	-	-	13,500	18,181	17,838
Bernard Gautier	-	-	9,000	12,120	11,892
Shares to be issued or existing	Existing	Existing	Existing	Existing	Existing
Vesting date	January 12, 2012	May 17, 2012	June 4, 2012	July 5, 2014	July 1, 2015
End of holding period	January 12, 2014	May 17, 2014	June 4, 2014	July 5, 2016	July 1, 2017
Performance conditions	No	No	Yes	Yes	Yes
Share value at grant date	€43.58	€44.61	€44.32	€54.93	€82.90
Share value at vesting date	€54.10	€54.25	€51.58	-	-
Number of shares vested	80,950	10,500	146,437	0	0
Cumulative number of canceled or expired shares	2,500	0	4,925	167	0
Number of shares not yet vested	0	0	0	75,587	64,595

2.1.7.8 Position of executive corporate officers with respect to Afep-Medef recommendations

Table 10 under the Afep-Medef Code

With the exception of the payment of termination benefits in certain cases detailed below, the position of corporate officers complies in every respect with Afep-Medef recommendations.

Executive corporate officers	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due upon departure or a change in responsibility		Non-compete clause payments	
	Yes	No	Yes	No	Yes	No	Yes	No
Frédéric Lemoine Chairman of the Executive Board (April 7, 2009 to April 7, 2013; April 7, 2013 to April 7, 2017)		X		X	X			X
Bernard Gautier Member of the Executive Board (April 7, 2009 to April 7, 2013; April 7, 2013 to April 7, 2017)	X			X	X			X

Employment contract

Bernard Gautier has had an employment contract since he joined the Company in 2003.

Changes to Mr. Gautier's employment contract constitute regulated agreements under Article L.225-86 of the French Commercial Code.

Termination benefits

The following commitments were approved by the Supervisory Board at its meeting of May 6, 2009, and were published on the Company's website on May 12, 2009. They were also mentioned in the Statutory Auditors' special report on regulated agreements and commitments, approved by Wendel's shareholders at the Annual Meeting of June 4, 2010.

The Supervisory Board reiterated its authorization regarding these termination benefits when it renewed the Executive Board members' terms at its meeting of March 27, 2013. Shareholders approved these regulated agreements at the Annual Meeting of May 28, 2013.

An explanation of the compliance of termination benefit terms with the Afep-Medef Code can be found in section 2.1.3.

Under the terms of **Frédéric Lemoine's** appointment in April 2009, he is entitled to compensation in the event of his termination. The amount of that compensation was set on April 7, 2011 at up to two years' total compensation, based on his last total fixed and target variable compensation.

Termination benefits are paid in the event of removal from office for reasons other than failure, which is characterized by a serious problem unanimously recognized by the Supervisory Board. Subject to this condition, termination benefits apply in the event of removal or non-renewal of the Executive Board Chairman's term of office, of a material change in his responsibilities, of a change of control, or of a significant change in strategy.

At its meeting on February 11, 2010, the Supervisory Board set the following performance conditions for termination benefits:

- 50% of the amount of the benefit would be paid only if, for two of the three years preceding the termination, including the current year, variable compensation equal to at least 50% of the target variable compensation allocated by the Supervisory Board to Mr. Lemoine in relation to those three years has been paid;
- 50% of the amount of the benefit would be paid only if NAV per share at the end of the term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 12 months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference (thus, if Actual NAV is 20% lower than Reference NAV, the payment would be reduced by half (20% x 2.5 = 50%). If Actual NAV is lower than 60% of the Reference NAV, this portion of the termination benefit would be zero.

This commitment received the prior consent of the Supervisory Board at its meeting on February 11, 2010, and was published on the Company's website on February 16, 2010. It was also mentioned in the Statutory Auditors' special report on regulated agreements and commitments, approved by Wendel's shareholders at the Annual Meeting of June 4, 2010.

In the event **Bernard Gautier's** employment contract should be terminated, he would be entitled to one year's fixed compensation and target variable compensation as approved by the Supervisory Board (corresponding to the average of the yearly compensation allocated with respect to the last three fiscal years for which the financial statements have been approved); if this amount exceeds the maximum benefit authorized by the collective bargaining agreement, the excess amount would be paid only if Mr. Gautier has been paid, for two of the three years prior to termination, variable compensation equal to at least 50% of his target variable compensation in relation to those three years.

This benefit would be paid in the event the employment contract were terminated by mutual agreement, dismissal (except for serious misconduct) or resignation, if such resignation follows his removal from office or the non-renewal of his term as corporate officer, a material change in his responsibilities, a change of control or a significant change in strategy.

In the event Bernard Gautier were no longer to be a member of the Executive Board, he would receive a termination benefit equal to one year of total fixed compensation and target variable compensation, as approved by the Supervisory Board (corresponding to the average of the yearly compensation allocated with respect to the last three fiscal years for which the financial statements have been approved), subject to the following performance conditions:

- 50% of the amount of the benefit would be paid only if, for two of the three years preceding the termination for which the financial statements have been approved, variable compensation equal to at least 50% of his target variable compensation in relation to those three years has been paid;
- 50% of the amount of the benefit would be paid only if NAV per share at the end of the term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding six months (Reference NAV). If Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference (thus, if Actual NAV is 20% lower than Reference NAV, the payment would be reduced by half (20% x 2.5 = 50%). If Actual NAV is lower than 60% of the Reference NAV, this portion of the termination benefit would be zero.

This benefit would be paid in the event of his removal from office or non-renewal of his term of office as an Executive Board member, of his resignation from the Executive Board if such resignation follows dismissal or termination of employment by mutual agreement, a material change in his responsibilities, a change of control or of a significant change in strategy.

In the event that Mr. Gautier fully achieves or exceeds the above performance objectives, the total amount of the termination benefits paid to him, including any benefits under the collective bargaining agreement applicable to his employment contract, may not exceed two years' gross fixed and target variable compensation.

2.1.7.9 Director's fees and other compensation received by non-executive corporate officers

The shareholders set the annual amount of Director's fees at €750,000 during their June 4, 2010 Annual Meeting.

The Supervisory Board decided the following breakdown, on an annual basis:

- basic Director's fee: €35,000;
- double Director's fee for the Chairman of the Supervisory Board and of each Supervisory Board Committee: €70,000;
- additional fee for Committee membership: €15,000.

The 2013 compensation paid to the current Supervisory Board Chairman was calculated on a *pro rata* basis from the start of his term on April 1, 2013, using a base of €70,000 for the full year.

Contrary to the Afep-Medef recommendation, the Supervisory Board has not considered it necessary, given the attendance rates indicated in section 2.1.2.2, to modulate Director's fees based on attendance (see section 2.1.3, "Corporate governance statement").

Finally, members of the Board may be reimbursed for their travel expenses. The expense reimbursement policy for Supervisory Board members was approved by the Supervisory Board at its December 1, 2010, meeting, on the recommendation of the Governance Committee.

The Director's fees and other compensation received by the non-executive corporate officers in relation to their positions at Wendel and all companies in the Group are presented in the following table.

Table 3 under the Afep-Medef Code

Director's fees and other compensation received by non-executive corporate officers

Non-executive corporate officers	Amounts paid in 2013	Amounts paid in 2012
Ernest-Antoine Seillière ^{(1) (2)}		
Wendel Director's fees	23,333	70,000
Wendel-Participations Director's fees	0	4,167
Other Director's fees ⁽³⁾	27,500	48,101
Compensation as Supervisory Board Chairman (until end-March 2013)	26,250	105,000
Benefits in kind	1,854	4,413
TOTAL	78,937	231,681
François de Wendel ⁽⁴⁾		
Director's fees	65,000	50,000
Wendel-Participations Director's fees	18,832	16,666
Compensation as Supervisory Board Chairman (from April 2013)	52,500	-
TOTAL	136,332	66,666
Dominique Hériard Dubreuil		
Director's fees	50,000	50,000
Gérard Buffière		
Director's fees	50,000	50,000
Laurent Burelle		
Director's fees (from June 2013)	20,417	-
Nicolas Celier		
Director's fees	50,000	50,000
Didier Cherpitel		
Director's fees	77,500	70,000
Bénédicte Coste		
Director's fees (from June 2013)	27,917	-
Wendel-Participations Director's fees	9,416	-
TOTAL	37,333	-
Édouard de l'Espée		
Director's fees	57,500	50,000
Wendel-Participations Director's fees	9,416	8,333
TOTAL	66,916	58,333
Jean-Marc Janodet		
Director's fees (until June 2012)	-	25,000
Other Director's fees	-	18,293
TOTAL	-	43,293
François de Mitry		
Director's fees (until September 2012)	-	37,500
Wendel-Participations Director's fees	-	8,333
TOTAL	-	45,833

Non-executive corporate officers	Amounts paid in 2013	Amounts paid in 2012
Priscilla de Moustier		
Director's fees (from June 2013)	27,917	-
Wendel-Participations Director's fees	9,416	-
TOTAL	37,333	-
Guylaine Saucier		
Director's fees	77,500	70,000
Humbert de Wendel		
Director's fees	50,000	50,000
Wendel-Participations Director's fees	9,416	8,333
TOTAL	59,416	58,333
TOTAL	762,046	794,139
of which total Wendel Director's fees and compensation of the Chairman of the Supervisory Board	655,834	677,500

(1) Chairman of the Supervisory Board until March 27, 2013, then member of the Supervisory Board until May 28, 2013.

(2) Due his past employment with the Group, Ernest Antoine Seillière benefits from a supplementary pension plan (see section 3.1.2 and Note 3.4 to the consolidated financial statements).

(3) Director's fees received from Bureau Veritas.

(4) Member of the Supervisory Board from January 1, 2013 to March 27, 2013, then Chairman of the Supervisory Board from March 28, 2013.

2.2 Risk factors

Wendel regularly evaluates its own risk factors and those of its consolidated subsidiaries, operating subsidiaries, and holding companies. The risk management process is described in section 2.3 below, in the risk management and internal control report.

The risk factors presented in this section are those that could have a material effect on the business operations, financial situation or future performance of the Company or of the companies that were fully consolidated during the fiscal year under review and as of the date of this Registration Document. Nippon Oil Pump (NOP), acquired in December 2013, will be fully consolidated starting on January 1, 2014.

Risk factors concerning Saint-Gobain and except, listed companies that are consolidated by the equity method, are presented in their respective registration documents or annual financial reports.

2.2.1 Financial risks

Information on liquidity, interest-rate, currency and equity risks of Wendel and its controlled subsidiaries can be found in Note 5, "Managing financial risks," to the consolidated financial statements, given in this Registration Document.

2.2.2 Operational risks

Wendel, Trief, and Oranje Nassau

Risks related to the equity-investment operations of Wendel, Trief, Oranje-Nassau, and their holding companies are described below.

Equity investment can involve a risk at the time the ownership stake is acquired, inasmuch as the company's value might be overestimated. The valuation applied to a target company is based on operating, environmental, financial, accounting, legal and tax data communicated during due diligence, and this information might not be entirely accurate or complete. Wendel's due diligence processes performed are thorough and must meet predetermined investment criteria. Identified risks can, on a case-by-case basis, be covered by a guarantee from the seller.

Equity investments made by Wendel investment companies are financed either through equity or debt. The terms and conditions of Wendel's financing arrangements impact the profitability of its projects. In light of recent regulatory changes and current market conditions, these financial terms and conditions can affect the ability of Wendel or of its consolidated subsidiaries to obtain financing or refinancing. The members of the Company's investment team strive to negotiate the best financing or refinancing terms.

Legal considerations related to acquisitions are often complex, because foreign legislative and regulatory requirements must be met and because specific organizational structures must be implemented depending on the characteristics of each investment.

Once they have joined the portfolio, the companies in which Wendel, Trief, and Oranje-Nassau have invested must be evaluated periodically. Wendel's net asset value (NAV) is calculated five times a year, using a precise, stable methodology (see section 4.3). The Supervisory Board examines the NAV after hearing the opinion of the Audit Committee, which in turn calls upon an independent expert (see section 2.1.4.1). These intermediate valuations do not necessarily reflect ultimate divestment value.

Furthermore, unlisted controlled companies are less liquid than listed companies. The sale of equity investments can be facilitated or hindered by market conditions.

Wendel seeks to reduce its sensitivity to valuation risks of the companies in its portfolio by diversifying its assets, both sectorally and geographically. In this regard, Wendel invested in two African companies: IHS, which operates in telecom infrastructure; and Saham, which operates in healthcare, insurance and real estate.

Finally, Wendel's ability to seize investment opportunities, best manage its equity investments and optimize financing and refinancing depend on the skills and stability of its Executive Board and management team. As a result, the departure of key people could have a negative impact on Wendel's investment activity.

Bureau Veritas

The main risks identified by Bureau Veritas are: changes to the macroeconomic, financial and political environment; intense competitive pressure; the need to obtain local, regional or international authorizations to carry out a significant portion of its activities; image-related risks resulting from potential operational disputes; currency risk; risks related to debt (see the sections entitled "Managing currency risk" and "Bureau Veritas financial debt", respectively, in the consolidated financial statements); the risk of the departure of key employees and of a shortage of qualified employees to support the group's growth; generic risks such as those related to operating costs, IT system failure, carrying out acquisitions or to the company's status as a listed entity.

The Bureau Veritas management team is in charge of managing these risks. Bureau Veritas describes these risk factors in more detail in its registration document, available on its website (www.bureauveritas.fr) and on that of the AMF (www.amf-france.org).

Materis

The main risks identified by Materis are: changes to the macroeconomic environment; a rise in certain raw material prices and in freight costs; industrial and environmental risks; liquidity risk arising from the financing structure for this investment (see the section on equity risk management in the consolidated financial statements).

The Materis management team is in charge of managing these risks.

Stahl

The main risks identified by Stahl are: changes to the macroeconomic and financial environment; competitive pressure; a rise in raw material prices; the concentration of chemical suppliers; sectoral innovation; industrial risks; environmental risks (certain materials used or products manufactured could be discovered to be hazardous to human health or the environment); the risk of departure of key people; currency risk (see the section on currency risk management in the consolidated financial statements); and liquidity risk arising from the financing structure for this investment (see the section on equity risk management in the consolidated financial statements).

Risks related to the acquisition of the Leather Services division of Clariant were also identified: the risk of negative synergy between the two groups, reduced business activity, and poor integration of teams.

Parcours

The main risks identified by Parcours are: competitive pressure; covering a constant rise in interest rates through pricing on new leasing contracts (Parcours leases vehicles to customers at a monthly rate for a set period and finances the purchase of those vehicles at variable rates); risks related to the credit markets (Parcours relies on 20 or so banks to finance its leased vehicles and these banks grant credit lines at pre-negotiated terms on an annual basis); risks related to the use of cash that Parcours generates in a part of its used car sales business; the risk of departure of key people; the risk of changes in accounting standards related to long-term leasing, in particular in the context of changing IFRSs on leasing; and environmental risks related to Parcours' automotive repair shops.

The Parcours management team is in charge of managing these risks.

Mecatherm

The main risks identified by Mecatherm are: sensitivity to the investment cycles of its customers and decision and payment lead times in emerging countries; sensitivity to economic risks; rising commodities prices; a slowdown in demand as customers face tighter financing conditions and pressure on their margins; competitive pressures; and project realization lead-times and payment terms in emerging markets.

The Mecatherm management team is in charge of managing these risks.

Former subsidiaries and activities

In the past, Wendel has held subsidiaries or conducted commercial or industrial activities, either directly or indirectly. In this regard, it risks being held responsible for personal injury, property damage, compliance with environmental or competitive regulations, etc.

2.2.3 Regulation

Wendel, Trief and Oranje Nassau

As an investment company, Wendel is not subject to any specific regulations.

The tax rules applicable to Wendel could change adversely. Wendel invests through its holding companies, some of which are Luxembourg venture capital funds, or SICARs (Sociétés d'investissement en capital à risque). They are governed by a Luxembourg law passed on June 15, 2004 and overseen by the country's financial regulator, the Commission de surveillance du secteur financier (CSSF).

Each of the Group's companies carries out its business in compliance with its own regulatory environment, which differs according to the industry and the country in which it operates.

Bureau Veritas

Bureau Veritas operates in a highly regulated environment. To exercise a significant portion of its activities, Bureau Veritas must first obtain authorization from local, regional or international public authorities or professional organizations. Each division in the Bureau Veritas group has a specific structure devoted to centralized monitoring and management of these authorizations, which are subject to regular audits conducted by the relevant authorities.

For more information on regulations applicable to Bureau Veritas, please refer to the company's registration document. It is available on the websites of Bureau Veritas (www.bureauveritas.fr) and the AMF (www.amf-france.org).

Stahl

Stahl operates in 28 countries. Its manufacturing sites are located in eight countries: Singapore, China, India, Netherlands, Brazil, Spain, Mexico and the United States. Stahl has obtained the authorizations necessary to operate in these countries. These authorizations relate to safety, health and the environment. In other countries, Stahl exercises commercial or storage activities.

Following the acquisition of Clariant, Stahl will have manufacturing sites in Italy, Germany and India and conduct research activities.

To Stahl's knowledge, no regulatory change is likely to have a material effect on its business.

Materis

Regulations applying to Materis do not have a significant impact on its business.

Parcours

Parcours operates in France and three other European countries: Belgium, Luxembourg and Spain. Parcours' principal business, long-term vehicle leasing, is not subject to any specific set of regulations.

Mecatherm

All of Mecatherm's manufacturing sites are in France, with the primary one in the Alsace region. Regulations applying to Mecatherm do not have a significant impact on its business.

Statement

To the Company's knowledge, there is no foreseeable change in regulations or development in case law that could have a significant impact on the activities of Wendel's subsidiaries.

2.2.4 Disputes and litigation

The principal disputes and litigation involving the Company and its controlled subsidiaries are detailed in Note 15.1 to the consolidated financial statements.

To the best of the Company's knowledge, there is no other pending or foreseeable governmental, legal or arbitration proceeding involving the

Company or any of its controlled subsidiaries that may have or that has had, during the previous fiscal year and as of the date of this Registration Document, a material adverse effect on the financial position or profitability of the Company and/or the Group.

2.2.5 Insurance

Wendel Noël

As part of its risk management policy, Wendel has taken out policies with leading insurance companies, and regularly issues requests for proposals so as to improve its coverage while taking advantage the best market prices. The following principal risks are now covered:

- damage to property (buildings and/or tenant's liability risk) and contents: the policy covers physical damage to property up to €50 million;
- information technology risks: this policy covers up to €400,000;
- general liability: this policy covers bodily injury, property damage and other losses to third parties up to €10 million;
- automotive fleet: this policy provides unlimited coverage for bodily injury and up to €100 million for property damage and economic loss;
- non-owned auto: this policy insures the use of a personal vehicle for occasional travel that is required for Wendel business. It provides unlimited coverage for bodily injury and up to €100 million for property damage and economic loss;
- Company employees who travel are also covered by various assistance contracts. The Company has implemented a risk awareness and prevention program for the risks related to certain countries;
- professional liability: this policy covers litigation risks up to €25 million in the event of professional error or an act deemed as such, committed by the Company or one of its agents or employees with third parties. The policy includes professional liability insurance for Wendel's international operations;
- liability of executives and corporate officers: this policy covers the Company's corporate officers, its representatives on the governing bodies of subsidiary and affiliated companies, and persons considered executives *de facto* or *de jure*, who might be held responsible for a professional error in connection with their duties of management, supervision or administration. Coverage is available under this policy up to €50 million. The policy includes general liability insurance for Wendel employees working at its international sites.

Bureau Veritas

In 2012, the Bureau Veritas group continued to centralize and optimize its insurance policies:

- the company subscribed to a professional and general liability program covering all of its businesses, except for aeronautics and certain activities in the Construction division. All of its US operations were added to the Group program on January 1, 2013. The Group program supplements local insurance programs (in terms of policy limits or conditions) whenever legislation allows;
- a general liability insurance policy was taken out for corporate officers;
- the activities of the Construction division in France, Spain and Germany are insured locally;
- an aeronautics policy was taken out;
- the Group set up a dedicated reinsurance captive in 1990, which insures the primary layer of its operating and professional liability program;
- the Group has set up an international property damage program that, starting on January 1, 2014, will supplement the “property damage and business interruption” policies in each country.

Stahl

Stahl has taken out the following insurance policies:

- direct property damage and business interruption;
- professional liability insurance;
- general liability insurance for corporate officers;
- maritime transportation liability.

Materis

Materis has taken out the following insurance policies:

- professional liability insurance;
- ten-year general liability insurance and a multi-cover policy;
- property damage and business interruption coverage;
- environmental liability insurance for insured sites and land transportation;
- general liability insurance for corporate officers;
- a “fraud/malevolence” policy;
- an “employer” policy (employee relations).
- an automotive fleet policy;
- an assistance policy, a business travel policy, and a business travel accident policy.

Parcours

Parcours has taken out the following insurance policies:

- “vehicle fleet” policies for the car leasing business;
- general liability insurance for corporate officers;
- professional liability insurance for the brokerage business;
- multi-risk insurance for the repair shops and offices;
- car insurance for employees;
- “car transportation” insurance.

Mecatherm

Mecatherm has taken out the following insurance policies:

- general liability insurance;
- general liability insurance for corporate officers;
- multi-risk industrial insurance, including business interruption;
- merchandise transportation, assembly and testing insurance;
- “business class” insurance for traveling employees;
- “car fleet” and “business travel” insurance.

2.3 Report on risk management and internal control

To prepare this report, the Chairman of the Supervisory Board consulted the Executive Board, which gathered the information necessary from the entities and managers. Wendel relies on the AMF frame of reference to analyze risk management and internal control and to prepare this report. This report has been submitted for review by the Audit Committee and approval by the Supervisory Board.

2.3.1 Definitions and objectives of risk management and internal control

2.3.1.1 Definitions

Risk management

Risk management is comprehensive and covers all of Wendel's activities, processes and assets. Wendel is responsible for defining and implementing its risk management system, which evolves over time. Risk management includes a set of resources, behaviors, procedures and initiatives tailored to the Wendel's characteristics. They enable the Executive Board to maintain risks at a level that is acceptable to Wendel. Risks represent the possibility that an event may occur whose consequences would adversely affect Wendel's employees, assets, environment, objectives, financial condition or reputation.

The Executive Board manages risk so as to:

- create and preserve Wendel's assets, reputation and the value it has created;
- make Wendel's decision-making and other processes more secure so as to help Wendel achieve its objectives;
- foster consistency between Wendel's activities and its values;
- encourage Wendel's employees to adopt a shared view of the principal risks and raise their awareness about the risks inherent to their business activities.

Internal control

Wendel has defined and implemented an internal control system that aims to ensure that:

- laws and regulations are complied with;
- instructions and strategies set by the Executive Board are enforced;

- Wendel's internal procedures – in particular those concerned with protecting its assets through appropriate monitoring and control – are carried out efficiently;

- financial information is reliable.

In general, internal control helps Wendel manage its activities and ensures the effectiveness of its operations and the efficient use of its resources.

Relationship between risk management and internal control

Wendel's risk management and internal control systems are complementary. Action plans put in place as part of risk management might lead to internal control procedures being implemented. Thus, internal control procedures help deal with the risks to which Wendel's business activities are exposed. Similarly, the internal control system relies on risk management to identify the principal risks that must be controlled.

By helping to prevent and control risks that may impede Wendel's ability to attain its objectives, the risk management and internal control systems play a key role in leading and directing Wendel's various business activities.

They also help preserve Wendel's image and its position as a listed company whose shares are traded on a regulated market, by protecting it against the risks of disclosure of confidential information, illegal insider trading and financial fraud.

Risk management and internal control cannot, however, provide an absolute guarantee that such risks will be totally eliminated and that Wendel's objectives will be achieved.

2.3.2 Scope of risk management and internal control; duties

2.3.2.1 Scope

Wendel's risk management and internal control system, as described in this report, covers all operations carried out by Wendel as an investment company as well as all of its directly controlled holding companies and investment vehicles. The Wendel Group (Wendel and its fully consolidated subsidiaries) is a group that: (i) is decentralized, including in the choice of organizational structure and in its risk management and internal control systems; (ii) includes listed and unlisted companies; and (iii) includes companies in different businesses and of varying sizes. As a result, the scope and characteristics of risk management and internal control can vary from one subsidiary to another. Each operating company and its executives are responsible for designing and implementing their own risk management and internal control systems, in line with the Group's philosophy and organization.

2.3.2.2 Duties

Since 2007, Wendel has carried out a number of reviews relating to internal control, relying on the framework set down by the AMF in its January 21, 2007 recommendation and on its application guide. In 2010, these reviews were expanded to take into account the framework covering both risk management and internal control, published by the AMF on July 22, 2010. They are based on a self-evaluation questionnaire that reflects all control principles and objectives provided for in the AMF's reference framework while adapting them to Wendel's specific features and activities, *i.e.* by identifying the specific areas of risk, such as financial risks.

Wendel completed this questionnaire and distributed it to its principal, fully-consolidated operating subsidiaries. Each year the questionnaire is reviewed and revised, if necessary, the replies are updated, and the suggested improvements are followed up on. The questionnaire has three parts:

1) general principles of risk management and internal control:

- organization and operating methods: organization and operation of Wendel's governing bodies, formalization of job descriptions and delegations of authority, human resources management policies, IT systems security, and compliance with ethical and employee behavior codes,
- internal dissemination of information: procedure for reporting critical information to Wendel's governing bodies, policy for protecting sensitive information and maintaining its confidentiality,

- risk management: objectives, organization and responsibilities, procedure for identifying, analyzing, classifying and monitoring risks and for reporting to Wendel's governing bodies,
 - control activities: existence and monitoring of controls enabling risks to be understood and managed, existence and monitoring of performance indicators necessary to direct business activities, procedures for managing and controlling cash and debt, control and monitoring of acquisitions, monitoring of outsourced activities,
 - internal control management: systems to ensure that controls already in place operate as intended and that the necessary improvements are implemented, reporting to the Company's governing bodies;
- 2) accounting and financial organization oversight:
- general organization: documentation of accounting and financial procedures and closing operations, organization of the accounting function, compliance with accounting principles,
 - resource management: process for reviewing whether available resources are sufficient and whether the team responsible for closing the accounts is properly organized,
 - understanding and proper use of accounting rules: procedures ensuring correct application of IFRSs, including on new accounting issues, regulatory watch system, identification of complex accounting issues, compliance with Group accounting principles and account closing schedules, in-depth examination and communication of Statutory Auditors' conclusions,
 - organization and security of IT systems,
 - role of senior executives and Wendel's governing bodies in relation to finalizing the financial statements;
- 3) preparation of accounting and financial information.

This questionnaire covers all accounting cycles. The subsidiaries have deployed the questionnaire in their main divisions.

The audit committee of each subsidiary subject to controls (if it has an audit committee) has examined and analyzed the replies given in the questionnaires. The data gathered have made it possible to prepare and track improvement plans for the control points that require it.

In agreement with Wendel, some subsidiaries (including Parcours and Mecatherm) respond to the questionnaires by putting priority on the parts that are most important and relevant to their businesses and their organizations.

The findings of these questionnaires were given to Wendel's Audit Committee, and a summary of the replies were used in preparing this report.

2.3.3 Summary of risk management and internal control procedures

2.3.3.1 Organization

Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of Wendel. Throughout the year, it performs the checks and controls that it deems appropriate and may request any document that it considers necessary to fulfill its duties.

The Supervisory Board regularly reviews the main risks to which the Group is exposed. It does so within the framework of its meetings, and in particular:

- when it examines the quarterly management reports prepared by the Executive Board on the economic and financial condition of each subsidiary or investment (business trends, margins and financial debt), as well as all events that could have a significant impact on the Group;
- as part of investment projects: the Executive Board explains to the Supervisory Board how the projects will be implemented, the risks and opportunities connected with each investment, based on various assumptions, as well as current and projected resources to protect against risks. The Supervisory Board's prior approval is required for all projects of more than €100 million or any decision requiring a long-term commitment on the part of Wendel or its subsidiaries.

In addition, the Executive Board regularly updates the Supervisory Board on changes in Wendel's net asset value (NAV), indebtedness and liquidity.

The Supervisory Board's Audit Committee is responsible for ensuring the quality and reliability of financial statements and other published financial information, tracking the effectiveness of risk management and internal control procedures, interviewing the Statutory Auditors, in particular with no Wendel representatives present, and ensuring they remain independent. The Audit Committee's tasks are described in detail in section 2.1.4.1 of the Registration Document.

The Governance Committee proposes to the Supervisory Board, changes to its composition, the terms under which Executive Board members are to be compensated and those for allocating stock options or performance shares. It sees to it that compensation arrangements align the interests of the members of the Executive Board with those of Wendel. In addition, the Governance Committee proposes the co-investment policy intended for senior managers to the Supervisory Board. The Governance Committee's tasks are described in section 2.1.4.2 of the Registration Document.

To accomplish its tasks, the Supervisory Board and its Committees may call upon external experts, when they deem it necessary. For example, the Audit Committee consults a financial expert to value Wendel's unlisted assets several times a year as part of its review of NAV.

The Supervisory Board and its Committees discuss their operating methods every year. The Supervisory Board regularly formalizes and summarizes its self-evaluation using a questionnaire completed by each of its members, in accordance with the Afep-Medef Code recommendations.

The by-laws and legal provisions governing the transactions for which the Supervisory Board's prior consent is necessary, as well as the thresholds set by the Supervisory Board regarding divestments, the sale of real estate and the granting of endorsements and guarantees are described in section 2.1.5 of the Registration Document. These rules are part of the internal control process. The division of roles between the Supervisory and Executive Boards is specified in the same section.

The rules by which the Supervisory Board and its committees operate (deriving from legislation, the by-laws and the Afep-Medef code) are detailed in the Supervisory Board's internal regulations.

Executive Board and the Management Committees

The Executive Board has two members. It meets at least once every two weeks and as often as required by Wendel's interests. Its decisions are made collegially.

The Executive Board has organized Wendel's procedures by setting up:

- an Investment Committee, which includes the Executive Board, the Managing Directors of the Investment Unit and of international offices, and the Group Vice-President for Finance. It meets once a week to monitor the subsidiaries efficiently and identify and handle the investments or divestments Wendel undertakes;
- a Management Committee, which includes the Executive Board and the main operational managers and which is in charge of running the day-to-day business of Wendel and its holding companies, as well as financial, legal and tax matters, human resources and communications. It meets every two weeks;
- a Coordination Committee, which comprises all senior executives of Wendel and its international offices, including members of the above two committees. It takes stock of Wendel's position and the initiatives to be undertaken, and it reports on any difficulties or risks encountered. This Committee meets every two weeks;

The Executive Board's monitoring of various risks to the Group is described below in the section entitled "System for identifying and analyzing risks and ensuring that risk management procedures are in place".

International offices, holding companies and directly-controlled investment vehicles

The governing bodies of the Group's international offices, holding companies, and investment vehicles are directly or indirectly controlled by Wendel, making it possible to apply all the risk management and internal control principles described in this report to them.

Operating subsidiaries

Each operating subsidiary enjoys full management autonomy but reports to Wendel periodically on financial matters. Wendel also takes part in the corporate governance bodies of its subsidiaries and thus ensures that internal control and risk management procedures are properly applied in each of them.

2.3.4 Internal dissemination of information

2.3.4.1 Reporting as part of decision and control processes

The Supervisory Board and Audit Committee are regularly provided with necessary information on business matters, strategic planning and the risks to which Wendel is exposed, within the framework of the regular meetings described in the section entitled "Organization – Supervisory Board."

Because Wendel's three management committees meet often, the Executive Board can organize appropriate dissemination of information within Wendel. Consequently, the Executive Board and each department head can make decisions based on all the relevant information in Wendel's possession on its organization, strategic planning, financial position, and the business activities of its subsidiaries.

2.3.4.2 Dissemination of information on Wendel's organization and its employees' responsibilities

At Wendel, each person's responsibility for organizing, preparing and reporting information is clearly identified. Several procedures help ensure this:

- Wendel conducts formal, annual performance reviews, through which it regularly examines the contribution of each employee, the scope of their position and the resources given to them for meeting their objectives. This information is centralized by the Human Resources department and can, where necessary, lead to recommendations for training, in order to allow all employees to improve their respective skillsets;
- the Executive Board convenes meetings of all Wendel's employees whenever necessary, in addition to the committee meetings mentioned above and internal team meetings. Similarly, group reflection and motivation seminars involving some or all employees may be organized to take stock of Wendel's position and its environment, and to encourage each person to express his or her expectations about Wendel's operations.

- the dissemination of procedures and rules to all personnel – such as expense commitment procedures, the Market Confidentiality and Ethics Code (see below), and the IT System charter – helps each employee to comply with the internal control procedures established by the Executive Board. Wendel has drafted a finance and business administration procedure for its international offices to make sure they also implement the Group's internal controls;
- an intranet is operational at Wendel: it serves to share useful information with all Wendel employees about Group events and organization. Among other things, the intranet includes a functional and hierarchical organization chart as well as the calendar of blackout periods.

2.3.4.3 Protection of confidential information

Wendel endeavors to preserve the utmost confidentiality when sharing sensitive information:

- the Market Confidentiality and Ethics Code was presented to all employees and is part of the internal regulations. It applies to all employees in France and abroad, and to members of the Executive and Supervisory Boards;
- IT access and security is strengthened on an ongoing basis. Each workstation can be accessed only by the employee to whom it is assigned. Session access is controlled by a login and password combination. The access rights of each employee are limited to his or her responsibilities or department;
- Wendel has appointed a data protection/freedom of information correspondent whose role is to keep the list of Wendel IT processes up to date and to ensure that the French data protection/freedom of information act ("*Informatique et libertés*") is properly applied. In particular the correspondent is responsible for ensuring that employees' rights to access and restrict the use of their personal data are respected.
- a video-surveillance system has been implemented and security guards are assigned to the building at all times, securing all building access.

2.3.5 System for identifying and analyzing risks and ensuring that risk management procedures are in place

Not 5 to the consolidated financial statements details the main risks Wendel encounters, owing to its businesses and the way the Group is organized, and how those risks are covered.

Wendel and its governing bodies are organized in such a way as to allow for active risk management and internal control. The Executive Board assigns and distributes risk monitoring responsibilities to various departments of Wendel in the following ways:

- the Investment Unit is in charge of monitoring subsidiary performance on a monthly basis, the operational risks specific to each equity investment and the acquisition and divestment process. It is also responsible for valuation risk on Wendel's assets;
- the Executive Board and the Investment Unit also ensure that the management team of each subsidiary and associated company is organized in such a way as to manage its risks properly and achieve its objectives;
- the Finance department monitors financial risks (financial leverage, liquidity, interest rates), cash management and the quality of Wendel's financial counterparties, NAV, accounting regulations, the production of financial statements, the calculation of NAV, earnings forecasts, the estimates needed to prepare the financial statements and calculate NAV (together with other Wendel departments if necessary) and transaction security. Key indicators (changes in NAV, financial leverage, current and projected cash levels, and interest-rate exposure) are reviewed regularly so that the Executive Board can take measures to adjust Wendel's exposure to these risks if deemed necessary;
- the Legal department is responsible for Wendel's legal security; the legal validity of contracts (financing, purchases or divestments, etc.); Wendel's and its holding companies' adherence to company law and laws relating to corporate governance; the monitoring of regulations that apply to Wendel and the transactions it undertakes, particularly securities market regulations; rules of ethics and compliance; disputes and litigation; data protection and freedom of information regulations; general liability insurance for corporate officers; professional liability insurance; and intellectual property;
- the Tax department monitors tax regulations, ensures that Wendel's obligations *vis-à-vis* the tax authority are handled properly and guards against tax risks;
- the Communications and Sustainable Development department seeks to preserve Wendel's image and reputation and to stay abreast of environmental and social responsibility (ESR) obligations;
- the Financial Communications department ensures that the financial information communicated to investors and analysts is of high quality;
- the Operational Resources department is in charge of managing human resources risks, risks to people and equipment, and the prevention of IT risks (intrusion, data security and storage, business continuity, etc.);
- the new international offices in New York and Singapore will provide the Group with first-hand information and investment advice for those regions, as has already been the case with the Japan office.

To the extent necessary, each department may be assisted by outside experts (lawyers, bankers, brokers, auditors, consultants, etc.) with approval of the Executive Board.

The Executive Board oversees the monitoring of risk and, together with each department, decides on the procedures that will be used to cover them. This takes place in Management Committee and Executive Board meetings as described in the section on organization. The Executive Board may decide to create specialized task forces to manage certain risks.

As indicated in the section on organization, the Executive Board presents the main risks that could significantly impact the value of Wendel's assets to the Supervisory Board, whenever required as part of the quarterly business report. In addition, pursuant to the Supervisory Board's internal regulations, the Audit Committee reviews the risk management and internal control procedures.

In 2011, Wendel also introduced a risk mapping system. A list of the risks Wendel faces was prepared by Wendel's various departments, validated by the Executive Board and presented to the Audit Committee. This list relates primarily to the risks borne by Wendel and its holding companies. It is updated regularly. For certain principal risks identified in the list, *i.e.* those whose occurrence and/or intensity are considered the highest, a detailed analysis was formalized in 2012 and 2013 by the departments involved. This analysis was presented to the Audit Committee. In addition, since 2009, the Audit Committee has examined risk management at certain subsidiaries. The Chairman of the Audit Committee presents a summary of the Audit Committee's findings to the Supervisory Board.

Subsidiaries manage their own risks, particularly operational risks, and take the necessary steps to understand and monitor them. It is for them to decide whether it is necessary to map these risks and to determine the action plans to be implemented each year. Nevertheless, Wendel's presence in the governing bodies of its subsidiaries allows it to ensure that major risks are actively monitored.

As Wendel is an investment company, it does not have its own internal audit department, but relies on those of its subsidiaries and on the reports they furnish to Wendel. Wendel also takes into account the conclusions of the auditors of its subsidiaries and associated companies. To improve communication, they are part of the same networks as Wendel's Statutory Auditors.

2.3.6 Oversight and monitoring of internal control

2.3.6.1 Investments and divestments

The Investment Committee meets weekly to examine progress made on planned acquisitions and divestments and to explore new opportunities. The Committee includes the Executive Board, the Managing Directors of the Investment Unit and of international offices, and the Group Vice-President for Finance. The Executive Board selects a team comprising people with the requisite expertise to review each opportunity. A senior member of the team acts as coordinator and is responsible for the investment/divestment recommendation. Once the project analysis has been finalized and received approval from the Executive Board, it is presented to the Supervisory Board for authorization if the by-laws so require. This presentation includes an analysis of the impact of the transaction on Wendel's net income from business sectors, financial position and net asset value. It shows the outcome under favorable and unfavorable scenarios. If the Supervisory Board authorizes the transaction, the Executive Board supervises its execution by the investment team in charge, which receives assistance from the Legal and Tax departments and can also call upon top-level banks, strategy consultants, legal firms and auditors. Liability guarantees granted or received are presented to the Audit Committee and to the Supervisory Board.

2.3.6.2 Monitoring investments

Monitoring the existing portfolio involves:

- a monthly operational report from each subsidiary and associated company presenting trends in sales, profitability and financial debt. These indicators are compared with previous periods and with budgeted figures. For some subsidiaries, short-term cash management and projection tools have also been implemented;
- regular work sessions with the managers of each subsidiary and associated company. The agenda for these meetings includes, in addition to a review of the business, an in-depth analysis of an important topic (procurement policy, optimization of business assets, research and development, analysis of the position of major subsidiaries, existence and organization of internal control, coverage of financial risks, etc.);

- an annual budget meeting with each subsidiary and associate, updated at additional meetings when new projections become available;
- numerous discussions or meetings organized with members of the management of each subsidiary and associated company, if required.

The members of the Investment Committee present a summary of their work monitoring the subsidiaries and associates for which they are responsible and make recommendations in the event significant decisions concerning these investments need to be made. Moreover, in order to strengthen dialogue with the subsidiaries, better understand their operating environment and the concerns of their respective management teams, Wendel is systematically represented on the governing bodies of the subsidiaries and, in particular, on their audit committees. This presence on the governing bodies of the subsidiaries and associated companies helps ensure that risk management and internal control procedures function properly.

Wendel's Supervisory Board is kept regularly informed of trends in the economic and financial situation of subsidiaries and associated companies at the numerous meetings described in the section on "Organization."

Senior executives of all subsidiaries and associated companies are chosen in agreement with Wendel. In addition, Wendel representatives take part in the governing bodies of each subsidiary or associated company, enabling it to closely monitor the compensation of their principal executives and ensure its incentive character. Wendel also thereby ensures that the interests of the executives are aligned with those of the company they manage.

2.3.6.3 Monitoring Wendel's financial position

Internal control procedures are designed to provide ongoing reasonable assurance that financial transactions are carried out under secure conditions and in accordance with objectives:

- trends in NAV, in financial leverage and in bank covenant compliance are regularly monitored;
- Wendel has been rated by Standard & Poor's since September 2002;
- the Executive Board regularly monitors the indebtedness, liquidity position and cash projections presented by the Group Vice-President for Finance and regularly presents the debt and liquidity positions to the Supervisory Board;
- the Executive Board reviews the monthly reporting of the cash position and cash investments of Wendel and its holding companies;
- Wendel and its holding companies have a budget process with formal procedures and responsibilities, and budget tracking using special software.

The procedures for preparing financial statements and the financial information communicated outside the Group are detailed in the section entitled "Preparation of Wendel's accounting and financial information."

2.3.6.4 Arranging financing

Financing terms and their implementation are approved by the Executive Board after an in-depth review of various solutions and an analysis of Wendel's financial situation prepared by the Group Vice-President for Finance. After the Legal department reviews the related contracts and legal documentation, financing transactions are executed under delegations of power and/or signature authority given by the Executive Board Chairman to the Group Vice-President for Finance or to a member of the Management Committee. Depending on the transaction amounts and characteristics, the by-laws require bond issues or new loans to be authorized by the Supervisory Board.

Interest-rate exposure is analyzed regularly by the Group Vice-President for Finance. The Executive Board decides whether or not to adjust interest-rate exposure, and if necessary, appropriate financial instruments are put in place.

2.3.6.5 Compliance with laws, regulations and ethical rules

The Legal and Tax departments ensure compliance with the laws and regulations in the countries where Wendel, its holding companies and investment vehicles are located (mainly France, Luxembourg and Netherlands). They constantly monitor the legal and tax environment, so

as to stay on top of changes in laws and regulations that might be applicable to them.

Regarding confidentiality and stock market ethics, the Market Confidentiality and Ethics Code is part of Wendel's internal regulations and applies to employees of Wendel and its international offices, and to members of the Executive and Supervisory Boards.

This Code explains the rules of confidentiality for persons who are in possession of confidential or privileged information. It explains the obligation to abstain from stock-market transactions when in possession of privileged information and during blackout periods. Blackout periods are defined as extending from 30 days before until two days after the publication of annual and semi-annual earnings, as well as from 15 days before until two days after the publication of quarterly financial data and the NAV.

The Code defines illegal insider trading, misinformation and share price manipulation, and explains the applicable legal sanctions. It also sets up a number of measures for preventing such infractions. The Code also includes the provisions applicable to stock options and bonus shares and details the AMF disclosure obligations incumbent on executives and persons affiliated with them.

In addition to legal and regulatory obligations in this area, the Code includes certain more restrictive provisions in the interest of transparency and prudence. Specifically, it requires Executive and Supervisory Board members, employees and their relatives to register their Wendel shares and restricts transactions on derivatives or speculative transactions. The Code also defines conflict-of-interest situations. The Group Ethics Officer monitors adherence to the Code. The Code forbids employees and executives from holding, buying or selling shares of listed Group subsidiaries or associates at any time, except for shares that the Board members of those companies must own or dividends-in-kind paid to them in the form of shares of Wendel's subsidiaries or associates.

Pursuant to Article L.621-18-4, paragraph 1, of the French Monetary and Financial Code, and as part of its effort to prevent illegal insider activity, Wendel maintains lists of insiders. Firstly, Wendel has a list of permanent insiders. These include all employees, the members of the Executive and Supervisory Boards and third parties working with Wendel on a regular basis. In addition, as soon as privileged information appears, such as during preparation of an investment or divestment transaction, Wendel draws up a list of occasional insiders, including people connected with the project under consideration. These lists are updated regularly and made available to the AMF, which can request to see them. They are kept for at least five years after they are created or after their last update. The Compliance Officer is in charge of creating and updating the lists. Specific compliance rules applicable to the members of the Executive and Supervisory Boards are detailed in section 2.1.6.

2.3.6.6 Procedures for preventing fraud and controlling commitments and expenditure

The procedures for authorizing expenditure commitments at Wendel and its holding companies cover all of Wendel's commitments as well as the signatures needed for bank transactions (via delegated signature authority).

- Estimates are submitted by several service providers. They are always negotiated under the supervision of the Management Committee member or members in charge;
- Expenditures are subject to a formal authorization procedure. Depending on the amount, they must be authorized by the Management Committee member in charge of the expenditure, by an Executive Board member, and/or by the Executive Board Chairman. Funding requests are compared with the budget, and invoices are approved after comparison with funding requests.

- Only the Finance department can issue checks and transfer orders, backed up by supporting documentation, and it informs the Chairman of the Executive Board when the amount exceeds a certain threshold.

For international offices, the Group Vice-President for Finance has issued a procedure for managing their finances and business administration.

2.3.6.7 Preserving the integrity of IT data

In order to prevent the risks of abuse of and intrusion into computers and IT systems, the IT department reports directly to the Managing Director in charge of operating resources, who regularly proposes and implements initiatives on data conservation and storage systems. An IT continuity plan is in place and provides for fully redundant (or replicated) data in real time between the Group's two long-standing sites, Paris and Luxembourg. The two sites are linked via a private line. Access to messaging data, business line applications and all files is secure.

2.3.7 Preparation of Wendel's accounting and financial information

The risks related to the preparation of Wendel's accounting and financial information mainly include the risk of error, risks inherent to the use of estimations (see Notes 1.9 and 1.10 to the consolidated financial statements), and risks arising from the valuations used to calculate NAV.

The internal control procedures designed to ensure that the annual (parent company and consolidated) and semi-annual financial statements present a true and fair view of the results of operations as well as Wendel's financial position and assets are as follows:

2.3.7.1 Procedures for the preparation and consolidation of the financial statements

Wendel applies International Financial Reporting Standards (IFRS) for its consolidated financial statements. The principal rules applicable are described in the annual financial report and are distributed to subsidiaries as part of the process for reporting and for preparing the financial statements. Because of the diversity of the subsidiaries' activities, Wendel leaves it up to each subsidiary to propose the accounting processes appropriate for its business. The Finance department and the head of consolidation at Wendel ensure uniformity of treatment within the Group, in particular by examining accounting principles in the financial statements of each subsidiary.

In addition, Wendel's Finance department ensures the proper reporting of full accounting and financial information from the subsidiaries to Wendel using the following procedures:

- in coordination with the finance department of each subsidiary, a schedule is set for the submission of financial statements with the supplementary information required for preparing Wendel's consolidated financial statements;
- Wendel's Finance department meets with the finance department of each subsidiary to prepare the closing and to review the highlights of the period as well as any significant or exceptional transactions;
- accounting information from subsidiaries is reviewed in detail and consistency checked with the financial information compiled by the investment team from subsidiaries' monthly activity reports.

The Group Vice-President for Finance is a member of the Management Committee, the Investment Committee, and the Coordination Committee (see section on "Organization"), which enables him to review all events likely to have an impact on the Group's consolidated financial statements or on the parent company financial statements of Wendel or its holding companies. The Group Vice-President for Finance reports directly to the Executive Board and is thus fully independent of other Wendel departments.

2.3.7.2 Procedures for auditing the financial statements

At the subsidiary level:

- to ensure better upward reporting to Wendel's Statutory Auditors, the Group engages the same auditing firms for all subsidiaries, to the extent possible. Selection criteria for the Statutory Auditors includes their ability to audit all directly- and indirectly-held subsidiaries throughout the world and to obtain audit results and any observed anomalies from the subsidiaries' auditors;
- a representative of the Finance department attends end-of-audit or Audit Committee meetings of subsidiaries under exclusive control and receives details of audit and internal control observations raised by the subsidiaries' auditors during the course of their audit;
- one or more representatives of Wendel attend Board of Directors/Supervisory Board meetings and/or Audit Committee meetings of subsidiaries and associated companies.

At the parent company level:

- the Group Vice-President for Finance is responsible for accounting policies and ensuring compliance with accounting rules. If required, he has the authority to commission audits. He regularly holds pre-closing meetings with the Statutory Auditors to ensure that issues raised in previous financial periods have been resolved. He reviews transactions of the financial period in question with the Statutory Auditors and decides on the appropriate accounting treatment;
- the Executive Board Chairman is in constant contact with the Group Vice-President for Finance during the preparation of the financial statements. In particular, he is informed of the financial and accounting impact of any significant event, as well as estimates and judgments that

have a significant impact on the financial statements. The Statutory Auditors and the Chairman of the Executive Board meet when subjects arise whose accounting interpretation is complex or whose impact on the financial statements is significant. The Chairman of the Executive Board also reviews all of Wendel's financial communication and is informed of any subject that is likely to have an impact on it;

- the Audit Committee: this Committee's remit, mode of operation and activity during the fiscal year are presented in detail in section 2.1.4.1. The Committee can decide to seek independent expert advice to confirm its views on the Wendel's financial position. It also interviews the Statutory Auditors regularly to solicit their opinion about the reliability of the parent company and consolidated financial statements. Finally, the Audit Committee ensures that accounting methods are applied consistently from one year to the next, or that any changes to accounting methods are well founded.

2.3.7.3 Procedures for calculating NAV

NAV is calculated by the Finance department and approved by the Executive Board under the procedure described in section 4.3.

2.3.7.4 Procedures for the control of financial information

Once the parent company and consolidated statements have been finalized and net asset value calculated, the Audit Committee is asked to issue an opinion on this information before it is submitted to the Supervisory Board. These documents are also submitted to the Statutory Auditors for review.

2.3.8 Achievements in 2013

The application of procedures implemented in previous years was reviewed and improved in 2013 where necessary.

Following the introduction of a risk mapping system in 2011, Wendel performed a formal, detailed analysis in 2012 and 2013 of the main risks that the risk maps identified.

The Executive Board initiated a review of the NAV calculation method in 2013. The Audit Committee reviewed the Executive Board's findings with the help of the same independent expert it commissioned for the

assessment of Wendel's unlisted investment valuations. These reviews were completed in early 2014. As a result, Wendel made certain clarifications and minor changes to its NAV calculation method, while preserving the main principles thereof (see section 4.3).

In 2013, the Executive Board approved a formalized a procedure for managing cash investments.

An internal review process for Wendel's international offices will be developed in 2014 with roll-out scheduled to start in the same year.

2.4 Statutory auditors' report on the report prepared by the Chairman of the Supervisory Board

Year ended December 31, 2013

Statutory auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code (*Code de commerce*), on the report prepared by the Chairman of the Supervisory Board of Wendel

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of Wendel and in accordance with article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L. 225-68 of the French Commercial Code (*Code de commerce*) for the year ended December 31, 2013.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the Company and to provide the other information required by article L. 225-68 of the French Commercial Code (*Code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information;
- confirm that the report also includes the other information required by article L. 225-68 of the French Commercial Code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Neuilly-sur-Seine and Paris-La Défense, April 7, 2014

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean Bouquot

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

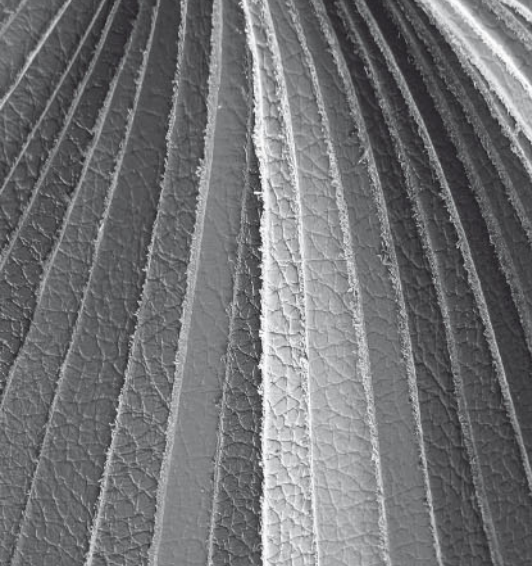
The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (*Code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by article L. 225-68 of the French Commercial Code (*Code de commerce*).



WENDEL'S CORPORATE SOCIAL RESPONSIBILITY

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3.1 Corporate Social Responsibility (CSR) in Wendel's activities

"Sustainable development drives growth for companies."⁽¹⁾ Frederic Lemoine, Chairman of the Executive Board of Wendel, firmly supports this view, adding that "a company's longevity depends on the balance between its business model, its markets, the well-being of its people, and its place in the environment." Through its long-term action, Wendel

encourages its companies to implement corporate social responsibility (CSR) practices. At the same time, it defines its own CSR policy that is adapted to its role of investor and applied by a core team of professionals.

3.1.1 Promoting CSR as part of its role as a long-term investor

Encouraging subsidiaries to integrate CSR

As a shareholder, the Wendel Group is not involved in the operational management of its subsidiaries but does ensure, mainly through close communication with their management teams, that these companies gradually integrate CSR issues in their risk management and growth strategies.

In 2009, Wendel signed a charter produced by AFIC, the French association of private equity firms. This public commitment mainly consists in a set of measures to promote sustainable development. Wendel will closely follow the work of the ESG-Sustainable Development Committee created by AFIC in February 2013.

The sustainable development department established by Wendel in 2011 coordinates initiatives in this area. Guided by a steering committee appointed by the Wendel Executive Board in 2012, it meets several times a year. Its members represent the company's different business and support divisions: the Investment Committee, the Finance department, the Legal department, the Communications department and the Operational Resources (human resources, IT and facilities management) department.

As a shareholder, Wendel assesses CSR risks and opportunities at every phase of its investing life cycle.

■ At the time of acquisition:

When Wendel considers a new investment, it carries out due diligence on environment and social issues as part of its analysis of the risks related to the business of the target company.

■ Throughout the long-term support it provides to its companies:

Although the management team in each Wendel Group company has direct responsibility for managing CSR issues, as a professional shareholder, Wendel monitors and encourages the CSR efforts of its subsidiaries and associated companies, especially in two areas: employee safety and the environmental performance of the products and services that are designed or distributed.

- Wendel's management is particularly attentive to indicators of workplace safety because it considers them to be an excellent proxy for how well the management team runs the company. For example, at Materis, the accident rate is a factor in determining its management's variable compensation. At Wendel's request, Stahl's Board of Directors has also been tracking this indicator since 2006, when Stahl joined the Wendel Group.

- Wendel's subsidiaries are gradually integrating environmental issues into the design of their products and services. With its solutions, Bureau Veritas helps customers continuously improve their operations in the areas of health and hygiene, safety and the environment. Parcours encourages its customers to go green by including special features in its long-term leasing services, such as eco-driving training for its customers. Eighty percent of Stahl's products are now solvent-free. Materis develops innovative products with new functions that are more resistant, and therefore better for the environment from a life-cycle perspective, and meet French "HQE" (high environmental quality) standards. Nearly 70% of Legrand's R&D departments contribute to expanding its offering of green-designed products featuring reduced environmental impact. A large share of Saint-Gobain's sales come from solutions that protect the environment by saving energy or producing clean energy.

(1) "L'ENA hors les murs", November 2012, no. 426.

Every Group subsidiary and associated company is expected to develop a CSR policy addressing its specific issues. Each company has therefore established targets and action plans based on its sector's regulatory environment and its individual growth strategy. Group companies operate in very different fields (see section 1.11 "Subsidiaries and associated companies") and are at different stages of maturity in implementing dedicated CSR policies and indicators. Wendel therefore considers that it would not be useful to produce consolidated ESR indicators to the extent that these figures would have no operational meaning.

Significant aspects of the sustainable development policies of Bureau Veritas, Materis, Stahl, Mecatherm and Parcours, the companies in which Wendel is the majority shareholder, are presented in section 3.2 "Corporate social responsibility at Group companies".

Preventing market abuse and monitoring internal control procedures at its subsidiaries

A Market Confidentiality and Ethics Code establishes rules for all employees and corporate officers of the Company to prevent market

abuse. The main obligations contained in this Code are described in section 2.1.6 of this registration document. The Supervisory Board's internal regulations specify the rights, responsibilities and powers of Supervisory Board members (see section 2.1.6).

Every year, Wendel also surveys the general internal control principles implemented by its consolidated subsidiaries using a questionnaire, as part of its analysis of risk factors related to their business activities.

The questionnaire is based on the reference framework of the *Autorité des Marchés Financiers* (AMF) and mainly deals with the following areas: definition and formal communication of delegations of power, regular reviews of how duties are separated and how the organization enables each individual's responsibilities to be identified and conflicts to be resolved, verification by subsidiaries that the variable compensation policy for its senior executives does not increase the risk of fraudulent conduct, and the implementation of a code of conduct or ethics to deal with conflicts of interest, irregular or fraudulent payments, competition barriers and insider trading.

3.1.2 Implementing a CSR strategy adapted to a small investment team

Wendel's human resources policy

Small, experienced and diversified workforce

Wendel strives to hire and develop excellent talent and to create the best possible working environment for its employees.

As of December 31, 2013, Wendel and its holding companies employed a total of 79 people.

Half of Wendel's 59 employees in France (expatriates not included) are directly involved in investing activities. In addition to an investment team of 18 people and the senior management team, about ten experts specializing in finance, law, taxation and communication are involved in investment transactions on a day-to-day basis. They collaborate with teams outside France to promote the Group's international expansion.

The remaining staff support the Finance, Legal, Tax, Communications & Sustainable Development and Operational Resources departments.

Wendel has offices in the Netherlands, Luxembourg, Germany, Japan, the United States, Singapore and Morocco, supporting Group companies as they expand in Europe and Asia. The companies in the Netherlands (since 1908) and Luxembourg (since 1931) also act as holding companies.

Wendel established a presence in Germany (Frankfurt) and Japan (Tokyo) in 2007. In 2013, to support its international development, Wendel opened subsidiaries in New York, Singapore and Casablanca. As a result, the number of its employees outside France increased from ten as of December 31, 2012 to 20 as of December 31, 2013, through local recruitment and the transfer of five employees from France.

Employees* in France: staff numbers and changes	12/31/2013			12/31/2012			12/31/2011		
	Non-management	Management	Total	Non-management	Management	Total	Non-management	Management	Total
Total workforce	13	49	62	15	51	66	16	48	64
<i>of which Women</i>	8	20	28	9	23	32	10	19	29
<i>Men</i>	5	29	34	6	28	34	6	29	35
New hires	-	3	3	-	7**	7**	1	3	4
<i>of which Women</i>	-	1	1	-	5	5	1	2	3
<i>Men</i>	-	2	2	-	2	2		1	1
Departures	2	5	7	1**	4	5**	1	3	4
<i>of which Women</i>	1	4	5	1	1	2	1	2	3
<i>Men</i>	1	1	2	-	3	3		1	1

* Employees in France with permanent contracts, including three management-level expatriates.

** Including one change in employee category.

In 2013, Wendel employed three people on fixed-term contracts for a combined total of nine months and two temporary employees to replace staff on maternity leave.

In 2013, 43% of management-level employees at the head office were women (*i.e.* 20 out of 46).

Although Wendel does not employ any disabled employees, it has supply contracts with work centers that do. The mandatory contribution paid to Agefiph, an organization that promotes the employment of people with disabilities, was about €10.2 thousand in 2013.

Training and professional development

Developing the employability of its staff is one of Wendel's priorities.

Wendel offers its employees customized training to ensure that they always have the skill level required to perform their jobs.

In France, 54 employees (permanent and fixed-term contracts combined) completed at least one external training course in 2013, for a total of more than 1,640 hours of training. They mainly strengthened their skills in communications techniques and foreign languages and, to a lesser extent, office software. Two of the employees who received outside training in 2013 expanded their skillsets by successfully completing programs leading to a diploma.

In addition, as part of its action plan to promote the employment of older employees, Wendel offers all staff aged 40 and above a career assessment interview to evaluate their skills, training needs, current work situation and future career opportunities. These interviews are an opportunity for these employees to plan how they will develop their careers, taking into account changing job needs and company's employment outlook.

Labor relations and working conditions

Working conditions and relationships are improved by offering support to managers, holding regular meetings with the staff and maintaining close dialogue with staff representatives on the Works Council (CE)

and the Health, Safety and Working Conditions Committee (CHSCT). In this way, Wendel can implement the measures that most closely match staff expectations.

To help employees better reconcile their professional and family responsibilities, since 2010 Wendel has offered to obtain and finance daycare services for the children of employees who request them. In 2013, Wendel financed daycare for 14 children, for the benefit of 10 employees.

Finally, in addition to the share of the Works Council budget allocated to social and cultural and activities, Wendel covers the cost of a range of services, including meals in the intercompany cafeteria, exercise classes and payment vouchers for home services.

Diversity and equal treatment

Wendel takes steps to ensure that decisions regarding recruitment, career development (training and job promotions) and compensation are made without discrimination. Job applicants are assessed only with regard to their skills and experience. Variable compensation for employees is wholly performance-based.

In equivalent positions, there is no difference in pay for men and women.

In compliance with its legal obligations, Wendel developed an action plan to ensure that men and women are always treated equally in the workplace.

Organization of working time

Because of its history, Wendel organizes working time in compliance with collective agreements applying to the metalworking industry.

No employee has requested to work part-time. However, one employee is taking part-time childcare leave.

Absences, excluding leave for family events, remained stable at around 1%. There were no work injuries in 2013.

Promotion and application of the ILO's fundamental conventions

Wendel manages its human resources in accordance with the ILO's core conventions. France has ratified the eight fundamental ILO conventions on forced labor, on the freedom of association and protection of the right to organize, on the right to organize and collective bargaining, on equal remuneration, on the abolition of forced labor, on discrimination, on the minimum age for admission to employment and on all forms of child labor.

Wendel protects the freedom of association and the right to collective bargaining.

Wendel SA does not operate in countries with a high risk of violation of workers' rights, and therefore has not encountered any issues with applying these conventions.

Compensation policy in line with Wendel's interests

Wendel's compensation policy aims to align the interests of employees with those of shareholders, whether through variable pay, collective performance bonuses or employee share ownership.

Each year, Wendel carefully reviews the compensation paid to its employees, taking into account their responsibilities, skills, experience and market pay levels. Variable pay is awarded based on individual and collective performance.

For France, total compensation (base salary, variable pay and individual, job-related bonuses) paid in respect of 2013 was approximately €12.26 million, up 9.5% vs. 2012.

Wendel has also had a collective performance bonus in place since 2006. The performance criteria established in 2012 were met in 2013: accordingly, beneficiaries will receive an amount of up to €18,516 in 2014, corresponding to a maximum of 12.5% of the compensation

they received in 2013. In addition, the dividend increase prompted Wendel to pay employees a special profit-sharing bonus in an amount proportional to length of service with the Company. Lastly, Wendel offers very comprehensive death & disability insurance to its employees and their families.

Promoting employee shareholding

Wendel believes that employee share ownership is essential for establishing a long-term partnership with employees and has always encouraged it, whether through the Group savings plan that has been in place for more than 20 years or grants of performance shares or stock options, which most employees have received since 2007.

Grant of stock options and performance shares

In addition to the two Executive Board members, 66 employees received stock options and performance shares by virtue of the authorization granted at the Shareholders' Meeting of May 28, 2013 and the Executive Board's decision on July 1, 2013.

Attached to these grants are a service condition and a performance condition.

A history of stock-option and performance share plans is provided in tables 8 and 9 of section 2.1.7.

The table below indicates, for the period from January 1 to December 31, 2013:

- the total number of options granted to the ten employees, excluding corporate officers, who individually were granted the largest numbers of options;
- the total number of options exercised by the ten employees, excluding corporate officers, who individually exercised the largest numbers of options.

	Number of options	Exercise price
Options granted during the year to the ten Group employees who were granted the largest number of options	93,750	€82.90
Options exercised during the year by the ten employees who exercised the most options	110,725	€34.87 ⁽¹⁾

(1) In 2013, these options were exercised at €39.98 (WI 3-1 plan), €65.28 (WI 3-2 plan), €67.50 (W 1-2 plan), €22.58 (W 2-1 plan) and €44.32 (W 3 plan).

The total number of performance shares awarded during the year to the ten employees in the Group who received the largest number of such shares was 21,500.

Capital increases through the Group Savings Plan

For more than 25 years, Wendel has invited employees to subscribe each year to a capital increase through the Group savings plan. Shares are offered at a 20% discount and employee payments can be matched up to legal limits.

As of December 31, 2013, excluding corporate officers, employees held 0.44% of the capital of Wendel via the Group savings plan.

In July 2013, the Executive Board decided to carry out a capital increase. 96% of eligible employees subscribed and were allocated a total of 21,475 shares.

Offering additional pension benefits

Perco pension plan

In 2010, Wendel introduced a Company pension plan ("Perco"). It matches certain contributions up to the legal limit.

As of December 31, 2013, more than 40% of employees had invested in the pension plan.

Supplementary pension plan

In 1947, the company "Les Petits-Fils de François de Wendel" (now Wendel) set up a supplementary pension plan for all employees, regardless of their category, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of the salary. The pension plan provides for a payout of 60% to a surviving spouse as of the date of the employee's retirement, and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group from the guaranteed amount. Since 2005, the company transfers the assets necessary to service pension benefits to an insurance company, which makes payments to the beneficiaries.

There are currently 47 retirees and 11 employees of the Company who benefit from the plan. One beneficiary was a member of the Supervisory Board in 2013 (see note 3.4 to the consolidated financial statements).

3.1.3 Limited environmental footprint

Wendel's activities have little impact on the environment. However, Wendel strives to do its share to limit any negative effects. For example, environmental criteria are incorporated into the management of its IT services and the building where Wendel's headquarters are located. In 2012, Wendel performed an inventory of its greenhouse gas emissions, in accordance with the decree implementing Article 75 of the Grenelle 2 Act, to optimize its efforts to reduce its energy consumption and waste production.

Energy saving

In the past two years, Wendel has made several investments to reduce its energy consumption:

- replacing all of its IT servers with more energy-efficient models;

- renovating its district heating system (distributing high-pressure steam), making the company more environment-friendly;
- creating a video conference room and providing mobile work tools to reduce travel;
- gradually replacing traditional light bulbs with energy-saving bulbs to increase the energy efficiency of its head office.

Wendel also promotes the electronic distribution of its publications.

Waste sorting

Wendel introduced a waste sorting policy in July 2011. A special training course has raised awareness among all head office employees. All paper consumed by Wendel employees is now collected for recycling. Plastics, ink cartridges, cartons and metal packaging are also included in the recycling program.

3.1.4 Commitment to the wider community

Wendel's commitment to the community is reflected in its support of projects in the higher education and cultural spheres.

- Wendel has supported INSEAD since 1986. In 1996, the prestigious business school created a center for family-owned businesses, and Wendel has been a partner in this initiative from the start.
- Wendel's management visits France's elite graduate schools on a regular basis to explain the company's businesses. Its presentations, designed to educate students about Wendel's long-term investing model, help to recruit top talents as well. Wendel also contributes to the publications of these *grandes écoles*: ENA, HEC and Polytechnique.
- Wendel also made a renewable five-year commitment to work side by side with Centre Pompidou-Metz when it opened in 2010, choosing to support an emblematic institution that makes art accessible to the general public.

In addition to its long-term support, Wendel works actively with partner institutions to further their development projects. In particular, Frederic Lemoine represents the Group on the board of directors of INSEAD and the board of directors of Centre Pompidou-Metz.

Owing to its long-standing commitment to the arts, the French Minister of Culture awarded Wendel the title of "Grand Mécène de la Culture" ("Grand patron of the arts") on March 23, 2012.

In the course of its business, Wendel also interacts with its principal stakeholders.

- Wendel regularly communicates with its principal shareholder, Wendel-Participations, and makes presentations to its governing bodies.
- Wendel maintains an ongoing dialogue with its individual shareholders.

Wendel's Shareholders Advisory Committee was created in 2009. Its 12 members met four times in 2013. The committee's role is to obtain feedback from individual shareholders on the media used specifically to communicate with them: letters to shareholders, the website and the management report.

In October 2013, Wendel held a regional shareholders' meeting at Centre Pompidou-Metz, and the Group takes part in the Actionaria trade show for companies and shareholders each year.

- Wendel keeps the financial community (analysts, institutional investors and individual shareholders) regularly informed of its earnings, business activities and strategy. In 2013, Wendel met with more than 310 stock and bond investors during its road shows (in France, United Kingdom, Germany, Switzerland, Spain, United States, Canada, Japan and Singapore) and meetings at its head office.
- As a listed company, Wendel contributes to marketplace discussion by participating in the work of all the major professional and financial market organizations, of which it is a member: Afep, Medef, AFIC, Paris Europlace, ANSA (Association Nationale des Sociétés par Actions), and so on.

3.2 Corporate Social Responsibility at Group companies

Wendel is the majority shareholder in Bureau Veritas, Materis, Stahl, Mecatherm and Parcours. The financial statements of these companies are fully consolidated in Wendel's consolidated financial statements. Accordingly, Wendel highlights the main points of their sustainable development policies in the sections that follow.

A detailed presentation of the Group's subsidiaries can be found in section 1.10 "Group companies".

Wendel Group companies translate their sustainable development policies into action plans that take into account the company's specific characteristics and maturity in the field. The main CSR issues of the five subsidiaries in which Wendel is the majority shareholder are briefly summarized below.

In 2013, the scope of the independent third party's report on social, environmental and societal information was extended to include Stahl, Parcours and Mecatherm (see page 145).

Bureau Veritas

For Bureau Veritas, Wendel's first associate company, listed on Euronext Paris and included in the Next 20 index (Compartment A, code ISIN FR FR0006174348, stock symbol: BVI), Wendel publishes a summary of information on its social and environmental responsibility. Since Bureau Veritas has an obligation to publish verified data, all of the required information is available in the company's own registration document for 2013.

Bureau Veritas is the world's second-largest provider of compliance and certification services in the areas of quality, health and safety, environment and social responsibility.

With a fast-growing workforce, identifying and retaining talent has become a priority for Bureau Veritas. It is implementing an active recruitment policy and a skills development strategy combining technical and management training. A training program for managers, called BV Academy, was launched in 2013 to train all managers in customer relations, operational excellence and team management. About 800 managers were trained in 2013.

The safety of its own employees is another priority for Bureau Veritas, which is why management teams are being held more accountable in this area. The Chief Executive Officer and the members of the relevant department systematically review all serious accident investigation reports. Several prevention campaigns, in particular to reduce road safety and chemical risks, have been rolled out.

Materis

For Materis, the biggest unlisted company in Wendel's portfolio, Wendel publishes information, verified by an external party, in the areas covered by Article L.225-102-1 of the French Commercial Code.

Materis, an international leader in specialty chemicals for construction, has four businesses: admixtures (Chryso), aluminates (Kerneos, in the process of being sold), mortars (Parex Group) and paints (Materis Paints). Materis employs close to 10,000 people, spread over different international sites.

Its main environmental and social responsibility issues fall into three categories:

- Strengthening the environmental management system

Materis strives to bolster its environmental management and better prevent and mitigate environmental risks. By conducting environmental risk audits at all of its sites, the group has been able to define an environmental roadmap for each one.

- Employee health and safety

Safety is one of the foundations of the Materis culture and is integrated into the general management of the group. Its accident rate has decreased by 85% since 2001, illustrating its drive for continuous improvement.

- Designing innovating products and services that are better for the environment and users

Over 25% of Materis' sales are generated by products launched within the past five years.

Stahl

Stahl is the world leader in high-performance coatings and leather-finishing products. Its registered office is in the Netherlands and it employs 1,178 people. As a manufacturer of chemical products, Stahl considers its major environmental and social responsibility challenges to be the health and safety of its employees and product innovation to minimize the environmental footprint of its products. Stahl has launched a continuous improvement process in the area of its employees' health and safety. In every country, employees are required to attend certain training programs to raise their awareness of these issues. New employees in production facilities or laboratories undergo specific induction training. Refresher programs are regularly offered to all staff.

This process has proven to be effective, resulting in a decline of more than 70% in the lost work injury frequency rate since Stahl joined the Wendel group in 2006.

Through its continuous improvement efforts, Stahl also ensures that the impact of its industrial sites and their activities on surrounding ecosystems is limited, since all of its sites are ISO 9001- and/or ISO 14001-certified. Thanks to its innovative research, Stahl was one of the first companies in its sector to market water-based products. These products now represent the majority of Stahl's production (80%). Lastly, Stahl recently created a working group to develop ecological product design.

Mecatherm

Mecatherm is the world leader in equipment for industrial bakeries and employs 284 people. Using its unique R&D and product innovation know-how, Mecatherm designs production lines and assembles them at its sites. Since it is not involved in production, its own activities have

little impact on the environment. Mecatherm strives to design equipment that integrates high standards, particularly in four areas: food safety, personal security, equipment preservation and environmental protection.

Parcours

Parcours is an independent vehicle leasing specialist in France with 328 employees. Its direct business activities have little impact of the environment, but as a player in the automobile industry, Parcours strives to raise safety and eco-driving awareness among its customers and their employees. Parcours integrates an improvement process into its service offering and has set up a system to monitor the CO₂ emissions from its customers' car fleets. Parcours is growing with a fast-expanding network of agencies; for every new construction, the list of specifications uses French standards of high environmental quality ("HQE") as a reference.

3.2.1 Bureau Veritas ⁽¹⁾

3.2.1.1 Social data

Human resources objectives and challenges

Bureau Veritas primarily employs engineers, technicians and other personnel who are experts in quality, health and safety, environmental protection and social responsibility (QHSE). The skills, motivation and expertise of its staff give Bureau Veritas a major competitive advantage that will drive its future growth.

As an employer, Bureau Veritas aims to create development and training opportunities for its employees while promoting diversity. In addition, the core business of Bureau Veritas, QHSE, contributes to environmental protection, risk reduction and quality improvement and is a significant source of pride and motivation for its employees.

Bureau Veritas has identified several human resource management challenges for the group:

- preparing future leaders, who are essential to the group's growth;
- efficiently integrating employees from newly acquired entities while offering them an environment that respects their diversity;
- developing new skills to deliver the solutions and innovations that customers expect;

- attracting employees with the required skills, build their loyalty and motivate them to attain operational excellence;
- reinforcing collaboration and sharing of best practices in an environment of business growth and geographic expansion; and
- promoting diversity in a group encompassing a wide variety of career opportunities and operating on all continents.

To meet these challenges, Bureau Veritas has built up a network of about 700 HR professionals around the world. Their work is coordinated by a central human resources department.

This group-level department is organized into three main focus areas:

- organization development, career management and talent development;
- compensation and benefits policies; and
- HR processes and information systems.

The main components of the HR policy developed by Bureau Veritas in response to its challenges are presented below.

Building the workforce

Since its IPO in 2007, Bureau Veritas' workforce has grown significantly: it had 61,581 employees as of December 31, 2013 vs. 33,018 employees as of December 31, 2007, an 86% increase. Compared with 2012, the workforce has grown by 5%. Bureau Veritas has employees in 140 countries.

(1) The following is a summary: the full Bureau Veritas CSR report is available in French at www.bureauveritas.fr

In number of employees	2013	2012	2011
Europe	14,027	14,524	14,491
of which France	7,630	7,754	7,654
Africa, Middle East and Eastern Europe	9,571	8,292	7,094
North and South America	16,253	15,872	12,726
Asia-Pacific	21,730	20,236	17,837
TOTAL WORKFORCE	61,581	58,924	52,148

One key element of the HR policy of Bureau Veritas is external recruitment to support its development, in particular in high-growth regions (Asia-Pacific, the Middle East and Latin America). Bureau Veritas has therefore taken steps to enhance its employer brand. It has a great deal to offer to employees in terms of variety of career opportunities, geographic mobility and sharing of know-how.

Growth through acquisition is also an important factor of workforce management. Bureau Veritas made seven acquisitions in 2013, representing an additional 2,328 employees in its workforce. Specific onboarding programs have been designed to ease and accelerate the integration of employees from newly acquired entities.

	2013	2012	2011
New hires ^(a)	12,654	13,017	11,093
Acquisitions	2,328	4,476	9,154
Dismissals	4,978	3,410	2,832
Resignations	7,790	7,185	5,939

(a) External recruitments for contracts of 12 months or more.

Voluntary employee turnover (the resignation rate) has remained relatively stable: 12.9% in 2013 vs. 12.6% in 2012. The highest rates were observed in Asia and the Middle East, which are fast-growing regions with a very strong demand for qualified workers.

Developing skills

The highly skilled workforce of Bureau Veritas is one of its biggest assets. Skills development is achieved through continuous learning on the job and through training. Technical training is required to keep employees up to date with new standards and regulations, inspection methods (sampling, analyses, nondestructive testing, measurements, etc.), the technical characteristics of the products, processes or equipment, etc. they are inspecting and rules of safety and ethics.

Investing in training

Most training initiatives are managed locally by the technical departments of each division. This ensures that the training meets the specific regulations and standards of each country.

Maintaining staff qualifications

Technical skills are not developed through training alone.

Bureau Veritas provides services in many different fields, for which a large range of technical qualifications are required. Qualification management is vital because it ensures that employees have the technical skills required to perform their work.

The technical departments of each division are in charge of managing employee qualifications and setting up the relevant training programs. At each stage in the qualification process, employee skills are verified by these departments and are also audited by accreditation bodies (e.g. COFRAC, IACS and UKAS).

Employees must complete several steps in a process before obtaining a qualification, which cover initial training (including sponsorship), supervision, and continuing education. Technical information meetings are also held locally to maintain employee skills. Job descriptions specify which skills are required to perform the work and are updated on a regular basis. For example, a new evaluation method is being introduced in laboratories, to identify risks of noncompliance of the tests performed by Bureau Veritas on behalf of its customers. The employees who perform the tests are observed and assessed based on detailed criteria.

These evaluations help to ensure not only that employees have assimilated their training but also that they have been informed of changes to working methods, tools or standards and are applying them correctly.

Developing management skills

BV Academy is a management development program run by Bureau Veritas' top-level HR department and delivered worldwide. These three-day interactive sessions bring together managers from all departments in a given geographic region to promote a group-level

approach and reinforce a shared culture at Bureau Veritas. They cover three themes: customer orientation, operational excellence and team management.

Sharing best practices and know-how

Bureau Veritas' Knowledge Management teams have created communities of experts to assist operational teams. The Knowledge Management process helps each group entity share best practices and respond to the needs of global customers with the same level of quality. A hundred or so communities of practice exist to enable thousands of specialists and experts to interact.

Encouraging diversity

Bureau Veritas encourages diversity, which it considers to be a source of growth and performance. Diversity policies have been developed in 16 countries. They address gender equality, ethnic diversity and the employment of people with disabilities, among other issues. A few examples are provided below.

Promoting gender equality

One of the Bureau Veritas' diversity goals is to improve the proportion of women in its workforce over the next few years. As a general rule, women tend to be underrepresented in the fields in which Bureau Veritas operates. The global workforce is 70% male and 30% female. Women account for 15% of managers. This figure varies from one division to another. In France, Bureau Veritas publishes an annual report on gender equality. A company-wide agreement on the subject was signed on December 15, 2011. It sets out meaningful, pragmatic goals for the continuous improvement of gender equality, initiatives to be implemented, and tracking indicators in the following areas: awareness-raising and communications, recruitment, training, promotions, compensation, and balancing professional and family responsibilities.

Organization of work and labor relations

In addition to ensuring their safety, which is an absolute necessity for the group, Bureau Veritas also strives to provide employees with a supportive work environment that promotes their wellness. In the United Kingdom, Bureau Veritas was named one of Britain's Top Employers 2013. This certification was awarded by CRF Institute, an independent organization, to acknowledge the excellent working conditions that Bureau Veritas offers its employees.

Organization of work

Human Resources Directors are in charge of organizing work and working time in compliance with local regulations. The diversity of occupations within Bureau Veritas is such that work has been organized differently for each type of business activity, depending on whether employees are based in one location (laboratory activities) or mobile (inspection activities). Working time varies according to the country and applicable legislation.

For example, in France, for Bureau Veritas SA and its subsidiaries, 556 employees work part-time, accounting for 7.3% of the workforce.

Absentee rate

Absences are monitored locally in compliance with local labor codes and regulations. In 2013, the absentee rate in France (Bureau Veritas SA and French subsidiaries) was 3.4%. This rate reflects the total number of days of absence from work due to covered illnesses, work injuries, commuting accidents, authorized leave and other causes.

Labor relations

Bureau Veritas supports the work of employee representative bodies. Works Council members attend Board of Directors meetings. Bureau Veritas has employee representative bodies in most key countries: France, Spain, Italy, United States, Japan, Germany, Netherlands, Belgium, Czech Republic, Australia, Singapore, India, Thailand, Russia and Ukraine. Staff committees have also been established in Singapore, Vietnam, the United States, Spain, France, Belgium, the United Kingdom, Canada and Malaysia. In China, a discussion meeting open to all staff is held each year to talk about subjects such as training and career development. In March 2013, Bureau Veritas created a European Works Council made up of about 30 representatives of European countries. More generally, Bureau Veritas encourages open communication and the sharing of ideas and opinions, through bulletin boards, HR lines, employee suggestion programs, exit interviews, ethics contacts, accident prevention committees, monthly employee meetings, HR site reviews and open door policies. Opinion polls and employee satisfaction surveys are regularly conducted at the local level.

Collective agreements

Collective agreements were signed in 16 major countries (Argentina, Australia, Brazil, Chile, France, India, Italy, Mexico, the Netherlands, Peru, Russia, Singapore, Spain, Ukraine and Vietnam). They cover various human resources issues such as the organization of working time, compensation policy, working conditions and measures to promote health and safety.

The application of group policy at Bureau Veritas SA France resulted in the signing of 14 company-wide agreements currently in force. They cover various employment aspects, such as worktime organization, worktime reduction and gender equality, as well as conditions governing labor-management dialogue and the functioning of employee representative bodies. In 2013, a new agreement was signed regarding the means of communication used by employee representative bodies.

Motivating employees with fair compensation

Bureau Veritas offers attractive and motivating compensation plans aligned with labor market practices in all countries in which the group operates. The group regularly conducts international salary surveys to ensure that it maintains its favorable positioning and is able to attract the best candidates while rewarding employees in line with their level of commitment and performance. Variable compensation plans, based on both individual and collective performance, contribute to aligning manager performance with Bureau Veritas' growth. The bonus plan for managers acts as an incentive. Bureau Veritas also seeks to build loyalty among managers by awarding subscription-type and purchase-type stock options and/or bonus shares as part of its long-term incentive policy.

3.2.1.2 Health, Safety & Environment (HSE)

HSE policy

The Health, Safety & Environment (HSE) policy of the Bureau Veritas group has been developed to meet the following objectives:

- integrating a large number of new employees into a growing group each year;
- harmonizing local HSE practices in an international network of 140 countries;
- conducting a diverse range of business activities with different HSE risks;
- performing work at client sites in work environments not controlled by the group; and
- preventing and protecting against road risks during business travel.

Strong commitment from management

For Bureau Veritas, safety is an absolute necessity, *i.e.* a non-negotiable value without which it cannot conduct its business.

The group's executive management has made a commitment, by signing a group "HSE Statement", to make safety at work, health, and the environment a fundamental part of the corporate culture. It is a strong statement demonstrating Bureau Veritas' sustainable commitment to continuously improving its HSE performance.

The statement is available on the company's website (www.bureauveritas.com). It was updated in 2013 to better reflect the challenges facing the group and includes the following points:

Global and local HSE organization

Bureau Veritas has set up a central HSE organization managed by the group HSE Director and the HSE Directors of each department. They define the group's HSE strategy. In addition, there are local HSE managers, who are in charge of implementing HSE policies in the network of agencies, while taking into account local constraints related to the diversity of business activities, languages and cultures involved and applicable regulatory requirements.

Bureau Veritas' HSE Director is also assisted by the Health, Safety and Environment Leadership Group (HSE-LG), a committee of experts who help to define the group's HSE strategy, in particular by helping to choose the major prevention campaigns to be implemented to promote safety and protect the environment.

Quarterly conference calls and an annual conference keep HSE teams in touch and provide them with opportunities to share best practices, select resources to be mobilized, and validate the content of the global tools that are proposed.

Two special committees were also created to address particularly significant risks:

- Asbestos Committee

This committee created in 2013 is made up of the most experienced members in the HSE network;

- Ionizing Radiation Committee

Created in 2008, this committee is made up of representatives from the related businesses;

Health and safety conditions at work

Health and safety indicators

Bureau Veritas monitors health and safety indicators in every country where it operates. The indicators have been defined in accordance with the guidelines issued by the World Health Organization. The following health and safety indicators are monitored by Bureau Veritas:

- Total Accident Rate (TAR);
- Lost Time Rate (LTR);
- Accident Severity Rate (ASR);
- Number of fatalities (FAT).

These data enable Bureau Veritas to determine the causes of injuries and monitor the required corrective and preventive initiatives.

Indicator	Unit	2013	2012	2011
Total Accident Rate (TAR)	Number of accidents with or without lost work time x 200,000/Number of hours worked	0.85	1.37	-10% per year
Lost Time Rate (LTR)	Number of accidents with lost work time x 200,000/Number of hours worked	0.38	0.60	-10% per year
Accident Severity Rate (ASR)	Number of lost workdays x 1,000/Number of hours worked	0.03	0.07	-
Fatality (FAT)	Number of deaths	4	1	None

In 2013, Bureau Veritas significantly improved its safety indicators, most of which improved by more than 40%.

Environmental data

As a service provider, Bureau Veritas' impact on the environment is low. It is mainly attributable to business travel and office consumption of electricity. Bureau Veritas has nevertheless made a commitment to minimize its use of resources and production of waste to reduce its environmental footprint. The group draws up annual reduction targets and implements specific programs to reduce its impact where it is significant. Bureau Veritas invested in local environmental initiatives in 2013. Environmental data are tracked locally.

World environment day

Four trophies in 2013

More than 75 events were organized around the United Nations' "Think. Eat. Save" theme. For more information: <http://www.unep.org/wed/2013/> Colombia won the Creativity award for its awareness-building and behavior-change initiatives featuring superheroes sharing best environmental practices.

The Education award went to the Raw Materials department in India, for its awareness-raising and lifestyle and behavior improvement

initiatives targeting not only employees, but the general public and the Ministry for the Environment of the state of Tamil Nadu as well. Vietnam was distinguished with the "Think. Eat. Save" award recognizing its initiatives to involve employees in every stage of the food product life cycle and promote waste-reduction best practices. A special award was presented to the Consumer Products department for its overall contributions to the celebration of World Environment Day.

Consumption

Energy and waste program

The Energy & Waste program, a pilot initiative launched in 2007, tracks the annual consumption per employee of energy, water and paper using standardized indicators, which are communicated to the Executive Committee and the rest of the group.

To meet the reduction targets set by the group, local action plans are implemented, documented and communicated. The actions involve changing attitudes (*via* information campaigns, etc.), changing behaviors (e.g. regulating watering systems, controlling inside temperatures, optimizing lighting) and changing management practices (procedures, systems, etc.).

Changes in consumption, calculated as a percentage over a constant scope from 2012 to 2013, are presented in the table below.

In 2013, there were an average of 19,742 employees working in offices and 14,293 employees working in laboratories.

Indicator	Unit	2013	2012	Change at constant scope	Average workforce covered
Energy	MWh/person/year				
Offices		2.07	2.92	-29%	16,143
Laboratories		6.19	5.47	+13%	14,217
Water	metric tons/person/year				
Offices		17.57	16.24	+8%	7,610
Laboratories		39.71	40.44	-2%	11,946
Paper	kg/person/year				
Offices		21.60	22.18	-3%	19,352
Laboratories		46.26	56.85	-19%	12,320

The following table shows in gross consumption in 2013.

Indicator	Unit	2013
Energy	MWh	
Offices		33,361
Laboratories		87,937
Water	metric tons	
Offices		133,733
Laboratories		474,346
Paper	metric tons	
Offices		418
Laboratories		570

Energy data include electricity and gas consumption.

Efficient energy use

2014 targets in France:

For sites with electric heating systems:

Electricity consumption: 2,500 kWh/employee and 200 kWh/m².

For sites with other types of heating systems:

Electricity consumption: 1,200 kWh/employee and 100 kWh/m².

Fuel consumption

The business activities of Bureau Veritas involve frequent travel and, consequently, significant consumption of fuel.

To reduce this consumption, Bureau Veritas introduced an e-learning module to promote energy-efficient driving techniques. Phone- and video-conferencing solutions are also frequently used to reduce travel. Local Bureau Veritas entities also launched programs based on their specific situations.

For example, in France, vehicles over three years old are being replaced by more energy-efficient models to reduce average fuel consumption per vehicle.

The Bureau Veritas head office is also considering the use of an electric vehicle fleet for travel within the Paris region.

Reduction of the environmental impact of business travel

2013 performance for France

Indicator	Progress
Compliance with travel policy	99.35% of policy-compliant travel
Specific training for 100% of employees having travelled more than 40,000 km in 2012 or who use trailers	91%
Weighted average of nominal CO ₂ emissions for new vehicles leased in 2013 of less than 112 g CO₂/km	101 g CO ₂ /km
Weighted average of nominal fuel consumption (combined cycle) for new vehicles leased in 2013 of less than 4.2 L/100 km	3.9 L/100 km

Pollution and waste management

Bureau Veritas considers that the environmental footprint of its office-based and inspection activities is limited to its use of air conditioning in offices, which could leak refrigerant gas, and its use of motor vehicles to travel to its customers' premises. To reduce the environmental impact of its emissions, the group takes out appropriate maintenance agreements and regularly updates its vehicle fleet.

For its laboratory activities, Bureau Veritas implements measures to prevent emissions to the air or water. These preventive measures include:

- obtaining all necessary authorizations to release and eliminate these emissions;
- using treatment techniques to meet legal emissions standards; and
- measuring these emissions regularly, in compliance with applicable regulations.

Local authorities and independent certification bodies audit compliance with applicable standards, as defined by ISO 14001.

Measures to prevent, recycle and eliminate waste

In terms of volume, the principal form of waste produced by the business activities of Bureau Veritas is paper. To reduce paper consumption and prevent the generation of waste, Bureau Veritas has implemented many initiatives in its entities to replace printed reports with electronic formats.

Other types of waste generated by the group, such as cardboard, plastic, glass, batteries, lightbulbs, electrical and electronic equipment, chemicals, and ore samples from laboratory tests are measured and managed in compliance with local regulations requiring treatment by specialist contractors.

Since this year, chemical and other hazardous waste are included in waste reporting. The data collected are currently incomplete. Steps will be taken in 2014 to implement a more reliable waste reporting system.

Climate change

BV Carbon

To monitor the amount of CO₂ it emits and assess the effectiveness of its environmental programs, Bureau Veritas developed its own "BV Carbon" program 2009. This software, available in three languages, is accessible *via* the group's intranet site and comes with a dedicated user guide and e-learning module. Local HSE managers provide the annual data required to calculate the carbon footprint. The six principal sources of carbon emissions selected for measurement are energy, water, paper, business travel, ozone-depleting substances (from air conditioning) and waste.

The following scopes are measured:

- S1 – Direct emissions: the sum of direct emissions due to the combustion of fossil fuels (oil, gas, coal, peat, etc.) from resources owned or controlled by the company;
- S2 – Indirect emissions: the sum of indirect emissions associated with the purchase or production of electricity;
- S3 – Other emissions: the sum of all other indirect emissions.

BV's consolidated carbon footprint for 2013, presented below, covers 46% of its workforce, excluding acquisitions carried out during the year. This scope only includes entities that have measured and reported their emissions for two consecutive years. The change in total CO₂ emissions from the business activities of Bureau Veritas (94,960 metric tons in 2013 vs. 59,607 in 2012) reflects the larger percentage of the workforce included in the scope (46% in 2013 vs. 25% in 2012).

Starting in 2013, results are sorted by type of activity.

Data for the office-based activities of the Industry & Facilities (I&F), GSIT and Marine businesses are presented separately from those for the laboratory activities of the Consumer Products and Raw Materials businesses. The same distinction is made for environmental data. This change in presentation was made following the integration of Consumer Products and Raw Materials data in 2013. In 2012, only I&F and GSIT were included in the reporting scope.

Breakdown of Group CO₂ emissions by scope

	S1	S2	S3
2013 gross emissions in metric tons of CO ₂	Direct emissions	Indirect emissions	Other emissions
Offices	20,350	28,472	13,648
Laboratories	619	28,277	3,594
TOTAL	20,969	57,749	17,242

Sources of CO₂ emissions for the Group

Offices	2013 Metric tons of CO ₂ /person	2012 Metric tons of CO ₂ /person	Change (%)
Business travel	1.925	2.24	-14%
Energy	1.672	2.02	-17%
ODS ^(a)	0.034	0.06	-43%
Waste	0.013	0.02	-0.35%
Paper	0.011	0.02	-50%
Water	0.014	0.002	>100%
CO ₂ footprint per employee	3.7	4.36	-15%

(a) ODS: ozone-depleting substances

Laboratories	2013 Metric tons of CO ₂ /person
Business travel	0.213
Energy	2.843
ODS ^(a)	0.023
Waste	0.011
Paper	0.028
Water	0.148
CO ₂ footprint per employee	3.3

(a) ODS: ozone-depleting substances

Measures to adapt to the effects of climate change and protect or enhance biodiversity

At the group level, Bureau Veritas worked to define a common framework for establishing ISO 22301-compliant business continuity plans, as required by local regulation in certain countries.

Bureau Veritas carries out its activities in compliance with local regulations for biodiversity protection.

Training

An introductory training module to health, safety and environmental protection is delivered to new hires joining the Bureau Veritas group. In 2013, more than 15,600 introductory training modules were delivered across the Group. To complement this initial training, each country develops specific training programs to address the risks to which their employees are exposed in their work.

3.2.2 Materis

3.2.2.1 Commitment for responsible enterprise

General policy

Materis' sustainable development policy centers on building and deploying its **"CORE, Commitment to a Responsible Enterprise"** plan, initiated in 2010.

It is based on the seven key elements of Materis' corporate culture:

- entrepreneurship;
- safety for all;
- determination to win together in a friendly work environment;
- freedom of expression and transparency;
- creativity and innovation;
- reactivity and decentralization;
- sense of human and environmental responsibilities.

Management's commitment

Olivier Legrain reiterated management's commitment in his communication to all Materis employees in January 2014:

"And now, finally, our CORE plan. Here are the main takeaways from 2013:

In the area of safety, despite the slight decline in the number of injuries, I must say that our results in 2013 are not completely satisfactory. We are seeing the same types of incidents occur, for the same reasons. Well-identified risks are not being sufficiently controlled. Our targets will

only be reached if we all take concrete steps as a group to make safety a reality and, at the same time, personally embody this value. I urge you to help us exercise and reinforce our vigilance, for your own sake and that of your colleagues and employees.

In the environmental arena:

- improvement and monitoring plans have been developed for each business, based on audits and quantitative results from 2012;
- using the 2013 data, we will be able to validate our findings from 2012 and confirm the areas presenting specific challenges for each business.

In the economic and societal arenas:

- our businesses are aware of the group's commitment to reinforcing our code of conduct and governance. One of our goals for 2014 is to implement a suitable program to achieve this;
- we have observed a sharp upswing of interest in "sustainable construction" from customers in a growing number of countries. In addition to thermal insulation, a familiar concern, customers are attentive to safety and comfort for product users, buildings that offer improved comfort and quality of life and thermal insulation, air quality and reducing CO₂ emissions from construction activities. These long-term trends are contributing in a very significant manner to the marketing and innovation activities of each business.

To maintain their competitive edge, all of our businesses must reinforce their commitments in these areas."

Economic	Environmental	Social
<ul style="list-style-type: none"> ■ Support customers in their sustainable development efforts ■ Innovate and propose products and services that are more respectful of their users and the environment 	<ul style="list-style-type: none"> ■ Optimize the use of resources in our products and processes ■ Limit the impact on the environment ■ Strengthen our environmental management system 	<ul style="list-style-type: none"> ■ Act for and with our employees ■ Strengthen our presence in the local community

Each business has implemented this long-term initiative in the way that is best suited to its markets and its customers. This approach is consistent with Materis' corporate culture, which supports decentralization. Materis believes that differentiation and progress are only achieved with an understanding of the local economic, social, environmental and regulatory context and not by applying a single set of external guidelines.

This local connection ensures that the commitments made are relevant and that all teams quickly adopt and act on them.

In the Paints business, Zolpan continued to implement the CSR initiative called "LUCIE". LUCIE is a French quality label based on ISO 26000.

In the Admixtures business, Chryso France obtained an "Exemplary" ISO 26000 assessment in addition to LUCIE certification.

Three times a year, a CORE committee brings together the CORE coordinators of each of Materis's four businesses to coordinate the initiative and determine its direction. It is moderated by the head of strategy at Materis, under the direct supervision of the group's Chairman, who participates twice a year.

3.2.2.2 Reporting methodology

Scope and methods of consolidation

- To produce the key indicators selected for this report, data were taken worldwide from all entities consolidated in the Materis group's financial statements.

A specific calculation method has been defined for each indicator. Where measured data are not available, sites provide estimated figures and an explanatory note in accordance with the corresponding method. Data are collected using standard files validated by Materis.

Exceptions: data from acquired entities are not included in the report for the year they are acquired.

- Note: the report for fiscal year 2013 is the second consolidation of environmental data.

Responsibilities and verification

Materis' Human Resources teams are in charge of producing social and societal data for each of its main businesses and for the group.

Safety indicators are produced by the Safety network and the Materis Safety team.

Environmental data is produced by Environment experts in each business, prior to data consolidation by Materis.

Each business is responsible for collecting and verifying the data it reports.

Each site director is responsible for producing the indicators and performing an initial verification of the result.

3.2.2.3 Social initiatives: acting for and with our employees

With close to 10,000 employees around the world and sales outlets and industrial plants in more than 30 countries, Materis is pursuing its growth with special attention to the working conditions of all its employees, so that every Materis company promotes personal and professional development and a friendly and transparent atmosphere.

In 2013, Materis Paints continued to encourage employees to participate in the development of their company, by extending the Great Place to Work survey to all of Materis Paints France.

Human resource management is decentralized at Materis. The HR director of each of the group's four businesses coordinates HR policy, which is implemented locally in every country where the group has a sales or industrial presence. These HR directors make frequent visits to all industrial sites and sales outlets in their business to ensure that HR policies are properly and consistently applied.

A Human Resources Committee (HRC) made up of the four HR directors, moderated by the HR Coordinator for Materis and directly overseen by the Chairman of Materis, meets monthly to coordinate action in the following areas:

- developing the Safety culture, a priority for Materis;
- developing people and skills, mobility between businesses and career management.

Each HR director also makes the following commitments to the HRC for its business:

- support and apply Materis' commitment to Safety and ensure that its organization functions in a way that exemplifies the Materis culture;
- facilitate the development of each individual in an organization that promotes the taking of initiatives and responsibility;
- ensure that the annual appraisal process is carried out at every level of the hierarchy;
- implement appropriate training plans in all entities in its business;
- promote and implement compensation policies that are consistent with benchmarks in the markets relevant to its business;
- prevent all forms of discrimination and ensure compliance with labor laws everywhere in the organization.

Development of the Safety culture, a priority for Materis

Safety is one of the pillars of the Materis culture and the direct responsibility of the group's chairman. It is integrated into the general management of the company and reinforced in three main ways:

Cultivating a strong culture of safety in the group

The safety of the people who work in the group and their working conditions are just as essential as the company's economic success. Concern for safety must be an important feature of each individual's behavior.

The Materis Executive Committee and the management teams from each business participate actively in this initiative to build and disseminate a safety culture in each group entity. The CEO of each business is required to make at least one safety visit every quarter to their industrial sites. In addition, a safety indicator is included in their annual objectives as well as those of many managers.

A culture of safety is based on setting an example and requires an increasingly strong commitment from managers at every level.

Each year since 2009, World Safety Day has provided an opportunity, in each of the businesses, to focus the attention of teams around the world on the need to make safety a habit.

To develop the safety culture of the group's managers, Materis has also developed, in partnership with DuPont Consulting, an in-house training module delivered in two half-days, called "Managing Safety by Exemplary Behaviour". Each module, delivered three times a year, addresses 30 to 35 managers from all four businesses. They learn about the safety organization at Materis, the use of key tools such as safety visits, root-cause analysis, housekeeping audits, and so on, and the various communications aids that exist. They are also made aware that as managers, they must uphold high standards and a high level of commitment in the area of safety.

In 2013, Materis Paints decided to set a new Safety goal of zero injuries.

Kerneos developed its own company project with the assistance of DuPont Consulting. The program, called Prosafe, aims to foster

greater employee motivation to increase safety at work. Kerneos first assessed the safety culture at its main industrial sites before developing a plan of action for 2013-14, which included appointing a Safety director, designating HSE managers at each site and updating the health and safety policy.

Using preventive strategies

Since 2001, injury frequency rates at Materis have steadily decreased.

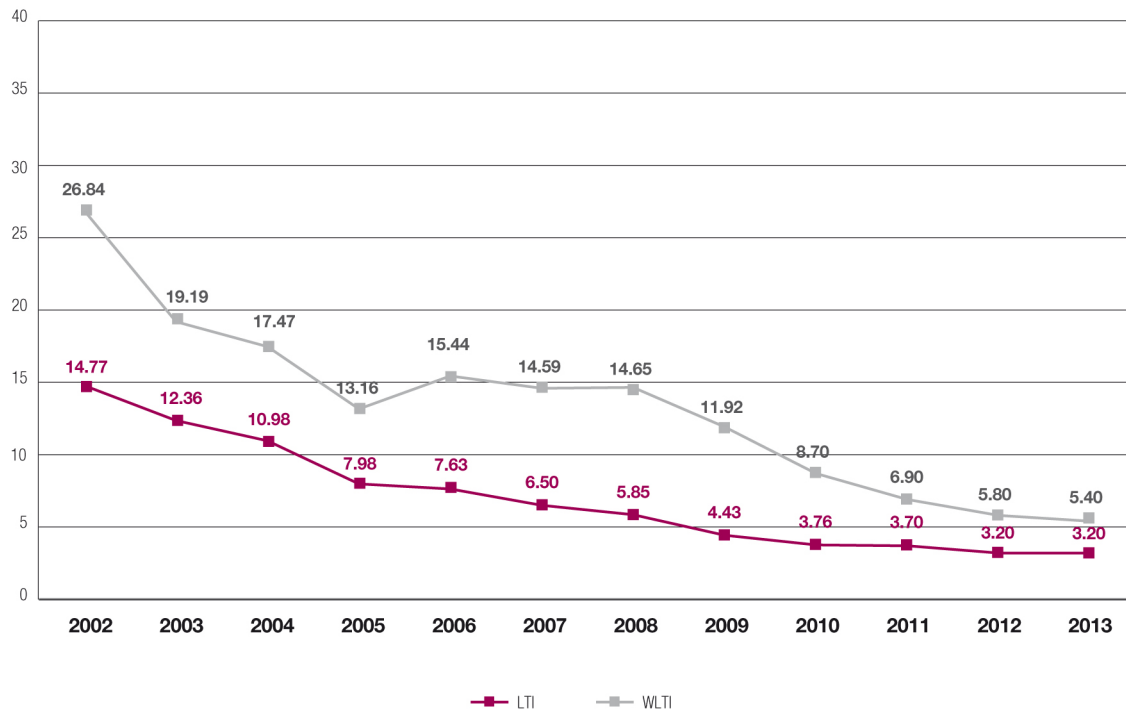
LTI: number of lost-time injuries per million hours worked.

WLTl: number of injuries with or without lost time per million hours worked.

For every injury, with or without lost work time, the relevant business performs a root-cause analysis to determine what preventive and corrective action should be taken.

In 2013, Materis expanded its efforts and began to track and analyze first aid treatments in the same way as injuries with and without lost time.

Trend in LTI and WLTl frequency rates at Materis



To promote experience-sharing and risk prevention, Materis has developed several multilingual communications tools for different types of injuries.

They can be used by Materis managers during their "safety minute" presentations, team meetings and information meetings and downloaded from a secure extranet site devoted exclusively to safety. The platform also provides access to safety statistics for Materis, meeting reports, Materis procedures and best practices, awareness videos on risks for workers at building sites, sales outlets and laboratories, risks related to subcontracting, or that reenact injuries that have occurred at Materis.

In 2013, ParexGroup created an international community of internal auditors whose role is to assess and improve the company's safety management system.

Incorporating a safety culture into industrial practices

In 2013, Chryso organized its first annual safety meeting with the main subcontractors working with its production site in Sermaises, France. The aim of the meeting was to discuss safety, share best practices and teach subcontractors how to use a quick "stop-and-think" risk assessment tool before starting any task.

In 2013, the group continued to obtain OHSAS 18001 certification for its plants. Eight new sites were certified, bringing the total number to 70 (i.e. 67% of the Materis group's 105 sites) as of the end of 2013.

Materis intends to guarantee a safe work environment for each employee in more ways than through certification. Safety visits are a part of the management of industrial sites: a colleague observes a person at his or her workstation, and a discussion ensues during which the observed employee is alerted to identified risks. In this process, employees are actively involved in ensuring their personal safety and that of their colleagues.

Workforce

Construction markets remained challenging in 2013 in Southern Europe (Italy, Spain, Portugal) and in France. Materis took steps to find an optimal balance between market demand and the group's resources, while promoting the commitment of each employee. In Materis' growth regions (mainly Asia), however, its workforce grew.

As a result, arrivals and departures in 2013 balanced out (excluding changes in scope) and the workforce remained stable.

The Paints business, hard hit by the recession in Southern Europe, was nevertheless obliged to adjust its staff by 3.6% in 2013.

Breakdown of staff by geographical region:

- Europe: 55%; 55%
- of which France: 41%; 39%
- Asia-Pacific: 21%; 23%
- South America: 12%; 11%
- North America: 4%; 4%
- Africa & Middle East: 8%; 7%

Absentee rate

The absentee rate at the Materis group remains very low (2.3%).

Training and employee development

Training

A training policy is developed locally by each of the group's main businesses, based on the development needs of its staff.

Materis is committed to offering regular training to its employees. Through training, they improve their performance and employability. In 2013, the number of group employees having participated in at least one training program during the year was stable (72% of employees). The average number of training hours per employee increased by 23% to 17.7 hours. In 2013, external training costs rose by 12%.

The training program dedicated to safety, an absolute priority for Materis, called "Managing Safety by Exemplary Behaviour," has already been attended by 300 Materis managers.

Annual Performance Appraisal (APA)

The APA is an important event in the relationship between an employee and his or her manager. It is a time for discussion of each employee's performance and achievement of the goals set in the beginning of the year. This forms the basis for determining variable pay.

It is also an opportunity to discuss the employee's development and personal ambitions, training needs and the manager's management style.

The APA is used in a very large number of group entities and will eventually be deployed worldwide for all group managers. For this reason, Materis decided to start using a new performance indicator in 2013 to measure the rate of APA use by Materis managers. In 2013, 72% of Materis managers underwent an APA.

Succession plan

The HRC and the group's businesses work together to maintain an up-to-date succession plan for senior managers. The purpose of the plan is to promote the career development of senior managers and their mobility between businesses, based on business needs.

Compensation

The Materis group's compensation policy is specific to each of its businesses, which operate in different industrial sectors. The policy is based on the following principles:

- compliance with applicable regulations and the minimum contractual salary in force;
- recognition of individual and collective performance;
- desire for internal equity;
- consistency with local market conditions.

All of the group's businesses promote and implement variable compensation systems that depend on a balance of individual and collective performance.

The human resources departments in each business conduct periodic benchmark studies to ensure that compensation is consistent with market levels.

Each year, Materis' businesses engage in negotiations that enable a significant number of local collective agreements to be adopted regarding compensation (55 in 2013).

In 2013, personnel expense represented 21.1% of Materis' sales.

Organization of working time

Each Materis entity ensures that its business activities are conducted in compliance with local regulations. The continuous improvement of working conditions and organization is also an important point in the human resources policies applied in each group business and each entity.

In addition to collective agreements on compensation, 46 local agreements were signed in 2013 in areas related to working time, training, safety, health and diversity.

In Turkey in 2013, Chryso set up a collective transportation system for its employees to facilitate their travel to the Istanbul plant.

Diversity

Materis fights all forms of discrimination.

In France, Zolpan, a Materis Paints company, and Chryso have signed a Diversity Charter. The group's four businesses have built partnerships with adapted employment centers (CAT, ESAT).

Freedom of association

In accordance with local regulations, Materis allows employees open access to their representative, consultative and labor-management bodies in all of the group's entities.

3.2.2.4 Environmental initiatives

Due to the nature of Materis' industrial activities, which mainly consist in developing formulations for specialty products, their direct impact on the environment is limited. At the end of 2013, after the initiatives taken during the year, the amount of Materis' provisions for site remediation and soil decontamination was €1.3 million.

Protecting the environment is a key element in its corporate culture, which is why Materis invested €9.2 million in 2013 to prevent environmental and security risks, representing 13% of the group's total capital expenditure.

Although its four businesses face different environmental challenges, Materis chose to develop one environmental strategy based on three shared priorities:

- strengthening the environmental management system and improving management practices at Materis' sites;
- optimizing the use of resources required for Materis business activities;
- reducing the environmental impact of Materis' operations.

Strengthening our environmental management system

The prevention and control of environmental risks is a priority. Materis continued to prevent risks and reinforce environmental management at all of its industrial sites, in two ways:

- gradual achievement of ISO 14001 certification, an international standard for environmental management. Five new sites obtained this certification in 2013. At the end of the year, 25 of the Materis group's 105 industrial sites were certified (i.e. 24%);
- multiyear improvement plans developed by each Materis site, following external audits of all industrial sites in 2012 to assess their environmental risks.

Ecogestes initiatives continued to be implemented in 2013, enabling each group employee to individually contribute to improving the system. At ParexGroup France and Materis Corporate Services, awareness campaigns covered the following areas:

- reducing electricity consumption;
- reducing energy used for lighting;
- promoting ride-sharing.

Optimizing the use of resources

Materis' industrial activities mainly involve transforming and extracting value from raw materials to formulate products for use in the construction industry. Resource consumption is therefore directly proportional to the company's volume of activity.

Energy management and energy efficiency

Materis' businesses continued their energy efficiency initiatives to diminish their environmental impact and energy costs.

The Materis group's energy consumption in 2013 was 5,102 terajoules, up 2.3% for a 4.4% increase in business volume.

Investments made in 2012 and 2013 to diversify fuels led to significant reductions of NOx, SOx and COV emissions, which decreased by 6%, 14% and 9%, respectively.

In the Materis group, Kerneos has chosen to voluntarily report its greenhouse gas (GHG) emissions since 2005.

The European directive on CO₂ quotas applies to Kerneos for the 2013-20 period. A French order in January 2014 determines how emission allowances will be allocated in France.

In addition, to reduce CO₂ emissions, two industrial sites in France and the United Kingdom partially replaced their energy sources with natural gas, the fossil fuel with the lowest emissions per unit of energy.

In France, ParexGroup France and Tollens (Materis Paints France) have performed a carbon assessment to identify their main sources of GHG emissions. Zolpan (Materis Paints France) conducted a carbon assessment in 2012 and will repeat the procedure in 2014.

To raise awareness of energy efficiency issues, Chryso held a conference on energy management for employees and their families.

Water management

The Materis group's total water consumption in 2013 was 952,017 cubic meters, up 1.5% for a 4.4% increase in business volume.

Many of Materis' industrial sites have been designed so that no wastewater is discharged into the environment. Effluents are recycled or handled by specialist subcontractors. Each year, specific investments are made to improve industrial wastewater treatment and reduce discharges from the relevant businesses (Materis Paints and Chryso).

At Chryso France, truck washing practices were optimized, reducing the volume of water used for washing by 10%.

Improvements made to the recycling station at the La Bridoire plant (Materis Paints) in 2012 led to a 36% decrease in wastewater discharge in 2013.

At Chryso, the plan to modernize retention systems is underway.

Raw material management

The Materis group employs processes that produce very little waste or spoilage.

In 2013, processes and recycling were improved, reducing spoilage from 1.0% to 0.9% of the manufactured volume.

Materis' businesses act in the following ways to streamline their use of the resources needed to manufacture Materis products:

- using previously unused industrial co-products as substitutes for raw materials and traditional fuels. One Kerneos site qualifies as a co-incineration plant;
- reducing the consumption of petroleum-based raw materials in packaging by developing packaging that is partly organically-sourced and by using recycled plastics (Materis Paints).

Limiting the impact on the environment

Management and disposal of industrial waste

In 2013, Materis' industrial activities generated a total of 40,388 metric tons of waste, (down 3.7%), which was treated by specialist subcontractors accredited by local authorities.

Over 80% of this waste was classified as non-hazardous as defined under the European Waste Catalogue.

Noise pollution

The noise generated by Materis plants is limited. Noise levels are monitored at all of Materis' industrial sites, in accordance with local legislation and OHSAS 18001 certification, and formal action plans are implemented.

Materis aims to obtain OHSAS 18001 certification for all of its sites by the end of 2015.

Land use

The land footprint of Materis' industrial activities and their direct impact on land are not significant and do not warrant close tracking of land use.

In 2013, Chryso finalized its soil decontamination plan for a site it had previously acquired in South Africa.

Adaptation to the consequences of climate change

Materis' activities are not directly impacted by the consequences of climate change. Accordingly, the group has not developed an overall policy in this area.

Measures to protect and enhance biodiversity

No major, immediate impact from Materis' industrial activities has been identified. General efforts to reduce the use of resources and environmental impact also ultimately contribute to protecting biodiversity.

Accordingly, the group has not developed a global policy to protect biodiversity in the areas surrounding its industrial sites.

3.2.2.5 Societal initiatives

Materis strives to serve its customers and the communities in which the group operates using three main strategies:

- innovating to design and propose products and services that closely match customer needs and answer the requirements of Sustainable Construction;
- supporting customers in their sustainable development efforts, beginning with the internal deployment of CORE;
- strengthening the relationship between the group's sites and the communities where Materis conducts its industrial and sales activities.

Innovating and proposing products and services that are more respectful of their users and the environment

Materis invested €29 million, or 1.4% of the group's revenues, in innovation in 2013.

A large majority of the users of Materis products are construction professionals, and Materis strives to continuously improve the use and performance of its products for these customers.

The Materis group has worked green design into the core of R&D management in its four businesses. It calculates the overall environmental footprint of a new product by measuring two types of effects on the environment: the product's intrinsic impact resulting from its design and the resources needed to manufacture and market it, and the impact that comes from its use by customers and by building users.

To improve the working environment of construction professionals at work sites:

- ParexGroup continued to develop dustless solutions and lighter products to reduce risks related to the handling of loads;
- Chryso implemented a program to optimize the biocide content of its products and also developed more concentrated formulations of some of its products to reduce volume for transportation;
- Materis Paints continued work in R&D to reduce COV emissions by accelerating the replacement of solvent-based paints with water-based equivalents and by launching a "Low COV" range. Water-based paints accounted for more than 90% of sales volumes, and COV emissions were reduced by 12% in 2013.

In 2013, more than 26% of Materis' sales were generated by products launched less than five years ago.

Supporting customers in their sustainable development efforts

Several Materis companies regularly evaluate their customers' satisfaction through qualitative surveys and in-depth interviews.

This research reveals that customers are increasingly concerned with safe product use and choosing solutions that contribute to sustainable construction.

Accordingly, Kerneos provides its customers with tools to assist them in conducting life cycle assessments and developing low-impact solutions.

Chryso offers customers technical audits of their industrial sites to assess whether products are being used safely there.

Materis Paints and ParexGroup are extending their ranges of external insulation systems to improve energy efficiency and comfort in buildings.

Strengthening our presence in the local community

Impact on employment and regional development and on neighboring or local populations

The impacts of the Materis group's business activities and the activities resulting from the use of Materis products are mainly local.

Through its business, the group contributes to the construction and renovation of housing, commercial real estate and infrastructure, which are very largely local markets. Most of its production operations are also carried out locally.

In 2013, the share of Materis revenues generated by products sold in the region where they were produced was 88% (87% in 2012).

The raw materials used in its industrial processes are also primarily local and thereby contribute to forming a local value chain.

Relations with suppliers and subcontractors

Materis integrates its responsibility into its own business activities as well as those of its suppliers and subcontractors. The group's four businesses implement responsible procurement policies, reflecting Materis' CORE initiative.

As in other CSR areas, Materis' four businesses develop their own procurement policies – purchasing charters, external benchmarks (LIFE), etc. – in a decentralized manner while applying the following main guidelines:

- setting an example for suppliers with the conduct of Materis teams;
- when assessing and selecting suppliers, taking their own CSR commitments into account.

Partnership and sponsorship initiatives

In connection with the CORE plan, Materis, via its HRC, has chosen to establish a policy that encourages the development of local initiatives rather than a global partnership or sponsorship program. It describes its approach as follows:

"The goal of Materis is to conduct its business, everywhere that the group operates, in harmony with the various local stakeholders: citizens, local authorities, governments, partner companies, non-profits and/or other organizations present in the community.

Materis has therefore chosen to encourage and promote the development of initiatives to support the work of non-profit, public, private, local, national or international organizations in the following areas:

- education;
- health;
- social issues;
- culture (protection of heritage and the arts).

Local teams, in collaboration with the head or chief executive of their entity or subsidiary, are responsible for selecting the organizations to support. Preference will be given to organizations in which Materis employees participate."

Within ParexGroup, the company and its employees in Brazil participate in an outreach program facilitating access to training in the construction industry, while in the United States, the company offers opportunities for joint initiatives with local communities throughout the year.

In France, Materis Paints partnered with the Imagine Institute of Genetic Diseases, donating one-half of the volume of paint needed for its new building.

Preventing corruption

Materis works to ensure that its employees follow fair business practices and comply with applicable regulations in this area. In 2013, the plan to introduce compliance programs was presented to the group's businesses, in order to determine how they would be implemented in 2014.

Commitment to human rights

Materis strives to improve the well-being and safety of its employees and subcontractors in the workplace and works to integrate these criteria into its relations with suppliers through purchasing charters, external benchmarks (LIFE), and so on.

The Materis group refuses to use any child or forced labor.

3.2.2.6 Summary of environmental and social indicators

Environmental indicators	2012	2013
% of industrial sites having completed an environmental audit	100%	97%
% of ISO 14001-certified industrial sites	20%	24%
Waste produced (% of production volume)	1.0%	0.9%
Energy consumption (TJ)	4,989	5,102
CO ₂ emissions (metric tons)	486,244 ⁽¹⁾	507,906
NO _x emissions (metric tons)	1,739	1,632
SO _x emissions (metric tons)	2,504	2,163
Water consumption (m ³)	937,751	952,017
Chemical Oxygen Demand COD (metric tons) ⁽¹⁾	143	82
Suspended solids (metric tons) ⁽¹⁾	37	31
Volatile Organic Compound emissions (metric tons)	270	245

(1) Partial scope (90%).

Human resources indicators	2012	2013
Workforce		
Group workforce	9,610	9,572
of which permanent contracts	9,170	9,251
of which % of permanent contracts	95%	97%
of which fixed-term contracts	440	321
of which % of fixed-term contracts	5%	3%
of which women	2,519	2,507
of which % of women	26%	26%
of which men	7,091	7,065
of which % of men	74%	74%
New hires in the group ⁽¹⁾	1,563	1,183
of which women	457	311
of which % of women	29%	26%
Departures from the group ⁽¹⁾	1,504	1,228
of which women	408	374
of which % of women	27%	30%
Breakdown of staff by geographical region		
Europe	55%	55%
of which France	41%	39%
Asia-Pacific	21%	23%
South America	12%	11%
North America	4%	4%
Africa & Middle East	8%	7%
Personnel expense as a % of sales		21.1%
Absentee rate	2.2%	2.3%
Training		
Number of employees having completed at least one training program	7,129	6,914
% of employees having completed at least one training program	74%	72%
Average number of training hours per employee	14.3	17.7
External training costs as a % of payroll	0.7%	0.7%
Personal safety ⁽²⁾		
Number of work injuries with at least one day of lost time	58	59
Number of work injuries without lost time	47	39
Rate of injuries with lost work time	3.2	3.2
Rate of injuries with or without lost work time	5.8	5.4
Accident Severity Rate (ASR)		0.09
% of industrial sites with OHSAS 18001 certification	61%	67%

(1) Permanent contracts only.

(2) Scope including regular and temporary employees.

3.2.3 Stahl

3.2.3.1 Highly committed to developing employee skills

Employment

As of December 31, 2013, Stahl had 1,178 employees, a reduction of 59 over 2012. The relatively stable numbers in Stahl's workforce demonstrate its ability to increase its revenues and bottom line while maintaining a similarly-sized structure.

Breakdown of full-time equivalent employees as of December 31 by geographic region

Region	2013	2012	2011
Europe	474	482	479
Asia-Pacific	270	276	273
India and Pakistan	168	180	171
North and South America	266	299	310
TOTAL	1,178	1,237	1,233

Ninety five percent of Stahl's employees are on permanent contracts. Its workforce is 79% male and 21% female. Total FTEs leaving during 2013 were 215, and 159 joined in the same period. Turnover of strategic employees (sales and application technicians and R&D specialists) was extremely low: 9.5 FTEs in all. These figures are consistent with the markets in which Stahl operates and reflect the trends in the various regions.

Working organization

The average working hours at Stahl are around 40 hours per week but with such an international, diverse organization, there is inevitably some local variance on this. Recording of working hours is done with a clocking system on some sites, while others rely on manual recording. Stahl reports on the absentee rate for each site.

Social relations

There are no collective bargaining agreements in place in Stahl. Local agreements are made between the local site management and employee representatives on pay and working conditions.

Stahl uses the most appropriate human resources tools to support its businesses and objectives. All of Stahl's installations are small or medium-sized, and to respond to the high level of service required in the industry, the company is very close to its customers. In this context, Stahl has a healthy labor environment. Employees have access to all the support and training their positions require. In addition, Stahl uses performance appraisal as a way to help employees achieve personal development and business objectives.

The bonus system, especially for the sales staff, is designed to focus on growth and quality of service. Stahl's compensation policy is competitive and consistent with local practices and regulations. Total compensation, excluding bonuses paid in respect of 2013, was more than €60 million, less than 1% under 2012.

Training

The highly technical and innovative markets that Stahl serves require it to have top-notch capabilities and skills and to maintain a high level of service. For this reason, Stahl is committed to developing its employees as a key factor for strengthening its leading position. Employees' sales and technical skills are constantly being developed through external training, such as in chemicals and leather treatment, and through in-house training. In 2013 Stahl began an intensive training program for future managers involving a total of 50 employees. It will continue into 2014, when the second and third group seminars take place. During the course of 2014, it will also set up Stahl Academy to improve its technical training.

In 2013, the average seniority of Stahl's technical staff was more than 10 years. This is because Stahl offers its leather and coatings specialists a work environment conducive to their professional development. Stahl delivers in-house technical training and also calls upon outside organizations for sales, marketing and managerial training. Stahl also strives to offer suitable training to the middle managers in its eight factories and its sales outlets around the world, to ensure that they recognize the value of multiculturalism while reconciling local practices with Stahl's strategy and values.

Equality

Stahl is and remains an equal opportunity employer in all the locations worldwide: this is a public statement. Stahl's website clearly mentions this.

Stahl tracks the ratio of male/female employees and the percentage of female employees in management positions. 44 women are in a management position in 2013 which represents a ratio of 3.7% of female employees in management positions.

The nature of Stahl's business somewhat limits the opportunities for disabled employees. There are currently six FTEs in this category.

Health and safety

Stahl is very committed to its Health, Safety and Environment (HSE) program, which is an essential part of its corporate culture and is described in paragraph 3.2.3.2. Mandatory training is also organized in all countries to raise awareness and ensure that employees always act safely. All new employees, especially those in production, laboratory or application activities go through a specific integration process when they join the group. In addition, refresher courses are regularly offered to all employees.

To ensure continued improvement in the evaluation and prevention of risks, Stahl tracks indicators of progress on safety, of which the following table is an extract:

	2013	2012	2011
Frequency rate of accidents with lost work time	0.08	0.12	0.24
Severity rate of accidents	0.97		

Frequency rate is calculated as follows: $(\text{number of reported accidents with lost days higher than three days} \times 100,000) / (\text{number of worked hours})$.
Severity rate is calculated as follows: $(\text{number of lost days} \times 100,000) / (\text{number of worked hours})$.

3.2.3.2 Protecting the environment, a key issue for Stahl

Given its activity in the chemical industry, Stahl is committed to making Health, Safety and Environment (HSE) an integral part of its economic development. Its executive management is directly responsible for ensuring that HSE principles are correctly applied. In addition, safety and environmental issues are included on the agenda of every board of directors, management and department meeting in all Stahl operating units.

Stahl's main commitments to HSE are as follows:

- meet all legal provisions and local regulations and demonstrate responsible corporate citizenship;
- identify the risks related to the design, manufacture, sale and use of its products and establish appropriate controls;
- aim to eliminate all environmental risks related to its operations;
- report and investigate any incident, take corrective action and share lessons learned;
- ensure that all employees possess skills that are appropriate for their job;
- define HSE standards in simple, clear terms, communicate them to all employees, and ensure that employees adopt them. All employees are continually reminded of environmental issues, in particular those concerning building maintenance and energy consumption;

- report, monitor and audit all aspects of HSE performance to confirm compliance and continuous improvement, and recognize and reward HSE excellence.

Stahl committed in 2013 to work with its sustainability mentor, The Natural Step, in order to better understand the complete impact of its operations from the start to the finish of a product life cycle. This study is expected to be completed in March 2014.

Stahl's HSE organization

The management team of each site ensures that all business activities comply with local and national legislation as well as with internal regulations and directives. The manager in charge of global HSE operations and issues visits each site regularly. Compliance with HSE standards, legislation in force and internal regulations are systematically analyzed during these visits. More detailed audits are also performed by internal and external teams.

Monitoring HSE objectives at industrial sites

The managers of each business and each industrial site have HSE objectives. To achieve them, they adapt HSE principles to the local environment and set up rules for guiding HSE performance. These rules are generally detailed in written procedures drawn up by the managers that place particular emphasis on ensuring that appropriate measures are taken to evaluate and verify compliance with national legislation. Stahl's eight production sites comply with local legislation.

Continuous improvement

All Stahl sites are ISO 9001- and/or 14001-certified. Follow-up audits and internal control take place on a regular basis. Stahl adheres strictly to all European REACH legislation. As a manufacturer and importer of chemicals operating in the European Union and the United States, Stahl implements precautionary measures at the end of the supply chain to prevent any potential adverse effects on people or the environment.

Waste management

Stahl is especially attentive to waste management. The company regularly reviews the processes it uses and promotes a sense of discipline and accountability among employees. Waste disposal is carried out by reputable, government-approved companies. Incineration of chemical waste is only carried out using responsible methods and suppliers.

Emission management

Stahl measures emissions in the air of its production plants locally, based on the requirements imposed by the authorities.

In kg CO₂-eq

	2013
CO ₂ emissions (scope 1)	5,885,802
CO ₂ emissions (scope 2)	8,762,806

Optimizing the use and consumption of natural resources

■ Water consumption

Stahl uses water as a raw material for many of its products as well as for cleaning equipment. For this reason, Stahl pays particular attention to reducing water consumption at its sites. The volume of cleaning

■ Reducing CO₂ emissions

In 2011, Stahl developed, together with an engineering company, a proprietary system for measuring its carbon footprint. The system was rolled out to all production sites in 2012, which will be the baseline year used to set CO₂ emission reduction targets. The Group will continue to measure and seek constant improvement.

■ Reducing emissions into the air, water and soil

After making capital expenditures of over €4 million in 2011, in particular at its Parets site (Spain) to increase energy efficiency and reduce emissions of monomers and volatile organic compounds (VOC), at its Portao site (Brazil) to treat wastewater and at its Waalwijk site (Netherlands) to reduce waste production and emissions into water, Stahl set up maintenance audit programs in 2012 to prevent the risk of soil pollution from leaks in pipes, chemical storage tanks or sewage systems. An audit was conducted for all sites in 2012, in accordance with local permits and legislation. Investments in 2013 were lower because of a potential acquisition by Stahl, this is still ongoing.

water used depends on the products manufactured at each of the company's sites. Products that use pigments or viscous polymers, for example, need more cleaning water than products that do not contain these chemicals. However, Stahl succeeded in reducing its total water consumption in 2013.

	2013	2012
Total water consumption (m ³)	182,248	194,216

Stahl has installed high-pressure water systems for more efficient and therefore more economic equipment cleaning.

■ Energy consumption

Stahl is determined to prevent energy waste through efficient and responsible consumption. To do so, it focuses its efforts on raising employee awareness, which is the pre-requisite to the application of this policy in the areas of maintenance, engineering, technical projects, product development.

Energy consumption audits of Stahl's production sites were completed in 2011 and the resulting recommendations have been partially

implemented. If equipment needs to be replaced, or if an industrial development project is under consideration, Stahl ensures it studies at least one of the most energy efficient and environment-friendly alternative solutions. Finally, Stahl stays in close contact with its customers and suppliers and with universities so as to stay abreast of innovation. Stahl measures and controls its energy consumption on its sites by month and by unit of production.

	2013	2012
Electricity (MWh)	19,275	19,154
Gas (Nm ³)	1,807,904	1,741,688
Oil (in tons)	861	872
Steam (in tons)	3,871	3,763

■ Raw materials consumption

More than 80% of Stahl products are water-based, replacing the use of solvents. In application of the REACH regulation, the gradual elimination of solvent based products from its portfolio is still a primary goal for Stahl. Thanks to its innovative research, Stahl was one of the first companies to market water-based products. Today, these products represent the majority of Stahl's production. At the end of 2010, Stahl created an internal task force whose objective was to empower the company with the resources it needs to innovate in the eco-design of its products. This task force is made up of 1.5 FTE employees from the R&D team and FTEs from business units (technicians and sales staff).

Climate change and Biodiversity

The global activities of Stahl have a negligible effect on climate change and biodiversity hence there is no reporting on these issues.

3.2.3.3 Corporate citizenship

To be true to its role as global market leader, Stahl has a policy to be proactive in the area of corporate social responsibility. In 2011, the company had made an inventory of all options so as to work with a structured approach to sustainability and corporate citizenship.

Signature of the Global Compact

Stahl signed the Global Compact on January 1, 2012 and has since established these ten principles to guide its action:

1. maintain its commitment to develop lines of finished products and research alternative raw materials and components;
2. continue to develop water-based products and products with lower VOC content, applying the strictest directives as a reference;
3. develop a leather product and a textile coating that are 100% green, to be used to create new marketable products;
4. apply local legislation as a minimum standard for ensuring the safety of local communities;
5. advise and support customers in the use and disposal of Stahl's products;
6. develop a global engineering plan so as to design the most efficient program for all production sites in terms of sustainability and cost effectiveness (energy audit, carbon footprint, maintenance and replacement plan);
7. study options to switch to green electricity and gas;
8. raise awareness about waste, recycling and energy saving through internal campaigns;
9. set up a waste reduction program per location;
10. develop a code of conduct covering the majority of the principles set down in the UN Global Compact (human rights, labor laws, anticorruption measures).

To report on its progress with these commitments, Stahl submitted its first corporate social responsibility report to the United Nations in 2013. This mandatory annual report is available on Stahl's website, www.stahl.com.

Regional, economic and social impact of Stahl's business activities on employment and regional development and on neighboring or local populations

As a multinational company, Stahl has assumed responsibility for working with local communities and contributing to their growth.

In Europe, Stahl prefers to work with local suppliers and foster economic ties in the region. Stahl India hires residents close to the site under fixed-term contracts. Stahl China received the 2013 Economic Contribution Award, presented to leading companies that have made outstanding contributions to the economic and social development of the new Xuquan district west of Suzhou. Stahl Asia Pacific complies with Singapore labor law, particularly regarding workers under the age of 16 and adopts non-discriminatory employment practices in this city-state where the workforce is very diverse.

Relations with individuals or organizations with an interest in the company's business activities, such as organizations promoting inclusion, schools, environmental protection organizations, consumer groups and neighboring populations

Stahl has been extremely active in the Leather Programme of the Dutch MVO since the start in 2013, the first project in Mongolia is well under way. Others will follow shortly in India. This results in Dutch shoe and leathergoods retailers using leather from sustainable sources.

Stahl works closely with the world-renowned BLC Leather Technology Centre at the University of Northampton in the UK. Stahl employees regularly give lectures and presentations to the students there.

Stahl has also joined the Leather Working Group, an international group of companies active in the entire leather supply chain, including tanneries, chemical companies and leading consumer brands. Its aim is to find solutions to improve the industry's environmental impact, supply chain management and product sourcing.

Stahl also participates in Leather Naturally, an initiative of the leather industry to counteract calls by NGOs and special-interest groups to boycott leather.

Stahl India is a member of Sipcot, an organization recognized by the Indian government authorities. Its members are companies that must deal with issues relating to power, road infrastructure, water, pollution, etc.

Stahl India is also part of the *National Safety Council*, which organizes safety awareness events in companies such as lectures and guided tours. It also rewards companies that excel in safety.

Stahl China gives lectures at Sichuan University, which specializes in training for the leather and textile industry, and employs two of its students.

Stahl China also works with Chinese government offices for Planning, the Environment, and Health and Safety.

Stahl Asia Pacific works closely with local higher education institutions on student internship placement programs, particularly in the field of chemical process technologies. Stahl Asia Pacific sponsors a book prize recognizing students with the best academic performance, especially in the chemical process technology field.

Stahl Ibérica has agreements with the universities of Barcelona and EUETII-ESA (*Escola Universitaria d'Enginyeria Tècnica Industrial d'Igualada*, Igualada Technical Engineering & Leather School) and recruits students in their final year for practical work experience. Stahl Ibérica also recruits recently qualified graduates from the various universities in Barcelona to work in the company or at other group sites, such as in the Netherlands.

Stahl Ibérica also liaises with various schools and the government employment service of Catalonia to offer students work experience as chemical analysts in a laboratory or operators in a chemical plant, for example. With the requisite number of hours of practical work experience, they can obtain a professional certificate before entering the job market. Lastly, Stahl Ibérica participates in the "Responsible Care" program run by FEIQUE, the Spanish Chemical Industry Federation, and is part of the COASHIQ commission for safety and hygiene in the chemical industry.

Partnership or sponsorship initiatives

Stahl Holdings has a restricted partnership policy and only supports initiatives that are related to its business activities, its local sites, or the guiding principles of the United Nations Global Compact. Sponsored projects in 2013 included the following:

- *Schoenemuseum Waalwijk* (Shoe Museum) – Stahl is a benefactor of the museum and has an exhibit presenting its technologies and expertise;
- Stahl India makes yearly contributions to help fight leprosy and also donates to the Sri Ramakrishna orphanage. Stahl has also set up medical camps for women and children in nearby villages and donated medical supplies to children's homes.
- Stahl China funds certain activities at Sichuan University and donates to the Suzhou orphanage.
- Stahl Asia Pacific makes donations to the organizations in charge of the *Charity Brisk Walk*, in which some of its employees participate.

Sub-contracting and suppliers

Stahl is careful in selecting suppliers and subcontractors who are capable and determined to meet our standards with regard to safety, the environment, and social commitment. Within the next year, the company expects to formalize this process to increase its control over the supply chain. It will use the Sustainable Life Cycle Analysis to learn how effective its current controls are and where it needs to improve in the future.

In 2013, Stahl installed a new software system to improve the tracking and traceability of all raw materials used globally. This came on stream in December. This software system enables Stahl to trace such items of concern like heavy metals and also to ensure it does not source from countries/areas where it has concerns on human rights issues.

Fair trade practices

■ Actions taken to prevent corruption

Stahl is a global player and consequently is confronted with local practices on a regular basis. However, Stahl has not and will not engage in any form of corruption. This relates to its relationships with legislators, local authorities, suppliers, customers and other stakeholders.

As part of Stahl's pledge to the anti-corruption principle of United National Global Compact Stahl, Stahl's anti-corruption pledge is clearly stated on the website and in all communications regarding our corporate social responsibility. Furthermore, the topic will also be addressed in the Stahl Code of Conduct. This code of conduct will to be finalized shortly and will be implemented in 2014.

There have been no cases of corruption. If such an occasion does arise, Stahl Management or Board of Directors will take appropriate action.

■ Actions taken to ensure health and safety of consumers

Stahl works very closely with customers to ensure they have the best information to enable them to use Stahl products safely and that there is no inherent risk to consumers resulting from the use of Stahl products.

Human rights

Stahl has a profound knowledge of regulations relating to human rights, labor conditions and issues pertaining to gender, health and safety, land rights, indigenous people and community rights, and socio-cultural conditions and developments. The different aspects of human rights are fully integrated into our daily work. With a presence in more than 25 countries worldwide, Stahl is in touch with many different cultures through both its customers and its employees.

Stahl respects the Universal Declaration of Human Rights (UDHR) across her activities and through the relationships with our business

partners and stakeholders associated with those activities. The respect for human rights is integrated in both the internal and external operations of the organization. Until now this has not been formalized in policies.

Implementation

Stahl respects and protects human rights in its daily operations. It is recognized that this responsibility extends beyond the organization's own activities and includes relationships with business partners, suppliers and other non-state and state entities that are associated with Stahl's activities. Currently there are no formal policies in place, but a code of conduct is being developed and will be finalized in 2014.

Measurement of outcomes

Stahl has not received any complaints from employees, business partners or clients in relation to (potential) human rights violations, nor was the organization involved in any human rights incidents before or during the reporting period. Furthermore, Stahl publically embraces the United Nations Global Compact Principles in respect to human rights. Because of the scope of Stahl's activities, which comprises production and commercial activities, an external audit on human rights performance is not required.

3.2.3.4 Reporting methodology for Stahl

Reporting scope

Unless otherwise indicated:

- social data are collected from all group entities worldwide;
- environmental data are collected and consolidated from the group's eight industrial sites, namely: Portao (Brazil), Suzhou (China), Toluca (Mexico), Waalwijk (Netherlands), Singapore, Parets (Spain), Peabody (United States), and Ranipet (India).

Methodological limitations

The reporting methods for certain social, environmental and safety indicators may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data.

Specific definitions and reporting methods are applied for the following indicators.

Safety indicators

Lost-time injury frequency rate

The lost-time injury frequency rate is the number of accidents involving the loss of three or more days of working time that occur over a 12-month period, per hundred thousand hours worked.

Accidents while commuting between home and work are not included in this indicator.

Environmental indicators**Total quantity of waste**

Quantity of waste is not included in this report, because the *reporting* system used across the group is being redesigned.

Social indicators**Total workforce**

The total workforce is the number of employees with a permanent or fixed-term contract with the Stahl group on the last calendar day of the month. The data are reported in full-time equivalents.

Hires & departures

Fixed-term contracts made permanent are counted as hires and departures. The data are reported in full-time equivalents.

Absentee rate and total hours of training

Absentee rate and hours of training are not included in this report. Although these indicators are tracked locally by each entity, they are not consolidated at the group level.

Consolidation and internal controls

The HR and HSE departments are responsible for consolidating social, environmental and security data based on the information provided by the industrial sites and subsidiaries in the group.

At each industrial site, the HSE coordinator reviews safety and environmental data reported before the group-level consolidation is performed.

The social data relating to the workforce are compared against the consolidated data in the group's finance database for consistency.

3.2.4 Mecatherm

3.2.4.1 Sustainable development, a continuous improvement area for Mecatherm

The Mecatherm group is constantly innovating in its bakery product development processes, in an effort to improve the profitability of production lines for its customers, while also offering training, preventive maintenance and online assistance services.

The Mecatherm group strives to design equipment that integrates high standards, particularly in four areas: food safety, personal security, equipment preservation and environmental protection. Below are examples of initiatives in each area.

In the area of food safety, the Mecatherm group strives to:

- Continue to develop new, particularly healthy agents;
- Reduce the consumption of edible oils mixed with dough during all line operations;
- Use plastic food packaging and anti-retention meshes for product transport;
- Reduce the risk of dust or any other type of discharge.

With respect to personal security, the Mecatherm group works to:

- Constantly improve access around equipment to facilitate cleaning;
- Simplify equipment consigning operations;
- Reduce the negative impacts of production lines for users and residents (noises, unpleasant odors, etc.).

Regarding equipment preservation, the group strives to:

- Continue to enhance the safety features of machines by including parts acting as circuit-breakers to prevent damage to equipment following an incident;
- Reinforce security for machine programming.

Lastly, in the area of environmental protection, the group aims to:

- Reduce the energy consumption of ovens. This will be achieved by reducing exhaust temperatures and reducing cooking times;
- Replace lubricants and detergents with technical plastics.

3.2.4.2 Reporting methodology

Scope and methods of consolidation

To produce the key indicators selected for this report, data are taken from the entities consolidated in the financial statements of the Mecatherm group: Mecatherm SA and Gouet.

A specific calculation method has been defined for each indicator. Data are collected using files validated by Mecatherm.

Responsibilities and verifications

Mecatherm's Human Resources teams are in charge of producing social, societal, safety and environmental data.

Additional information about reported indicators

Specific definitions and reporting methods are applied for the following indicators.

Safety indicators

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked.

Accidents while commuting between work and home are not included in this indicator.

Social indicators

Total workforce

The total workforce is the number of employees with a permanent or fixed-term contract with the Mecatherm group on the last calendar day of the month.

Hires & departures

Fixed-term contracts made permanent are counted as both hires and departures.

Absentee rate

The ratio of the number of hours of absence to the number of hours theoretically worked.

3.2.4.3 Social data

Mecatherm's three locations are in France: Alsace (Barembach), the Loire valley (Montilliers) and Normandy (Saint-Rémy-Broscocourt).

As of December 31, 2013, the Mecatherm group had 300 employees, compared with 284 as of December 31, 2012. The majority of employment contracts were full-time, permanent contracts. Fixed-term contracts represented 5% of the total in 2013. Mecatherm plans to maintain the proportion of fixed-term contracts between 5% and 10%. The total workforce was composed of 20% managers and 80% non-managers. Women made up 9.2% of the workforce. Employees with disabilities represented 2.8% of the workforce.

In 2013, there were 95 new hires in the group and 83 departures. Turnover from resignations was stable at around 4%. The absentee rate in 2013 was 2.63%; the goal set in 2012 to reduce this figure to under 3% was therefore achieved in 2013.

	2013	2012	2011
Total workforce as of December 31	304	284	302
Average staff numbers	322	307	328
Absentee rate	2.8	3.2	3.4

Compensation

Total compensation paid in respect of 2013 was €6.4 million. The level of compensation of all employees increased in the range of 2-3% on average. In 2013, there was a 1.2% "cost of living" increase plus individual raises averaging 0.47%. In addition, all employees benefit from the profit-sharing agreement.

Organization of working time

The workweek is 37 hours long for non-management employees (excluding traveling staff and supervisory-level staff), distributed into three weeks of 39 hours and one week of 31 hours, with an 8-hour day granted as work-time reduction ("RTT"). For management-level employees, non-management traveling staff and supervisory-level staff, working time is measured on the basis of 218 days per year.

Labor relations

Labor-management dialogue is mainly conducted through employee representative bodies at individual sites.

The Montilliers and Saint Rémy sites have a single employee representative body (*délégation unique du personnel* – DUP); health and safety issues are handled by the CHSCT at the Montilliers site and by employee representatives at Saint Rémy. At the Barembach site, employees have a works council and a CHSCT.

Mecatherm applies industry agreements, and all of its employees benefit from the sector's collective bargaining agreement. An amendment to the profit-sharing agreement was signed at Mecatherm in 2013.

Training

Fifty-five percent of employees participated in training in 2013, for a total of 3,701 hours of training. The Mecatherm group has maintained its goal to have at least one of every two employees take part in training.

Programs provided on an annual basis are mainly safety-related, such as training in driving forklifts, electrical qualifications or emergency first aid at work. Every year, other types of training are offered to help employees keep their knowledge and skills up to date, such as courses in labor law, industrial design or accounting for technical or administrative staff.

Training in the new ERP system began in 2013 and will continue in 2014 for a large number of employees.

Non-discrimination

The Mecatherm group is committed to maintaining a steady proportion of employees with disabilities in its workforce. Job applicants with disabilities are encouraged to apply for open positions and workstations are adapted as necessary. In addition, Mecatherm reaffirmed its commitment to workplace gender equality by signing a new plan in this area with employee representative bodies in 2013.

Health and safety

Mecatherm continues to make employee safety one of its highest priorities and strictly applies all relevant laws and regulations. The group keeps an up-to-date risk assessment and management document (*document unique d'évaluation des risques* – DUER) and

has implemented systems to analyze and, if applicable, prevent risks, including health (noise-induced and musculoskeletal disorders), psychosocial and road risks. New initiatives are introduced each year with the collaboration of the Health, Safety and Working Conditions Committee (CHSCT), state health insurance organization (CRAM) and the occupational health administration. For example, Mecatherm reinforced its initiatives in 2013 to prevent noise-induced injury. Prevention initiatives include raising employee awareness and knowledge through training and providing personal protective equipment (PPE). The lost-time injury frequency rate was 15.25 and the severity rate was 0.47.

3.2.4.4 Environmental data

Water and energy consumption

The activities carried out at Mecatherm sites, mainly involving the design and assembly of machines and production lines, have little impact on the environment.

However, Mecatherm has continued to take action to further improve the energy efficiency of its own plants and equipment. As a result, energy consumption was reduced in 2013, especially electricity and gas. This energy-saving follows employee awareness campaigns and the implementation of new procedures to shut down or put in standby certain machines (such as the equipment in the demonstration area) if unused for long periods of time, especially overnight.

Mecatherm tracks water and energy consumption on its three sites.

The following table presents the indicators Mecatherm tracks.

Indicators	2013	2012	2011
Direct energy (gas) ⁽¹⁾ MWh	4,686	5,890	3,500
Indirect energy (electricity) MWh	1,380	1,425	1,512
Water m ³	1,957	2,045	1,820

(1) Year-on-year changes in gas consumption are partly due to changes to heating requirements in buildings based on weather conditions and the number of production line demonstrations performed by the laboratory at Mecatherm headquarters. The increase from 2011 to 2012 is attributable in part to the increased use of the lines for demonstrations of specific products such as flatbreads or bagels.

Waste management

As part of waste management, Mecatherm inventories waste produced on its sites, as presented in the following table.

Type of waste (in metric tons produced)	2013	2012	2011
Ordinary industrial waste and paper ⁽²⁾	85.18	35.46	84.2
Wood ⁽²⁾	49.92	26.18	55.4
Stainless and other steels ⁽²⁾	81.39	59.84	102.8
Fermentables (bread, dough, flour) ⁽¹⁾	11.05	59.93	13.2
Hazardous (electronic, electric)	-	-	1.5

(1) Fermentable waste production is related to the type and number of demonstrations performed during the year.

(2) The amount of ordinary industrial, wood and steel waste produced is dependent on business volume.

All waste is collected, recycled, disposed of and/or reused by waste treatment companies.

Optimized use of raw materials

Due to the nature of its business, optimizing the use of raw materials is not a significant challenge for the Mecatherm group. The Mecatherm

group strives to manage paper consumption, mainly by educating employees and configuring IT systems to prevent waste.

To support its efforts to manage paper consumption, Mecatherm tracks this indicator, as presented in the following table.

Consumption (in metric tons)	2013	2012	2011
Paper	10.3	9.0	11.76

Adaptation to Climate change

The activities of the Mecatherm group are not directly impacted by the consequences of climate change.

Finally, Mecatherm maintains close relationships with other regional and local stakeholders, for example by taking local business owners on factory tours and meeting with government agencies such as the local emergency services.

Biodiversity

No impact on biodiversity from Mecatherm's industrial activities has been identified.

Subcontractors and suppliers

Mecatherm ceased to directly manufacture parts many years ago. All manufacturing of parts for machines to be delivered to customers is subcontracted to highly specialized companies who apply detailed specifications. Mecatherm's workshops are therefore devoted to fitting and assembling parts and subassemblies manufactured by the subcontractors, who are mostly local. By partnering with subcontractors, Mecatherm has more flexibility for handling peaks and falls in business volume and contributes indirectly but significantly to local employment. Since it joined the Group in 2006, Gouet has applied the same subcontracting policy.

3.2.4.5 Societal data

Promoting employment and regional development

Mecatherm has not manufactured any parts for about 15 years. This activity is subcontracted to highly specialized companies who apply detailed specifications. Mecatherm's workshops are therefore devoted to fitting and assembling parts and subassemblies manufactured by the subcontractors. Most of these subcontractors are local: for the Barembach site, 80% of purchases were made from 43 out of 315 suppliers in 2013, and 18 of these 43 suppliers were local, representing 55% of purchases.

By partnering with subcontractors, Mecatherm has more flexibility for handling peaks and valleys in business volume and contributes indirectly but significantly to local employment.

Fair business practices

Ensuring consumer safety

The Mecatherm group helps its customers who request assistance to implement measures to protect the health and safety of consumers. Assistance may be provided, for example, regarding the use of specific types of materials used by the food industry or the purchase of detectors (e.g. metal detectors) to be installed on production lines.

Maintaining a dialogue with the community

Mecatherm continues to be proactive in the fields of education and training. Factory visits are organized on a regular basis to introduce younger generations to careers in manufacturing. Many events are also held in secondary schools, where Mecatherm can dialogue directly with students as they consider their career options, as well as in higher education institutions, to promote the transfer of industry-specific knowledge and know-how. Mecatherm hires apprentices and interns on a regular basis, with the aim to create a bridge between classroom learning and the skills needed in the employment market.

Mecatherm also frequently works with regional employment organizations and has strengthened its collaboration with the government employment office.

In addition, Mecatherm continues to place a great deal of importance on relations with local communities and strives to boost its visibility and communications, in particular through the local media.

Preventing corruption

Mecatherm takes steps to prevent corruption. In 2013, an internal memorandum was circulated, informing employees of the main risks and the tools used to fight corruption and enabling an assessment of the level of risk in the group. To measure this risk, Mecatherm used the Corruption Perceptions Index published by the French arm of Transparency International, combined with a list of the countries in which the group already has or intends to launch sales operations. Based on these data, countries were classified by risk level and this risk indicator was incorporated into the CRM system. An employee awareness campaign will be carried out in 2014.

Commitment to human rights

The Mecatherm group refuses to use any child or forced labor.

3.2.5 Parcours

3.2.5.1 Employment

As part of its human resources policy, Parcours strives to create a work environment aligned with its ambition for growth and promotes employee development through skills building and a culture of respect.

Workforce and breakdown of staff

As of December 31, 2013, the Parcours group had 328 employees, up 15.5% from 2012.

The majority of employment contracts were full-time, permanent contracts. Fixed-term contracts represented 2.4% of the total in 2013. The total workforce was composed of 25% managers and 75% non-managers. Women made up 26.8% of the workforce. The average age of group employees was 31.5 years, and their average length of

In 2013, this policy translated into the opening of a new generation of agencies in Bordeaux, Lyon and Nanterre, a preview of Parcours' future network.

In addition, 34 new positions were created, with preference given to internal promotions and mobility.

service was 3.2 years. The Parcours group grew in 2013 and consequently created 34 new positions across all of its business lines (long-term leasing⁽¹⁾, used vehicle sales⁽²⁾ and auto repair) as well as in support functions. Under the group's human resources policy, preference is given to internal promotions when filling new job openings. In 2013, 76 employees accepted an internal transfer or promotion.

	2011	2012	2013	2013/2012 Change
Workforce	269	284	328	15.5%
Men	194	204	240	17.6%
Women	75	80	88	10.0%
Management level	76	83	82	-1.2%
Non-management level	193	201	247	22.9%
% of permanent contracts	97%	97.5%	97.6%	0.1%
% of fixed-term contracts (Apprenticeship and insertion contracts)	3.00%	2.50%	2.40%	-4.0%

Compensation

	2011	2012	2013
Total payroll	10.60%	10.40%	11.21%
Average salary increase*	4.40%	3.80%	5.30%

* Based on staff employed from January 1 to December 31 of the same year.

The compensation policy at Parcours reflects the group's growth.

In 2013, the average salary of an employee with more than one year of employment with Parcours increased by 5.3%.

(1) Long-term leasing.
(2) Used vehicles.

3.2.5.2 Organization of work

Organization of working time

The Parcours group mainly offers employees permanent work contracts (97.6%).

To ensure that business needs and customer expectations are met, French employment contracts are based on a 40-hour workweek, which includes 12.5% of overtime. Because of the more demanding work environment, repair shop employees have a 39-hour workweek, including 10.25% of overtime.

Employment contracts at European subsidiaries (Belgium, Luxembourg, Spain and Portugal) comply with the legislation in force.

Absentee rate

The absentee rate, which is the ratio of the number of calendar days of absence over the number of theoretical working days, was 2.29% in 2013. This rate applies to all permanent employees in the group in France (97.6% of the workforce).

3.2.5.3 Labor relations

Labor-management dialogue

The group fulfills its regulatory obligations regarding the election of employee representatives.

Due to a lack of candidates during the last election period, however, no employee representatives were elected.

The group's hierarchical structure is such that managers are easily approachable. The group also maintains and develops close labor-management dialogue through the following regular events:

- a newsletter ("*Parcours Le Mag*") issued three times a year and circulated to all employees, with news about the group;
- a four-day trip ("*Parcours Experience*") organized every year for all employees with more than one year of service, to promote exchange and experience sharing;
- an annual convention to which all employees are invited, providing an opportunity to review the year's achievements, put the goals for the year to come into perspective and explain the group's short-term and medium-term strategy;

- two one-on-one employee/manager meetings for every employee, during which employees can review their performance and results, discuss career development in the group and express their ambitions for career progression or their training needs.

Parcours also developed an internal charter to enable all of its employees to share the fundamental values of its corporate culture, inside and outside the workplace. This charter has been applied to all of the group's businesses.

Collective agreements

As per the agreement signed on January 21, 2005, all employees in the group who have been employed for more than three months are beneficiaries of the group's profit-sharing plan.

3.2.5.4 Health and safety

Health and safety conditions at work

Although Parcours does not have a CHSCT ⁽¹⁾, due to a lack of candidates at the last election, the group is strongly committed to fulfilling its legal and regulatory obligations in the areas of safety and health. Risk prevention and risk management actions are recorded in a risk assessment document that is updated each year.

Agreements signed with trade unions

Due to a lack of candidates during the last election period, no trade union representatives were elected.

Work-related injuries and illnesses

The Group took several steps in 2013 to reduce work injuries:

- HSE audits ⁽²⁾ performed by a certified organization (DEKRA Industrial SAS);
- modernization of equipment in our general auto repair and bodyshop facilities;
- training for managers and awareness-raising for employees working in repair shops or in charge of deliveries.

(1) CHSCT: Health, Safety and Working Conditions Committee.

(2) HSE: Health, Safety & Environment.

Lost-time injury frequency rate*	2013
Long-term leasing/used vehicle business	5.30
Auto repair business	22.1
Group (cumulative)	9.8
Severity rate	
Long-term leasing/used vehicle business	0.03
Auto repair business	0.2
Group (cumulative)	0.07

* Frequency rate [(number of injuries with lost work time x 1,000,000)/number of worked hours]/Severity rate [(number of lost days x 1,000)/number of worked hours].

3.2.5.5 Training

Policy

Parcours' training policy encompasses two types of training:

- Internal training programs, developed by experienced staff for a specific business area (sales, taxation, accounting, operations, insurance, etc.) and delivered to operational employees, including new hires;
- outside training programs, to meet training needs created by the introduction of new tools or to train employees in additional skills that require the knowledge of an outside firm (auto repair, management skills, etc.).

Total hours of training

Training	2011	2012	2013
Total hours of training delivered	411	1,228	915

In 2013, 82 employees received training for an average of 11.2 hours per employee.

Total hours of training declined in 2013, due to the time devoted to developing and implementing new in-house training programs, which led to delays in the initial training schedule. All of the training initially planned will be completed in 2014 to reach a targeted total of 1,350 hours of training.

3.2.5.6 Equal treatment

Measures to promote gender equality

The number of women in the workforce rose from 80 to 88 employees in 2013. The proportion of women in the workforce decreased, however, due to the rapid growth of the staff working in auto repair and bodywork facilities. Women make up 34% of the workforce in the leasing and used vehicle businesses, but only represent 8.5% of repair shop employees.

	2011	2012	2013
% of women in the group's workforce	27.8%	28.1%	26.8%
% of women among management-level staff	17.5%	18.0%	13.6%
% of women among new hires	24.2%	26.1%	25.8%

Measures to promote the employment and inclusion of people with disabilities

The Parcours group is a regular customer of adapted work centers, but does not employ any disabled employees. Accordingly, it paid €22,259.20 to Agefiph in 2013 to support the employment of people with disabilities.

	2011	2012	2013	2013/2012 Change
Amount committed to adapted employment centers (CAT, ESAT)	2,935.82	2,294.60	4,090.96	78.3%

Measures to fight discrimination

The Parcours group has always valued employee commitment and skill and demonstrates this in its internal charter. These core values serve as its main criteria for recruitment, compensation and promotion in the group.

3.2.5.7 Promoting and applying the ILO's fundamental conventions

3.2.5.7.1. Freedom of association and the right to collective bargaining

3.2.5.7.2. Elimination of discrimination in employment

3.2.5.7.3. Elimination of forced labor

3.2.5.7.4. Abolition of child labor

The Parcours group fulfills all legal and regulatory requirements in force in all countries in which it operates: France, Belgium, Luxembourg, Spain and Portugal.

3.2.5.8 General environmental policy

Environmental assessment and certification

To date, the group has not taken any steps to obtain environmental certification. In all of its production and sales processes, however, the group strives to implement initiatives to promote the sustainable development of its business. Its network growth strategy is one example. Each new agency is being built according to specifications that include HQE-inspired (high environmental quality) criteria, such as:

- integrating the building into its immediate environment;
- managing energy by ensuring the building's thermal performance;
- managing rainwater and wastewater;

- limiting soil sealing;
- providing comfortable natural and artificial lighting;
- integrating charging stations for electric vehicles.

In 2013, Parcours applied these criteria to its new agencies in Bordeaux, Lyon and Nanterre.

Training and awareness-raising for employees in environmental protection

Resources devoted to preventing environmental risks and pollution

As a service provider in the automotive sector, Parcours strives to meet its customers' needs and advises them on the environmental impacts of their car fleets. Positioned as a fleet management partner, Parcours now offers a sustainability strategy as part of its long-term leasing services and provides its customers with support for implementing it.

There are three parts to the strategy:

- 1. ENVIRONMENT – THE CAR:** institute a car policy that protects the environment by taking environmental performance into account when building a vehicle fleet (choice of engine type or options, CO₂ emissions, etc.);
- 2. SOCIAL – THE DRIVER:** raise awareness among employees about security and eco-driving techniques (theoretical and practical training on a circuit or simulator);
- 3. ECONOMIC – RETURN ON INVESTMENT:** create a virtuous circle so that environmental and social investments are economically viable and sustainable in terms of total cost of ownership (lower fuel budgets, fewer accidents, fewer fines, lower taxes, etc.).

Provisions and guarantees for environmental risks

The Parcours group did not recognize any provisions or guarantees for environmental risks, given the nature of its business.

3.2.5.9 Pollution and waste management

Measures to prevent, reduce or offset emissions into the air, water and soil

Measures to prevent, recycle and eliminate waste

Regulations regarding industrial and hazardous waste are strict, and Parcours repair shops comply scrupulously with them.

In 2013, the Parcours auto repair business identified 15 types of product waste to be managed:

Ordinary industrial waste	Aerosol cans	Tires
Paper	Solvents	Exterior plastics
Cardboard	Oil filters	Windshields
Pallet wood	Oil	Batteies
Scrap metal	Paints	Soiled packaging

All waste is handled and recycled by accredited companies (EPUR, Veolia, etc.).

Noise and all forms of pollution specific to the business activity

The Parcours group complies with regulations in force and takes care to protect its natural and social environments.

3.2.5.10 Sustainable use of resources and climate change

Water consumption and supply based on local constraints

Consumption of raw material and measures for more efficient use of them

In the countries and sectors in which it operates, Parcours is not affected by issues related to the purchase of raw materials, water supply or land use.

Energy consumption, energy efficiency measures and renewable energy use

Parcours helps to reduce greenhouse gas emissions by promoting the use of vehicles that emit less CO₂ and consume less fuel.

For the 10,196 new passenger cars leased under long-term contracts in 2013 (up 11% from 2012), the group lowered the average CO₂ emission rate to 111.6 g/km per vehicle. This decline was accompanied by a 5% decrease in theoretical combined fuel consumption.

Passenger cars*	Number of vehicles leased during the year			Average CO ₂ emission rate (g/km) per vehicle			Average fuel consumption (L/100 km)		
	2012	2013	Change	2012	2013	Change	2012	2013	Change
Diesel	8,923	9,829	10%	116.8	111.9	-4%	4.5	4.3	-4%
Gasoline	172	220	28%	141.3	110.1	-22%	6.2	4.8	-22%
Diesel hybrid	32	81	153%	102.4	97.5	-5%	3.8	0.1	0%
Gasoline hybrid	41	58	41%	98.5	103.1	5%	4.3	4.5	5%
Natural gas	2	3	50%	123.5	125.0	1%	5.4	5.5	1%
Electricity	4	5	25%	0.0	0.0	NA	0.0	0.0	NA
TOTAL	9,174	10,196	11%	117.1	111.6	-5%	4.5	4.3	-5%

Scope: deliveries of new passenger vehicles (excluding commercial vehicles) under long-term leases.

Since 2010, Parcours has also supported the sustainable development policies of its customers by participating in awareness

campaigns on electric vehicles, fuel-efficient driving and road safety.

Land use

In the countries and sectors in which it operates, Parcour's is not affected by issues related to the purchase of raw materials, water supply or land use.

Greenhouse gas emissions

Adaptation to the consequences of climate change

In 2013, total emissions of CO₂ from passenger vehicles on long-term leases were 108,397.68 metric tons, *i.e.* an average of 2,179.5 km/month with an average of 120.56 g of CO₂/km per vehicle.

Country	Number of passenger cars in the leased fleet during the period	Total CO ₂ emissions for the period (metric tons)
France	31,251	98,662.13
Belgium	1,409	4,160.62
Spain	1,662	4,863.55
Portugal	154	233.12
Luxembourg	141	478.26
TOTAL	34,617	108,397.68

Scope: Passenger cars (excluding commercial vehicles) leased under a long-term contract in 2013.

Measures to enhance biodiversity

Given its types of business activities Parcour's is not affected by issues related to biodiversity.

3.2.5.11 Regional, economic and social impact of the company's business activities and relationships with individual or organizational stakeholders

Impact on neighboring or local populations

Dialogue with individual or organizational stakeholders

The Parcour's group implements a strategy based on two fundamental principles: maintaining a decentralized network of agencies and ensuring that each agency has all of the necessary skills to deliver end-to-end service.

In France and Europe in general, the policy adopted by Parcour's is to integrate the local economic and social landscape and form long-lasting relationships with its customers and suppliers, while contributing to local economic development.

The following initiatives are being taken to apply the policy:

- Recruiting employees from the local area;
- Encouraging managers to join local professional associations and clubs, such as CGPME and Medef, two networks for entrepreneurs;
- Developing partnerships with local suppliers in related business areas (dealerships, short-term car rental firms, etc.). Parcour's strives to systematically promote local suppliers to ensure optimal responsiveness and an excellent mutual understanding of business issues.

Partnership or sponsorship initiatives

In 2013, Parcour's sponsored three athletes competing in golf and motor racing.

At the end of 2013, the group donated €32,400 to "Respectons la Terre", an environmental association. The goals of the nonprofit are to use the attention generated by nature expeditions and adventure sports to promote the use of natural and renewable energies, to protect animal and plant biodiversity and to build awareness of environmental issues such as global warming, access to drinking water and healthcare and all related themes.

3.2.5.12 Subcontractors and suppliers

Integration of social and environmental issues in the company's purchasing policies

Degree of subcontracting and, in dealing with suppliers and subcontractors, consideration of their social and environmental responsibilities

As a long-term lessor of vehicles to businesses, the Parcour's group interacts with the banking industry, for financing of the vehicles, and the automobile industry, to ensure supply for its customers.

Its partners are all leading businesses committed to corporate responsibility. These banks, carmakers, tire manufacturers, short-term car rental firms, insurance companies, fuel companies, specialized networks, etc. comply with regulatory requirements as well as local standards of conduct.

As part of its purchasing policy and to fulfill its corporate responsibility commitments, Parcour's has developed a charter of standards for its suppliers.

3.2.5.13 Fair business practices

Preventing corruption

The Parcours group complies with all anti-corruption regulations in force.

The internal rules of conduct communicated to every employee reiterate the group's stance in this area. In particular, they describe the procedure to be followed in the event of a personal gift that may affect decision-making or lead to personal financial gain.

They also describe the applicable sanctions in the event of proven misconduct (dismissal for serious misconduct).

Promoting consumer health and safety

The Parcours group complies with all consumer protection laws, in particular with respect to its business of used vehicle sales to individuals and the associated financing services it provides. For example, the group helps to protect consumers and make them aware of their responsibility by providing more detailed and easier-to-understand information about loans.

The group also raises driver awareness by providing instruction in fuel-efficient driving and risk prevention.

In 2013, the group campaigned against drinking and driving by including free breath-test devices with each new vehicle delivery and by working with the French Red Cross to set up screening stations at its in-house annual convention.

3.2.5.14 Promoting human rights

Parcours strives to defend and apply fundamental principles in human rights and working conditions.

3.2.5.15 Reporting methodology

Reporting scope

Unless otherwise indicated,

- Social data are reported for all group entities in Europe (France, Spain, Belgium and Portugal);
- Health and safety (work injury) data in 2013 cover France only;
- Environmental impact is measured in terms of the fleet's fuel consumption and CO₂ emissions. Scope restrictions are detailed below.

Methodological limitations

The reporting methods for certain social, environmental and safety indicators may have certain limitations due to the pragmatic considerations of collecting and consolidating the relevant data.

The definitions and reporting methods used for the following indicators, as well as any relevant limitations, are described below.

-Safety indicators

Lost-time injury frequency rate

The lost-time injury frequency rate is the number of accidents involving the loss of one or more days of working time that occur over a 12-month period, per million hours worked.

Accidents while commuting between home and work are not included in this indicator.

-Environmental indicators

Fuel consumption

Fuel consumption is reported for passenger cars added to the leased fleet in 2013 (64% of all vehicles added in 2013).

CO₂ emissions (metric tons)

CO₂ emissions are reported for leased passenger cars on the road (60% of all leased vehicles on the road) and passenger cars added to the fleet in 2013 (64% of all vehicles added in 2013).

CO₂ emissions are calculated based on average annual CO₂ emissions provided by the manufacturer and each vehicle's fuel consumption.

-Social indicators

Total workforce

The total workforce is the number of employees with a permanent or fixed-term contract with the Parcours group on the last calendar day of the month.

Hires & departures

Fixed-term contracts made permanent are counted as hires and departures.

Absentee rate

The absentee rate is reported for France only. It is calculated by dividing the number of calendar days of absence by the number of theoretical calendar days worked.

Consolidation

The Marketing and Human Resources departments are in charge of data consolidation.

3.3 Independent verifier's report on social, environmental and societal information presented in the management report

Wendel : Year ended the 31st December 2013

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our quality as an independent verifier of which the admissibility of the application for accreditation has been accepted by the COFRAC, under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company Wendel, we present our report on the social, environmental and societal information established for the year ended on the 31st December 2013, presented in chapter 3 of the management report, hereafter referred to as the "CSR Information", pursuant to the provisions of the article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105-1 of the French Commercial Code (*Code de commerce*), in accordance with the protocols used by the company and by its portfolio companies (hereafter referred to as the "Criteria"), and of which a summary is included in the management report in the methodological notes and available on request at the respective companies' headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L. 822-11 of the French Commercial Code (*Code de commerce*). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code (*Code de commerce*) (Attestation of presence of CSR Information);

- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in accordance with the Criteria (Limited assurance on CSR Information).

Our verification work was undertaken by a team of seven people between September 2013 and March 2014 for an estimated duration of twenty-eight weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission.

1. Attestation of presence of CSR Information

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code (*Code de commerce*).

In the absence of certain information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial Code (*Code de commerce*).

We verified that the CSR Information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial Code (*Code de commerce*), hereafter "the portfolio companies⁽¹⁾", with the limitations specified in the methodological notes of the company and the portfolio companies in chapter 3 of the management report, notably:

- As indicated in the paragraph « Encouraging subsidiaries to integrate CSR » presented in paragraph 3.1.1 of the management report, the required Information is presented for each company whose majority stake is held by Wendel and is not consolidated as specified in the article L. 225-102-1 of the French Commercial Code (*Code de commerce*);
- As indicated in the paragraph « Methodological Note of Stahl » presented in paragraph 3.2.3.4 of the management report, the required information on the absenteeism rate and the number of training hours

(1) Portfolio companies that are subject to this report are Bureau Veritas, Materis, Stahl, Parcours and Mecatherm

are monitored locally and are thus not subject to a consolidation by the Group; the environmental information is limited to the eight industrial sites of the Group, thus excluding laboratories; the total quantities of wastes are not published, the reporting being in a structuring process within the Group;

- As indicated in the paragraph « Methodological Note of Parcours » presented in paragraph 3.2.5.15 of the management report, for fuel consumptions, data is limited to passenger vehicles of the park joining the fleet (64% of the total number of vehicles joining the fleet in 2013) and for CO2 emissions, data is limited to passenger vehicles of the fleet in circulation (60% of the total number of vehicles in circulation in 2013).

Based on this work and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook about thirty interviews with the people responsible for the preparation of the CSR Information in the different departments in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management of the company and its portfolio companies, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the company and its portfolio companies, their social and environmental issues, their strategies in relation to sustainable development and industries best practices.

For the CSR Information which we considered the most important⁽¹⁾ :

- At the level of the company and of its portfolio companies, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;

- At the level of a representative selection of entities that we selected⁽²⁾, based on their activity, their contribution to the indicators of the company and of its portfolio companies, their location and a risk analysis, we undertook interviews to verify the correct application of the procedures and undertook detailed tests on environmental and safety information on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation. The sample selected therefore represented on average:

- For the Materis group, 99 % of the total number of employees and on average 29 % of quantitative environmental information tested;
- For the Stahl group, 24 % of the total number of employees and on average 56 % of quantitative environmental information tested;
- For the Parcours group, 93 % of the total number of employees and on average 60 % of quantitative environmental information tested;
- For the Mecatherm group, 65 % of the total number of employees and on average 78 % of quantitative environmental information tested;

- For the Bureau Veritas group, we verified that the Information published in Wendel management report corresponds to the information that was subject to verification by the statutory auditors mandated by the executive management of Bureau Veritas.

For the other CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

(1) The most important CSR Information is appended to this report.

(2) For the Materis group, we selected the industrial sites of Fos (France), Sermaises (France), Gebkim (Turkey), Saint-Pierre de Chandieu (France) and Porcari (Italy). For the Stahl group, we selected the industrial sites of Waalwijk (Netherlands) and Parets (Spain). For the Mecatherm group, we selected the site of Barembach (France). For Parcours group, we selected the agencies located in France.

Observations

Without qualifying our conclusion above, we draw your attention to the following points:

The Information published regarding Wendel S.A. and the portfolio companies call for the following comment: the definitions of social indicators are not yet homogeneous from a portfolio company to another.

The Information published by Bureau Veritas was subject to the following comment: the management report specifies that for the rate of absenteeism and the number of days of training, the scope of reporting only covers France.

Paris-La Défense, 14th April 2014

French original signed by:

Independant Verifier

ERNST & YOUNG et Associés

Eric Duvaud

Partner, Sustainable Development

Bruno Perrin

Partner

Appendix : List of CSR information considered as the most important by the independent verifier

Quantitative social information	Involved companies
Total number of employees	Wendel S.A. and portfolio companies
Number of hirings and departures	Wendel S.A. and portfolio companies
Absenteeism rate	Wendel S.A., Materis, Parcours and Mecatherm
Lost Time Injury Frequency Rate	Wendel S.A. and portfolio companies
Severity rate	Wendel S.A. and portfolio companies
Total number of training hours	Wendel S.A., Materis, Parcours and Mecatherm
Total number of disabled employees	Wendel S.A. and portfolio companies

Qualitative social information	Involved companies
Organization of social dialogue	Portfolio companies
Health and safety conditions at work	Portfolio companies
Training policies	Wendel S.A. and portfolio companies
Equal treatment	Wendel S.A. and portfolio companies

Quantitative environmental information	Involved companies
Number of ISO 14001-certified sites	Materis and Stahl
Air emissions (VOC, SOx and NOx)	Materis
CO ₂ emissions	Materis, Stahl and Parcours
Water discharge (COD, TSS)	Materis
Total amount of hazardous and non-hazardous waste	Materis, Stahl and Mecatherm
Total water consumption	Portfolio companies
Total energy consumption	Portfolio companies

Qualitative environmental information	Involved companies
Company organization to take into account environmental issues	Wendel S.A. and portfolio companies
Energy efficiency	Materis, Stahl, Parcours and Mecatherm
Raw materials consumption	Materis and Stahl

Qualitative information related to societal commitment for a sustainable development	Involved companies
Territorial, economic and social impact of the company in terms of employment and regional development	Portfolio companies
Dialogue conditions with individuals or organizations interested in the company's activities	Wendel S.A. and portfolio companies
Integration of ESG criteria in portfolio management	Wendel S.A.
Consideration of CSR issues in the company's relationship with suppliers and subcontractors	Materis, Stahl, Mecatherm and Parcours
Actions taken to prevent corruption	Wendel S.A. and portfolio companies
Measures taken for consumer health and safety	Materis, Stahl and Parcours



4

COMMENTS ON FISCAL YEAR 2013

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4.1 Analysis of the consolidated financial statements

4.1.1 Consolidated income statement – accounting presentation

The Wendel Group includes:

- fully consolidated companies: holding companies and subsidiaries over which Wendel exercises exclusive control; these are: Bureau Veritas (certification and verification), Materis (specialty chemicals for construction), Stahl (leather finishing products and high-performance coatings), Parcours (independent specialist in long-term vehicle leasing to corporate customers), Mecatherm (world leader in industrial bakery equipment); these last two companies are consolidated in the Oranje-Nassau Développement sub-group;

- companies accounted for by the equity method (associates) and over which Wendel has significant influence, specifically: Saint-Gobain (production, transformation and distribution of building materials), Legrand (products and systems for low voltage installations) until June 2013 when the stake was sold, IHS (mobile telecom infrastructure in Africa), and exceet (design of embedded systems); exceet is included in the Oranje-Nassau Développement sub-group.

The earnings of subsidiaries that have been or are scheduled to be divested (Kerneos, the aluminates division of Materis, held for sale as of December 31, 2013; Deutsch, sold in April 2012) are presented, in accordance with IFRS, in a separate line of the income statement entitled “Net income from discontinued operations and operations held for sale” for each year presented.

In millions of euros	2013	2012
Net sales	6,431.8	6,338.6
Operating income	674.8	522.6
Net financial income	-353.6	-441.5
Income taxes	-189.6	-135.8
Net income from equity-method investments	346.7	-329.7
NET INCOME FROM CONTINUING OPERATIONS	478.3	-384.3
Net income from discontinued operations and operations held for sale	11.7	721.3
NET INCOME	490.0	337.1
Net income – non-controlling interests	156.3	115.9
NET INCOME, GROUP SHARE	333.7	221.1

4.1.2 Consolidated income statement – economic presentation

The consolidated income statement reflects the aggregate earnings of the various equity investments held by Wendel. These are either fully consolidated or accounted for by the equity method.

As such, the accounting presentation of the income statement does not allow for a direct, in-depth analysis. For this reason, Wendel regularly

provides an income statement prepared on an economic basis. The definition of economic presentation and a conversion from the accounting presentation to the economic presentation are given in note 39 to the consolidated financial statements, entitled “Segment information”.

In millions of euros	2013	2012
Constant scope for Wendel		
Bureau Veritas	408.4	412.3
Materis	13.0	-9.8
Stahl	31.3	26.6
Saint-Gobain (equity method)	171.4	192.0
Oranje-Nassau Développement	21.5	15.4
- <i>Parcours</i>	13.0	12.3
- <i>Mecatherm</i>	6.5	1.0
- <i>exceet (equity method)</i>	2.0	2.1
Sub-total	645.7	636.4
Changes in scope ⁽¹⁾		
Legrand (equity method)	13.8	31.1
Deutsch	-	24.9
IHS (equity method)	-5.8	-
Sub-total	8.1	56.1
TOTAL CONTRIBUTION FROM GROUP COMPANIES	653.7	692.5
<i>of which Group share</i>	443.3	482.8
Operating expenses, management fees, and taxes	-40.2	-32.6
Amortization, provisions, and stock-option expenses	-5.6	-6.5
TOTAL OPERATING EXPENSES	-45.8	-39.0
TOTAL FINANCING COSTS	-198.3	-205.6
NET INCOME FROM BUSINESS SECTORS ⁽²⁾	409.7	447.8
<i>of which Group share ⁽²⁾</i>	199.3	237.9
Non-recurring income	186.5	58.8
Impact of goodwill	-106.2	-169.5
TOTAL NET INCOME	490.0	337.1
Net income – non-controlling interests	156.3	115.9
NET INCOME – GROUP SHARE	333.7	221.1

(1) *Subsidiaries and equity investments purchased or sold in 2012 or 2013.*

(2) *Net income before goodwill allocation entries and non-recurring items.*

4.1.3 Description of 2013 business activities

Wendel recorded a 1.5% rise in consolidated sales, to €6,431.8 million, and organic growth of 4.0%.

The overall contribution of the Group's companies to net income from business sectors was €653.7 million, reflecting a 5.6% decrease compared with 2012, but a significant improvement compared with the first half of 2013. This decrease resulted from changes in the scope of consolidation (decrease in Wendel's percentage holding in Legrand compared with 2012 and sale of Deutsch in H1 2012). The part of Wendel's consolidation scope that did not change, contributed an increase of 1.4%. In H1 2013, this contribution was -7.5%, before improving significantly to +10.7% in H2 2013 compared with H2 2012.

The total of finance costs, operating expenses, and taxes was €244.0 million, stable compared with 2012 (€244.7 million), with reduced finance costs offsetting a rise in operating expenses. This rise reflected greater investment activity in 2013 compared with 2012 and the opening of Wendel's new offices in North America and Singapore to support its investment strategy.

Non-recurring income totaled €80.3 million vs. a non-recurring loss of €110.8 million in 2012. In 2012, non-recurring items had included the positive impact of the sale of Deutsch, which generated an accounting gain of €689.2 million, and the negative impact of revaluing Saint-Gobain shares, which generated a loss of €414 million. In 2013, non-recurring income was increased by €369.0 million resulting from the sale of a block of Legrand shares.

Wendel's net income, Group share, was thus €333.7 million in 2013, compared with €221.1 million in 2012, representing a rise of 50.9%.

Results of Group companies

Bureau Veritas – Solid financial performance in 2013 – Adjusted operating margin of 16.7% Acquisition of Maxxam finalized in January 2014.

(Full consolidation)

Revenue in 2013 stood at €3,933.1 million, representing a 0.8% rise over the previous year.

Organic growth of 3.5% for the financial year consisted of sustained growth of 7.3% across 88% of the business portfolio, specifically in Oil & Petrochemicals, Consumer Products, Industry and Construction, and a decline of 16.7% over 12% of the business portfolio, specifically in Metals & Minerals, Marine new construction and Government contracts.

In the fourth quarter, Bureau Veritas posted organic growth of 1.6%, reflecting a stronger decline in the Metals & Minerals and Government contracts segments and more moderate growth in Industry, associated with one-off events.

Acquisitions contributed 2.8% to growth, with the 2013 purchases of 7Layers (Consumer Products), Sievert (Industry), LVQ-WP (Industry), KBI (Construction), CKM (Construction), OTI (Commodities), and Carab Tekniva Group, and the full year consolidation of the companies acquired in 2012, primarily Tecnicontrol (Industry), TH Hill (Industry), and AcmeLabs (Commodities). The businesses sold represented a revenue reduction of 0.8%.

With the acquisition of the leading Canadian company Maxxam, completed in January 2014, Bureau Veritas is diversifying in food, petroleum and environmental analytical testing services. The total annual revenue of the companies acquired in 2013 (including Maxxam) is €285 million.

Exchange rate variations had a negative impact of 4.7% as a result of the decline in most currencies against the euro, particularly in emerging countries (Brazil, Argentina, South Africa, Colombia, Chile, and India) and in certain large countries (Australia and Japan).

Adjusted operating profit totaled €656.9 million. It grew by €59.8 million on a constant currency basis, or 9.4% relative to 2012.

This growth is attributable primarily to the Industry, Construction, Consumer Products and In-Service Inspection & Verification Service (IVS) businesses, which benefited from either volume growth or the operational excellence initiatives. The contribution of the Certification, Marine and GSIT businesses was virtually unchanged. Commodities' contribution fell as a result of declining volumes in upstream minerals and an unfavorable mix effect.

The adjusted operating margin stood at 16.7% in 2013, up 30 basis points relative to 2012 and 60 basis points on a constant currency basis.

The attributable net profit for the year was €345.1 million, a 16% increase relative to 2012. Earnings per share (EPS) stood at €0.79, compared to €0.68 in 2012 (adjusted for the four-for-one split on June 21, 2013).

The adjusted attributable net profit totaled €397.0 million, up 7.6% on a constant currency basis. Adjusted EPS was stable at €0.91 in 2013, compared to 2012 (€0.91 adjusted for the four-for-one split). On a constant currency basis, it rose by 8.8%.

Operating cash flow rose to €527.9 million on the back of higher earnings and despite increased working capital requirements (WCR). At December 31, 2013, WCR totaled €334.5 million, or 8.5% of 2013 revenue.

Bureau Veritas spent €141.1 million in net CAPEX (compared to €135.3 million in 2012). The investment rate was 3.6% of revenue, a level comparable to 2012 (3.5%).

Free cash flow totaled €324.3 million, which was virtually stable compared to 2012 (€326.6 million).

Bureau Veritas expects a gradual increase in organic growth momentum and further margin expansion in 2014.

The group also confirms 2012-15 financial targets set out in the BV2015: "Moving forward with confidence":

- revenue growth: +9% to +12% on average per year, on a constant-currency basis:
 - 2/3 from organic growth: +6% to +8% on average per year,
 - 1/3 from acquisitions: +3% to +4% on average per year;
- improved adjusted operating margin: +100 to +150 basis points in 2015 (compared to 2011);
- growth in adjusted EPS: +10 to +15% on average per year between 2011 and 2015.

A dividend of €0.48 per share will be proposed at the Bureau Veritas Shareholders' Meeting to be held on May 21, 2014. This dividend represents 53% of the adjusted EPS for 2013.

Materis – Good 2013 results, thanks to Parex's performance and operating recovery at Materis Paints. Sale of Kerneos finalized on March 26, 2014.

(Full consolidation – Financial information on Materis includes the earnings of Kerneos, the Aluminates division, which were reclassified into "Net income from operations held for sale" in the consolidated financial statements, in accordance with IFRS 5.)

Materis posted sales of €2,097.9 million in 2013 (excluding IFRS 5 restatement), up 1.2%. Organic growth was 3.8% (volume/mix effects: 1.6%; price effects: 2.3%). The impact of currency fluctuations was negative, totaling -3.3% over the full year. The Argentinian peso, the South African rand and the Brazilian real alone accounted for almost two-thirds of the impact.

The trend points to improvement. Organic growth in the fourth quarter was 8%, well into positive territory in all lines of business and significantly ahead of earlier quarters (-3% in Q1, +4% in Q2 and +7% in Q3).

Organic growth in emerging market countries came in at 16% in 2013, offsetting the contraction of 1% in mature markets. Changes in scope had a positive impact of 0.6%, and corresponded to the consolidation of Elmin in Greece (Kerneos) and Suzuka in China (ParexGroup), acquired in 2012.

Materis' recurrent EBITDA, excluding management fees, reflected the advances in all of the group's activities and totaled €265.1 million, up 2.7%. The corresponding margin widened by 10 basis points. At constant exchange rates, EBITDA grew by 7%.

■ **Parex Group (Mortars)** posted record-high sales of €754.5 million in 2013. The company continued to deliver robust growth (5.9% overall and 8.6% organically) as it benefited from healthy business conditions in emerging economies, recovery in the United States, price increases and a favorable scope effect. Parex posted record EBITDA of €105.3 million in 2013, representing a margin of 14.0%, up 30 basis points from 2012.

■ Sales at **Materis Paints** contracted in 2013 (by 2.4% and by 1% organically) to €753.9 million, given the difficult economic climate in Europe. Nevertheless, the trend brightened throughout the year. Sales grew organically by 3% in the last two quarters, after declining 9% in Q1 and 1% in Q2. This performance reflected the recovery that started in Southern Europe at mid-year and sales & marketing initiatives to bolster market share. Cost-cutting plans enabled Materis Paints to increase its EBITDA in 2013 by 6% to €61.5 million, representing 8.2% of sales, an increase of 70 basis points.

■ Sales of **Chryso (Admixtures)** totaled €239.2 million, up 0.4%. Organically, sales rose 7.1% but negative currency fluctuations trimmed off 6.7%. Sales remained very strong in emerging markets, in particular in the Africa / Middle East region, where organic growth was nearly 20%, and saw a rebound in the United States.. Good cost control enabled Chryso to post record EBITDA of €35.1 million in 2013, representing a margin of 14.7%, up 20 basis points from 2012. At constant exchange rates, EBITDA grew 9%.

■ Growth at **Kerneos (Aluminates)** (down 0.4% overall and up 1.9% organically) was impacted by contraction in the refractories business in mature economies (Europe and the United States). Increased sales in building chemistry, driven in part by buoyant conditions in North America, partly offset this decline, as did development of sewage systems. Over all of 2013, Kerneos' EBITDA totaled €72.7 million vs. €73.7 million in 2012.

On March 26, 2014, Materis finalized the sale of the entire capital of its subsidiary Materis Aluminates, the holding company of Kerneos. This transaction values Kerneos at €610 million, representing a multiple of 8.4x EBITDA (2013). Materis will use the proceeds of the sale to partially deleverage. Wendel took part in this transaction by reinvesting €60 million in a subordinated debt line, earning interest of 10.5%.

In the Autumn of 2013, Materis started the process of selling ParexGroup, which has now led to exclusive negotiations with the funds advised by CVC (see section 9.3, "Significant changes in financial condition or business status").

Stahl – Strong operating performance in 2013 with EBITDA up 17.9%. The purchase of the Leather Services division of Clariant is expected to be finalized in the first half of 2014.

(Full consolidation)

In 2013, Stahl posted sales of €356.3 million, representing a slight decline of 1.4%. This resulted from a business slowdown in the first half of the year, elimination of lower margin businesses and negative currency fluctuations.

Over the full year, Stahl's organic growth remained positive at 1.3%, benefiting from the strong performance within the automotive segments, in particular within the second half of the year.

Adjustment plans launched in the last few years, together with a selective review to eliminate lower margin business, significantly improved Stahl's margins and profitability levels over the course of the year. As a result, Stahl's 2013 EBITDA came in at €64.7 million, up 17.9% and representing a margin of 18.2%, up 300 basis points from 2012.

Stahl deleveraged itself significantly during the year. Net financial debt stood at €110.4 million at end-2013, down 31.0% from end-2012.

On October 30, Stahl announced that it had entered into exclusive negotiations to acquire the Leather Services division of Clariant AG, which posted sales of €255 million and EBITDA of €23 million in 2012. This transaction will enable Stahl to strengthen its offering across the entire leather finishing value chain, notably downstream in Leather Finishing and upstream in Wet End (division). Stahl estimates that it will harness synergies worth €15 million over the 18 months following the transaction. The transaction is expected to be finalized in the second half of 2014, after consultation with the employee representative bodies and subject to the necessary regulatory approvals.

IHS – Strong sales and profitability performance. Continued expansion in Africa, supported by new top-tier investors.

(Equity accounted since May 2013)

With more than 10,500 towers under management (including the MTN towers in Rwanda and Zambia on a pro forma basis), IHS Holding is the leader in passive telecom tower infrastructure for mobile phone operators in Africa.

IHS pursued its telecom tower acquisition strategy throughout the year, and has begun to reap the benefits of its network pooling business model. IHS's revenue (unaudited) before pass-through of diesel fuel costs to customers totaled US\$168.3 million. In terms of profitability, IHS used its expertise to attract new customers to its towers (increasing the rate of collocation on existing sites), and EBITDA advanced to US\$44.3 million in 2013, representing a margin of 26.3%.

To finance its rapid growth and its expansion into new countries, IHS carried out two capital increases in 2013, totaling US\$562 million. Wendel took part in both of them.

In March 2014, IHS increased its capital again, by US\$420 million, to support the IHS group as it:

- expands across Africa, in particular through the acquisition of 1,228 telecom towers from MTN Group in Zambia and Rwanda, increasing the number of towers it manages to approximately 10,500;
- finances its business development plan in the other regions where it is present (Nigeria, Côte d'Ivoire and Cameroon);

- repurchases the minority interests in IHS Nigeria after the latter's delisting from the Nigeria stock market, which is expected to be finalized at the end of March.

Emerging Capital Partners and IFC, current shareholders of IHS Holding alongside Wendel, as well as three new investors, Goldman Sachs, IFC Global Infrastructure Fund and African Infrastructure Investment Managers, also took part in the capital increase.

Saint-Gobain – Sharp upswing in operating income in the second half.

(Equity method)

After a tough first half penalized by fewer working days and poor weather conditions, Saint-Gobain reported organic growth of 2.6% for the six months to December 31, 2013, with volumes up 1.5% and prices gaining 1.1%, as third-quarter trends continued in the last three months of the year.

Sales stabilized over the year as a whole, down 0.3% on a like-for-like basis with a solid 1.0% increase in sales prices despite a less inflationary environment. On a reported basis, sales retreated 2.7% due to the negative 2.7% currency impact. Changes in group structure had a slightly positive 0.3% impact.

All of Saint-Gobain's Business Sectors and Divisions reported an improvement in second-half trading, driven by more upbeat trends in their Western European markets (0.9% organic growth), as well as in Asia and emerging countries (10.4% organic growth).

The upturn in North America was held in check by the decline in businesses linked to capital spending and by volatility in Exterior Products.

Operating income fell 3.5%, squeezed by the negative currency impact and by tough trading in the first half, but rallied in the six months to December 31, up 9.9%. The operating margin remained stable at 6.6% of sales thanks to cost cutting measures and to the second-half improvement up to 7.1%. Excluding Building Distribution, the operating margin for the year climbed from 8.5% to 8.8%.

Saint-Gobain's focus on its action plan priorities continues to pay off:

- an increase in sales prices in line with objectives;
- additional cost savings of €600 million in 2013 compared to 2012, particularly in Flat Glass, which saw its margin improve to 4.0% *versus* 2.0% in second-half 2012;
- a €400 million reduction in capex thanks to optimized timing of expenditures and to unit cost savings, while maintaining a strong focus on growth capex outside Western Europe;
- a selective acquisitions and divestments policy;
- a stronger balance sheet, with net debt down almost €1 billion thanks to an ongoing tight rein on cash.

- **Innovative Materials** sales were down just 0.7% in the year on a like-for-like basis, thanks to 1.5% growth in the second half. The operating margin was 7.3%, and came in at 7.8% in the second half compared to 6.9% in second-half 2012 and 6.7% in first-half 2013, spurred by upbeat trends in Flat Glass.
- Like-for-like sales for the **Construction Products (CP)** Sector climbed 1.9%, rallying 5.6% in the second half. The operating margin widened to 8.7% from 8.3% in 2012.
- After particularly poor weather conditions took their toll on its first-half performance, **Building Distribution** was down 1.4% on a like-for-like basis, despite recovering 1.7% in the second half, reflecting improved trading in all regions.
- **Packaging (Verallia)** sales retreated 1.8% on a like-for-like basis, despite a 1.9% rise in sales prices. Strong momentum in Latin America failed to offset the slowdown in trading in other regions (mainly Southern Europe and to a lesser extent, the US). Regarding the planned divestment of VNA, negotiations between Ardagh and the Federal Trade Commission (FTC) continue apace and Saint-Gobain remains confident that the sale will be finalized before the new deadline, set at April 30, 2014.

Recurring net income (excluding capital gains and losses, asset write-downs and material non-recurring provisions) retreated 2.5% to €1,027 million. **Net income** shed 14.1% at €595 million.

Regarding the **outlook for 2014**, after bottoming out in first-half 2013 and rallying in the second half of the year, operating income should see a clear improvement in 2014 on a comparable structure and currency basis, even though the macroeconomic environment remains unsettled.

Saint-Gobain should benefit from the ongoing recovery in the US, satisfactory growth in emerging countries, and a more stable economic environment in Europe led by growth areas (UK and Germany). Household consumption markets should hold firm.

Saint-Gobain will continue to apply strict cash discipline and to maintain a strong balance sheet in 2014, along with targeting a continuing high level of free cash flow. It will:

- maintain its priority focus on increasing sales prices amid a smaller rise in raw material and energy costs;
- pursue its cost cutting measures to unlock additional savings of €450 million (calculated on the 2013 cost base);
- step up its capital expenditure to around €1,500 million, the priority being growth capex outside Western Europe (around €550 million);
- maintain its commitment to invest in R&D in order to support its differentiated, high value-added strategy;
- plan to finalize the divestment of Verallia North America in the first half.

At its meeting of February 19, Compagnie de Saint-Gobain's Board of Directors decided to recommend to the June 5, 2014 Shareholders' Meeting a dividend of €1.24 per share, 50% payable in cash and 50% in cash or in shares, at shareholders' discretion.

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in Parcours (France), exceet (Germany), Mecatherm (France), Van Gansewinkel Groep (Netherlands), NOP (Japan), and Saham Group (Africa).

Parcours – Robust growth in sales, pre-tax ordinary income up 7.5%

(Full consolidation)

Parcours reported sales of €309.6 million, up 5.7% compared with 2012. Between end-2012 and end-2013, Parcours' fleet expanded by 7.1% to 50,763 vehicles. This rate of growth was once again faster than the French industry average. Parcours also opened a new 2D office in Montpellier and a new 3D office in Bordeaux. Pre-tax ordinary income rose 7.5% to €21.8 million in 2013, representing a 10-basis-point improvement in its margin.

At the end of 2013, Parcours opened a new 3D office in Nanterre outside Paris, which now also serves as its head office.

exceet – Sales growth of 1.1%, rise in EBITDA

(Equity method)

In 2013, exceet posted a 1.1% upturn in sales to €190.8 million, and a 2.2% decline organically. The company saw a rise in sales in the second half of the year and returned to organic growth. EBITDA totaled €18.3 million, up 10.9% from 2012 (€16.5 million), reflecting increased focus on sales of high-margin products. In August 2013, exceet inaugurated its new Berlin facility, which will help meet the strong demand for high value-added medical products. This new, optimized facility will also improve exceet's profitability.

For 2014, exceet projects moderate organic growth in sales and improved profitability.

Mecatherm – Sales rose 31.5% and EBITDA margin widened by 660 basis points

(Full consolidation)

Mecatherm's sales totaled €96.1 million in 2013, up 31.5% from the previous year. EBITDA totaled €16.6 million, representing a significant recovery from 2012 (€7.8 million).

The recovery in orders observed since Q3 2012 continued, with order intake even reaching a record level of €104 million in 2013. Mecatherm is reaping the benefits of the reorganization and its intensive sales & marketing efforts. It is continuing to expand on new markets. Business development efforts are underway in Africa, the Maghreb and South America, with a focus on Brazil. In addition, Mecatherm has opened its first foreign branch, in Dubai, which will enable it to better cover the Africa/Middle East region.

To support these efforts, Mecatherm has also introduced new, facilitated financing solutions for its customers. Finally, the company presented three production line innovations at the IBIE and Europain trade shows in Las Vegas and Paris, respectively, which were enthusiastically received.

Other significant events since the beginning of 2013

Wendel is IHS Holding's largest shareholder

In 2013, Wendel made its first investment in Africa, taking a stake in IHS Holding, leader in telecom tower infrastructure in Africa. As of July 24, 2013, Wendel had invested US\$276 million (€210.6 million), or significantly more than its initially planned US\$125 million stake. This amount enabled IHS to step up its development, in particular through the construction of additional towers in Nigeria.

On March 3, 2014, Wendel increased its investment in IHS Holding by taking part in a US\$420 million capital increase. Wendel exercised all of its subscription rights and invested an additional US\$152 million, thereby lifting its total investment in the pan-African leader in telecom towers to US\$428 million. Following this transaction, Wendel remained IHS's largest shareholder, with nearly 35% of the capital of the company. Wendel now has three representatives on the company's board of directors.

This most recent capital increase valued the company's equity at nearly US\$1 billion before new financing. This represents a premium of 30% compared with the previous capital increase in July 2013.

Divestment of Wendel's remaining stake in Legrand, after 11 years of support

Wendel successfully sold all of the 14.4 million shares it still held in Legrand, representing 5.4% of the capital, at a net price of €35.92 per share. The proceeds of the transaction totaled around €520 million, and Wendel realized a capital gain in the region of €370 million.

Over an 11-year period, Wendel's investment in Legrand generated an IRR of 19% and increased in value 3.9 times.

S&P has upgraded Wendel's rating to BB+

On April 24, 2013, Standard & Poor's announced that it had upgraded its credit rating for Wendel from "BB" to "BB+", with a stable outlook. This decision was motivated by the decline in Wendel's loan-to-value ratio and by the overall improvement in Wendel's risk profile. This was

the second upgrade in Wendel's rating, following the one in April 2012. Wendel confirms its intention to further strengthen its financial structure so as to return to investment grade status by the beginning of 2017.

Three successful bond placements on excellent terms in 2013 and successful issue in January 2014 of bonds maturing in 2021

On April 24, 2013, Wendel announced two successful, simultaneous bond placements, totaling €300 million. Of this amount, €200 million forms a single series with the existing bonds due 2018, and €100 million forms a single series with the existing bonds due 2019. Overall, the two transactions were more than five times oversubscribed.

On September 23, 2013, certain investors offered to sell their 2014 bonds to Wendel in exchange for 2019 bonds, at market prices. In this context, €80 million (par value) in bonds maturing in 2014 were repurchased at a yield of 1.34%, and €100 million (par value) in bonds maturing in 2019 were issued at a yield of 4.17%. They will form a single series with the existing 2019 bonds.

On January 21, 2014, Wendel successfully placed a €400 million bond issue maturing in January 2021 with a coupon of 3.75%. This is the lowest coupon Wendel has obtained on a seven-year maturity. The issue was very well received by investors and was 7.5 times oversubscribed.

In 2013 Wendel also partially repurchased bonds maturing in 2014 (€35.4 million), 2015 (€31.5 million) and 2016 (€4.5 million).

Full repayment of bank debt on March 17, 2014

2013-14 Syndicated loan

Wendel has repaid the €250 million outstanding under the syndicated loan maturing in 2013 and 2014. The Company has thus repaid this loan in its entirety and no longer has any debt maturing before November 2014.

Repayment of €625 million in debt related to Saint-Gobain and monetization of 1.9 million Saint-Gobain shares acquired in August 2011

In 2013, Wendel repaid €200 million in debt related to Saint-Gobain, maturing in 2015, and sold 1.9 million Saint-Gobain shares for €68 million. These shares, acquired in August 2011, were classified for accounting purposes as "Financial assets".

In 2014, the company repaid the entire remaining Saint-Gobain debt of €425 million.

New €600 million bank line of credit

Wendel is continuing to renew and extend the maturity of its various financing lines. Wendel has entered into an agreement with eight banks for a €600 million syndicated line of credit maturing in 2018. This financing replaces the undrawn €1.2 billion syndicated credit line maturing in 2013-14.

Management of Saint-Gobain puts

In 2013, the maturity of all 6.1 million puts issued by Wendel on Saint-Gobain were extended for two years. The puts will now mature as follows: 2.2 million in September 2015, 2.6 million in December 2015 and 1.3 million in March 2016.

€2.1 billion in bank lines available

As of March 27, 2014, Wendel had €2.1 billion in undrawn credit lines maturing between 2017 and 2020:

- €600 million in a syndicated loan maturing in 2018;
- €700 million in bank debt with margin calls maturing in 2017;
- €800 million in bank debt with margin calls maturing in 2020.

Share buyback: cancellation of 2% of shares

In 2013, Wendel repurchased 1,323,347 of its own shares principally to take advantage of the steep discount in the share price compared with NAV. On August 28, 2013, the Supervisory Board authorized the Executive Board to cancel 2% of share capital. Accordingly, the Executive Board reduced share capital by canceling 991,860 shares. Wendel had already cancelled 2% of its share capital in 2012. As of March 17, 2014, Wendel held 1,949,487 of its own shares.

4.1.4 Consolidated balance sheet

The following table shows the principal changes that took place in the balance sheet in 2013. For the purposes of this analysis and to ease understanding, certain line items of a similar nature have been combined and only the net amount shown. Accordingly, financial debt

is presented net of cash and cash equivalents, both pledged and unpledged, and Wendel's short-term financial investments. Financial assets and liabilities are also presented net of these items.

Assets (in millions of euros)	12/31/2013	12/31/2012
Goodwill, net	2,596	2,889
Intangible assets and property, plant & equipment	2,588	3,015
Equity-method investments	4,249	4,434
Net working capital requirements	558	625
Assets and operations held for sale ⁽¹⁾	430	10
TOTAL ASSETS	10,421	10,973

(1) Consists mainly of Kerneos, the aluminates division of Materis.

Liabilities and shareholders' equity (in millions of euros)	12/31/2013	12/31/2012
Shareholders' equity – Group share	2,535	2,674
Non-controlling interests	522	618
Provisions	279	310
Net financial debt	6,757	6,845
Net financial assets and liabilities	42	126
Net deferred tax liabilities	286	401
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,421	10,973

4.1.5 Breakdown of principal variations in the consolidated balance sheet

In millions of euros

GOODWILL AS OF DECEMBER 31, 2012	2,889
Business combinations (by Bureau Veritas and Materis)	72
Impairment losses recognized during the year	-2
Reclassification of operations held for sale	-211
Currency fluctuations and other	-153
GOODWILL AS OF DECEMBER 31, 2013	2,596
INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2012	3,015
Investments	513
Divestments	-11
Business combinations (by Bureau Veritas and Materis)	92
Reclassification of Parcours' used vehicles in inventory (net)	-84
Depreciation, amortization and provisions recognized during the year	-420
Reclassification of operations held for sale	-416
Currency fluctuations and other	-101
INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT AS OF DECEMBER 31, 2013	2,588
EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2012	4,434
Investment in IHS	212
Sale of Legrand shares (carrying value)	-139
Share in net income for the year	76
Dividends paid	-126
Impact of changes in currency translation adjustments	-175
Other	-32
EQUITY-METHOD INVESTMENTS AS OF DECEMBER 31, 2013	4,249
CONSOLIDATED SHAREHOLDERS' EQUITY GROUP SHARE AS OF DECEMBER 31, 2012	2,674
Net income for the year	334
Dividend paid by Wendel	-83
Items of comprehensive income	80
Buyback of shares	-105
Currency translation reserves	-322
Other	-42
CONSOLIDATED SHAREHOLDERS' EQUITY, GROUP SHARE, AS OF DECEMBER 31, 2013	2,535

	Wendel and holding companies	Subsidiaries	Group total
NET FINANCIAL DEBT AS OF DECEMBER 31, 2012	3,107	3,738	6,845
Main cash flows of Wendel and its holding companies			
"Recurring" operating expenses, management fees, and taxes ⁽¹⁾	40		
"Recurring" financing costs (excluding accounting effects) of Wendel and its holding companies ⁽¹⁾	185		
Dividends paid	83		
Dividends received ⁽²⁾	-244		
Subscription of IHS shares	191		
Subscription of Saham shares	100		
Acquisition of NOP	23		
Sale of Legrand shares	-519		
Sale of Saint-Gobain shares acquired in August 2011	-68		
Main cash flows of subsidiaries			
Cash flow from operating activities		-1,158	
Net finance costs		266	
Net cash flows related to taxes		204	
Acquisition of shares by Bureau Veritas		171	
Acquisition of intangible assets and property, plant & equipment		237	
Acquisition of vehicles by Parcours (net of sales)		196	
Dividends paid ⁽²⁾		216	
Other cash flows			
Purchase of treasury shares	105	108	
Reclassification of Kerneos liabilities under "Liabilities of operations held for sale"		-184	
Other	37	-77	
NET FINANCIAL DEBT AS OF DECEMBER 31, 2013	3,041	3,716	6,757
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2012			
			-126
Acquisition of Saham shares			100
Acquisition of NOP shares			23
Changes in the fair value of Saint-Gobain puts			43
Sale of Saint-Gobain shares (carrying value)			-62
Other			-20
NET FINANCIAL ASSETS AND LIABILITIES AS OF DECEMBER 31, 2013			
			-42
NET DEFERRED TAXES AS OF DECEMBER 31, 2012			
			-401
Changes through profit or loss			30
Business combinations and reclassification of operations held for sale			77
Other			8
NET DEFERRED TAXES AS OF DECEMBER 31, 2013			
			-286

(1) Cash flows from items in "Net income from business sectors" for Wendel and holding companies.

(2) Includes €103 million from Bureau Veritas, eliminated upon consolidation.

4.2 Analysis of the parent company financial statements

4.2.1 Income statement

In millions of euros	2013	2012
Income from investments in subsidiaries and associates	470	890
Other financial income and expense	-137	-104
NET FINANCIAL INCOME	333	786
Operating income	-28	-30
NET INCOME BEFORE EXCEPTIONAL ITEMS AND TAX	305	755
Exceptional items	-10	0
Income taxes	39	27
NET INCOME	334	783

Income before exceptional items and tax was €305 million in 2013, compared with €755 million in 2012. The change resulted essentially from dividends of €470 million received from subsidiaries (paid by Winbond), vs. €890 million in 2012 (paid by Oranje-Nassau Groep and Winbond).

The tax income stems primarily from income on tax consolidation less a 3% tax on distributed income.

4.2.2 Balance sheet

Assets In millions of euros	12/31/2013	12/31/2012
Property, plant & equipment	2	3
Non-current financial assets	3,558	3,550
Net intra-Group receivables	3,293	3,085
Net WCR	20	13
Cash and marketable securities	835	818
Original issue discount	30	46
TOTAL ASSETS	7,738	7,515

Liabilities and shareholders' equity In millions of euros	12/31/2013	12/31/2012
Shareholders' equity	4,313	4,135
Provisions	25	26
Financial debt	3,361	3,354
Issue premiums on borrowings	39	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,738	7,515

Net receivables from subsidiaries increased by €208 million as a result of the following factors:

- Wendel borrowed a total of €822 million from its subsidiaries, related mainly to proceeds from the sales of Legrand and Saint-Gobain shares by subsidiaries (€519 million and €68 million, respectively), and to Bureau Veritas, Saint-Gobain and Legrand dividends received by its subsidiaries in 2013 (€231 million);
- Wendel lent a total of €314 million to its subsidiaries to finance the subscription of shares in IHS (telecoms infrastructure in Nigeria, Côte d'Ivoire, and Cameroon) and in Saham (insurance and customer service centers in Morocco), and the acquisition of NOP (design and manufacture of pumps in Japan).

- Wendel lent a total amount of €241 million to its subsidiaries, principally to finance:
 - the voluntary early repayment by Group subsidiaries of €200 million of bank debt relating to the Saint-Gobain investment,
 - use of a €20 million liquidity line granted to the Materis group;
- Wendel repaid €470 million to Winbond following the dividend paid by that subsidiary in 2013.

Shareholders' equity totaled €4,313 million at December 31, 2013, against €4,135 million at December 31, 2012. The change primarily reflects the following:

- net income for the year of €334 million;
- a cash dividend of €83 million (or €1.75 per share) paid on 2012 earnings;
 - the cancellation of 991,860 shares (2.00% of the share capital) on August 28, 2013.

The main changes in financial debt (excluding intragroup items) in 2013 were:

- the issue of €200 million (par value) of new bonds maturing in 2018 and €200 million (par value) of new bonds maturing in 2019;
- the full repayment of a €250 million syndicated loan;
- partial buybacks of Wendel's 2014, 2015, and 2016 bonds, for a total par value of €151 million.

4.3 Net asset value (NAV)

4.3.1 NAV as of December 31, 2013

NAV as of December 31, 2013 broke down as follows:

In millions of euros

	Number of shares	Share price ⁽¹⁾	8,060
Listed equity investments			
■ Bureau Veritas	225.2 million	€20.6	4,644
■ Saint-Gobain	89.8 million	€38.0	3,415
Unlisted investments and Oranje-Nassau Développement ⁽²⁾			1,545
Other assets and liabilities of Wendel and holding companies ⁽³⁾			155
Cash and marketable securities ⁽⁴⁾			758
GROSS REVALUED ASSETS			10,518
Wendel bond debt			-3,358
Bank debt related to Saint-Gobain financing			-428
Value of puts issued on Saint-Gobain ⁽⁵⁾			-155
NET ASSET VALUE			6,577
Number of shares			48,631,341
NET ASSET VALUE PER SHARE			€135.2
Average of 20 most recent Wendel share prices			€103.4
PREMIUM (DISCOUNT) ON NAV			-23.6%

(1) Average share price of the 20 trading days prior to December 31, 2013.

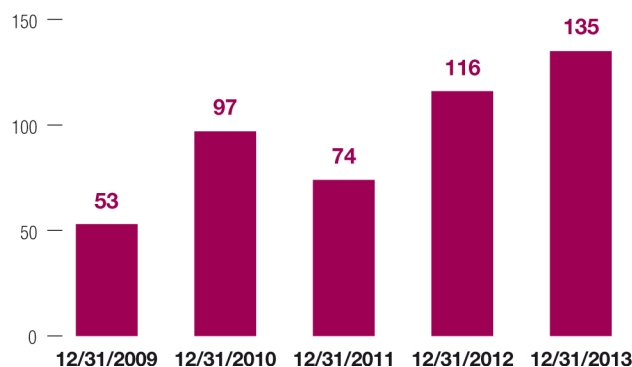
(2) Unlisted equity investments (Materis, Stahl, and IHS) and Oranje-Nassau Développement (NOP, Saham, Mecatherm, Parcours, VGG, exceet, and indirect investments).

(3) Included 1,749,729 treasury shares as of December 31, 2013.

(4) Cash and financial investments of Wendel and holding companies, including €428 million in cash on hand, €324 million in liquid financial investments and €6 million in pledged cash.

(5) 6,089,755 puts issued (written).

NAV per share (in euros)



4.3.2 NAV calculation method

In early 2014, the Executive Board decided to make certain clarifications and adjustments to Wendel's NAV calculation methodology, while preserving the main principles thereof. The Board's decision is intended to accompany the changes in the Group's strategy and take into account the volatility of the financial markets.

These adjustments have been applied for the first time to the calculation of NAV as of the end of March 2014. NAV as of December 31, 2013, presented in the 2013 Registration Document, does not take into account these changes; it was calculated before the Executive Board's decision. If the adjustments to the method had been applied in December 2013, NAV per share would have been approximately €1 lower.

4.3.2.1 Net asset value publication dates and publication-related verification

The annual schedule of NAV publication dates is available in advance on Wendel's website at the following address: www.wendelgroup.com.

At each NAV publication date, the Statutory Auditors verify that the methodology used for calculating net asset value complies with the Group's methodology and confirm consistency with accounting data.

The Audit Committee reviews each published NAV and compares Wendel's valuation of unlisted investments with one performed by an independent expert.

4.3.2.2 Presentation of Net Asset Value

Presentation format (publication at the level of detail indicated)	Comments
Equity investments valuation date	
+ Listed investments, including:	
■ Bureau Veritas	Average closing price over 20 trading days
■ Saint-Gobain	
+ Unlisted investments and Oranje-Nassau Développement	Unlisted investments are valued using the method described below. except is valued on the basis of the average share price of the 20 trading days prior to the NAV calculation date.
+ Other assets and liabilities of Wendel and holding companies	Includes Wendel shares held in treasury
Cash and marketable securities*	Pledged & unpledged cash of Wendel and holding companies
Wendel's bond debt and syndicated credit line	Face value + accrued interest
Bank debt related to Saint-Gobain financing	Face value + accrued interest
Value of Saint-Gobain puts issued (written)	Net market value of puts based on price used to value Saint-Gobain shares
Net Asset Value	
Number of Wendel shares	
NAV/share	
Average of 20 most recent Wendel share prices	
Premium (discount) on NAV	

* Amount of available cash: €[X] million.

NAV is a short-term valuation of the Group's assets. It does not take into account any control premiums or illiquidity discounts.

4.3.2.3 Listed equity investments

Listed investments are valued on the basis of the average closing price of the 20 trading days prior to the valuation date.

4.3.2.4 Valuation of unlisted investments

Valuation at cost for the 12 months following their acquisition

New, unlisted investments are valued at cost for the first 12 months following their acquisition. After this period, the company is valued on the basis outlined below.

Valuation by listed peer-group multiples

The preferred method for valuing unlisted investments is comparison with the multiples of comparable listed companies.

The value of shareholders' equity of the companies in Wendel's portfolio is determined as their enterprise value minus net financial debt of investments (gross face value of debt less cash). To value Parcours, we use the ratio of market capitalization to pre-tax ordinary income. The value of the company's shareholders' equity is thus directly determined by multiplying its pre-tax ordinary income by the multiples of comparable listed companies.

If net debt exceeds enterprise value, the value of shareholders' equity remains at zero if the debt is without recourse to Wendel.

Wendel's percentage ownership is determined by the features of the equity instruments held by Wendel, non-controlling interests and co-investor managers, if any (see note 4 to the consolidated financial statements).

Enterprise value is obtained by multiplying measures of each company's earnings by stock-market multiples of similar listed companies.

The measures of earnings most often used in the calculation are recurring EBITDA (earnings before interest, taxes, depreciation and amortization) and recurring EBIT (before goodwill). The choice of earnings measures used can be adjusted depending on the sector in which the subsidiary operates or its business model. In this case, Wendel publishes an explanation of the adjustment.

For the first half of the year, the enterprise value corresponds to the average of the values calculated using EBITDA and EBIT of the previous year and the budget (or budget update) for the current year. For the second half of the year, including for the calculation as of December 31, the next year is also taken into account, because there

is sufficient visibility on the end of the current year and the following year can be estimated satisfactorily. For the second half, therefore, the enterprise value is the average of the values calculated for three periods: the most recently audited fiscal year, the entire current year and the following year.

Stock-market multiples of comparable companies are obtained by dividing their enterprise value by their EBITDA or EBIT for the reference periods. Multiples of pre-tax ordinary income are obtained by dividing market capitalization by pre-tax ordinary income for the reference periods.

Enterprise value of the comparable companies is obtained by adding market capitalization (the average closing price over the last 20 trading days) and net financial debt (gross face value of debt less cash) at the same (or similar) date as that applied to the net debt of the company being valued.

Comparable listed companies are chosen based on independent data and studies, information available from Wendel's subsidiaries, and research carried out by Wendel's investment team. Certain peer-group companies can be more heavily weighted if their characteristics are closer to those of the company being valued than are those of the other companies in the sample.

The peer group remains stable over time. It is adjusted when a company is no longer comparable (in which case it is removed from the peer group) or when a company is newly considered as belonging to the peer group for the investment being valued.

Non-representative multiples are excluded from the peer group, such as occur during takeover offers or any other exceptional circumstance affecting the measures of income or the share price.

The data, analyses, forecasts or consensus values used are based on information available at each date.

Valuation by transaction multiples

Transaction multiples may also be used when the transaction involves a company whose profile and business are similar to those of the company being valued. In this case, reliable information must be available on the transaction, in sufficient detail. In some cases, the multiple used to value an investment will be an average, either straight or weighted, of the peer-group multiple and the transaction multiple. If used, the transaction multiple is applied for a period of 12 months, in line with the methodology of using the price paid in an acquisition.

Other methods

If a valuation by peer-group comparison is not accurate, other methods may be used, depending on the nature of the business, the characteristics of the asset and market practices. These include expert appraisals, valuation by discounted future cash flows, sum of the parts, and other methods.

Purchase offers

Purchase offers received for unlisted investments are taken into account if they are serious, *i.e.* relatively firm, and reasonable. In this case, Wendel uses the average, either straight or weighted based on the probability of acceptance, of the internal valuation and the average purchase price offered. Depending on the specific terms of these offers, they might be used as the sole basis for the valuation. The price of a purchase offer is applied for a period of 12 months, in line with the methodology of using the price paid in an acquisition.

Price of dilutive capital transactions

Capital increases that have a significant dilutive or accretive effect on the whole or on certain shareholders are considered as a transaction between shareholders. The price of such a transaction can be used to value the entire related investment, and is maintained for a period of 12 months, just as in the case of the price paid in an acquisition.

The principle of valuation at the price paid is not applied in the event Wendel exercises an option to acquire shares or subscribe to a capital increase at an exercise price set on the basis of a situation that pre-dates the exercise.

4.3.2.5 Cash

Cash of Wendel and its holding companies includes available cash at the valuation date (including liquid financial investments) and pledged cash.

4.3.2.6 Financial debt

Financial debt (Wendel's bond debt, syndicated loan outstandings and bank debt incurred to finance the investment in Saint-Gobain) is valued at its face value plus accrued interest.

For the purposes of the calculation, financial debt is valued at face value, which is not affected by changes in interest rates or credit quality. Accordingly, interest-rate swaps are not valued at their market value, as the swaps are treated as part of the debt.

4.3.2.7 Puts issued on Saint-Gobain

The value of Saint-Gobain puts issued (written) is calculated on the basis of a mathematical model used to value options. The Saint-Gobain share price used in this calculation is the same as the one used to value Saint-Gobain shares as a listed investment.

4.3.2.8 Other NAV components

Current assets and liabilities are considered at their net book value or their market value, depending on their nature, *i.e.* at face value, less any impairment, in the case of receivables, and at market value in the case of derivatives, with the exception of interest-rate swaps. Real estate is valued on the basis of appraisals carried out at regular intervals.

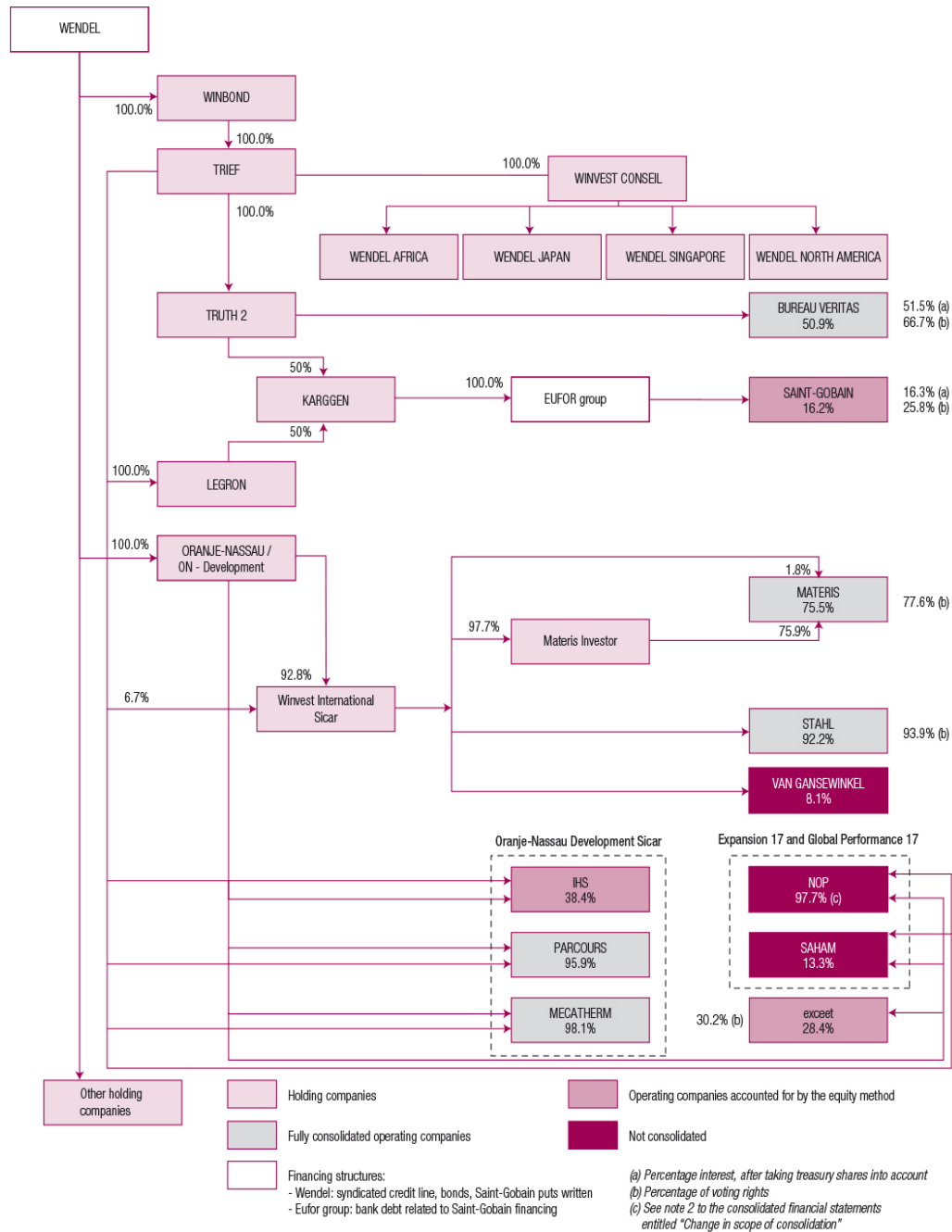
Shares held in treasury and earmarked for sale upon the exercise of stock options are valued at the lower of the strike price of the options or the average price of the shares over the last 20 trading days. Shares held to cover performance share plans are valued at zero. Other shares held in treasury are valued at the average price over the last 20 trading days.

As NAV is a short-term valuation of the Group's assets, Wendel's future operating expenses do not enter into the calculation. Similarly, future tax effects are not included so long as the sale price of an investment and the form of the sale (in particular the tax consequences) are not both known and certain.

The number of Wendel shares taken into account in the calculation of NAV per share is the total number of shares composing Wendel's equity at the valuation date.

Some aspects of the method described above may be amended if such a change produces a more faithful valuation. Any such changes would be announced by Wendel.

4.4 Simplified organization chart of the companies in the Group



Other holding companies

These intermediary holding companies serve, among other things, to finance and hold Group equity investments.

Company name (shareholders)	Intermediate holding companies held
COBA (100% Wendel)	-
SOFISERVICE (100% Wendel)	-
ORANJE-NASSAU DÉVELOPPEMENT (100% Wendel)	-
HIRVEST 1 (100% Eufor)	-
HIRVEST 3 (100% Eufor)	-
HIRVEST 4 (100% Eufor)	-
GRAUGGEN (100% Eufor)	-
HOURGGEN (100% Eufor)	-
IREGGEN (100% Eufor)	-
JEURGGEN (100% Eufor)	-
SOFISAMC (100% Trief Corporation)	-
FROEGGEN (100% Trief Corporation)	-
MECATHERM GUARANTCO (100% Trief Corporation)	-
WALDGGEN (98.6% Trief Corporation)	-
WIN SECURITIZATION 2 (100% Trief Corporation)	-
STAHL LUX 2 (98.6% Winvest International SA SICAR)	-
ORANJE-NASSAU INVESTMENTS BV (100% Oranje-Nassau Groep)	-
ORANJE-NASSAU DEVELOPMENT BV (100% Oranje-Nassau Groep)	100% Oranje-Nassau Développement SA SICAR 100% Oranje-Nassau Participaties BV 54.2% Oranje-Nassau Parcours 57.7% Oranje-Nassau Mecatherm
ORANJE-NASSAU PARTICIPATIES BV (100% Oranje-Nassau Development BV)	-
ORANJE-NASSAU DÉVELOPPEMENT SA SICAR (99.5% Oranje-Nassau Development BV / Trief Corporation)	-
ORANJE-NASSAU PARCOURS (54.2% Oranje-Nassau Development BV, 41.6% Trief Corporation)	-
ORANJE-NASSAU MECATHERM (57.7% Oranje-Nassau Development BV, 40.5% Trief Corporation)	-
EXPANSION 17 (99.5 % Oranje-Nassau Investments BV / Trief Corporation)	-
GLOBAL PERFORMANCE 17 (99.5 % Oranje-Nassau Investments BV / Trief Corporation)	-

2013 CONSOLIDATED FINANCIAL STATEMENTS

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5.1 Balance sheet – Consolidated financial position

Assets

In millions of euros	Note	12/31/2013	12/31/2012
Goodwill, net	6	2,595.6	2,889.1
Intangible assets, net	7	1,229.0	1,459.3
Property, plant & equipment, net	8	1,359.5	1,556.0
Non-current financial assets	13	215.9	114.6
Pledged cash and cash equivalents	12	6.4	3.4
Equity-method investments	9	4,249.2	4,434.1
Deferred tax assets	19	184.7	189.5
TOTAL NON-CURRENT ASSETS		9,840.3	10,646.0
Assets of operations held for sale	20	805.5	10.6
Inventories	10	259.2	366.7
Trade receivables	11	1,433.7	1,412.8
Other current assets		207.4	205.0
Current income tax assets	19	66.1	87.4
Other current financial assets	13	355.1	455.5
Cash and cash equivalents	12	758.0	845.9
TOTAL CURRENT ASSETS		3,079.4	3,373.4
TOTAL ASSETS		13,725.1	14,030.0

The notes to the financial statements are an integral part of the consolidated statements.

Liabilities and shareholders' equity

In millions of euros	Note	12/31/2013	12/31/2012
Share capital		194.5	198.2
Share premiums		114.6	184.4
Retained earnings & other reserves		1,892.7	2,070.7
Net income for the year, Group share		333.7	221.1
		2,535.5	2,674.4
Non-controlling interests		522.1	617.9
TOTAL SHAREHOLDERS' EQUITY	14	3,057.6	3,292.3
Long-term provisions	15	269.6	302.8
Financial debt (non-current portion)	16	6,751.3	7,483.1
Other non-current financial liabilities	13	230.3	129.2
Deferred tax liabilities	19	470.6	590.0
TOTAL NON-CURRENT LIABILITIES		7,721.8	8,505.1
Liabilities of operations held for sale	20	375.2	1.0
Short-term provisions	15	9.4	7.0
Financial debt (current portion)	16	1,093.9	551.3
Other current financial liabilities	13	58.6	226.3
Trade payables	17	549.2	579.3
Other current liabilities	18	776.4	782.4
Current income tax liabilities	19	83.1	85.4
TOTAL CURRENT LIABILITIES		2,570.6	2,231.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13,725.1	14,030.0

In accordance with IFRS 5, "Non-current assets held for sale and discontinued operations", the assets and liabilities of Kerneos, the Aluminales business of Materis, have been reclassified in "Assets and liabilities of operations held for sale" as of December 31, 2013.

The notes to the financial statements are an integral part of the consolidated statements.

5.2 Consolidated income statement

In millions of euros	Note	2013	2012
Net sales	21	6,431.8	6,338.6
Other income from operations		4.3	6.3
Operating expenses	22	-5,700.1	-5,648.4
INCOME FROM ORDINARY ACTIVITIES	23	736.0	696.4
Other operating income and expenses	24	-61.2	-173.8
OPERATING INCOME		674.8	522.6
Income from cash and cash equivalents		9.2	13.1
Finance costs, gross		-449.2	-469.0
Finance costs, net	25	-440.0	-455.9
Other financial income and expense	26	86.4	14.5
Tax expense	27	-189.6	-135.8
Net income (loss) from equity-method investments	28	346.7	-329.7
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		478.3	-384.3
Net income from discontinued operations and operations held for sale	29	11.7	721.3
NET INCOME		490.0	337.1
Net income – non-controlling interests		156.3	115.9
NET INCOME – GROUP SHARE		333.7	221.1

In euros	Note	2013	2012
Basic earnings per share (<i>in euros</i>)	30	7.07	4.58
Diluted earnings per share (<i>in euros</i>)	30	6.79	4.36
Basic earnings per share from continuing operations (<i>in euros</i>)	30	6.87	-10.28
Diluted earnings per share from continuing operations (<i>in euros</i>)	30	6.60	-10.31
Basic earnings per share from discontinued operations (<i>in euros</i>)	30	0.19	14.86
Diluted earnings per share from discontinued operations (<i>in euros</i>)	30	0.19	14.67

In accordance with IFRS 5, “Non-current assets held for sale and discontinued operations”, the contribution of Kerneos, the Aluminates business of Materis, has been reclassified to “Net income from discontinued operations and operations held for sale” for fiscal years 2013 and 2012.

The notes to the financial statements are an integral part of the consolidated statements.

5.3 Statement of comprehensive income

In millions of euros	2013			2012		
	Gross amounts	Tax effect	Net amounts	Gross amounts	Tax effect	Net amounts
Items recyclable into net income						
Currency translation reserves ⁽¹⁾	-448.9	-	-448.9	-46.5	-	-46.5
Gains and losses on qualified hedges	-2.1	-1.7	-3.9	-9.4	0.8	-8.6
Gains and losses on assets available for sale	-1.3	-	-1.3	-1.3	-	-1.3
Earnings previously recognized in shareholders' equity taken to the income statement	2.8	-	2.8	13.6	-	13.6
Items non-recyclable into net income						
Actuarial gains and losses ⁽²⁾	130.1	-48.0	82.0	-198.9	64.1	-134.8
Other	-	-	-	-4.1	-	-4.1
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	-319.4	-49.8	-369.2	-246.6	64.9	-181.7
Net income for the year (B)			490.0			337.1
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			120.8			155.4
Attributable to:						
■ shareholders of Wendel			91.8			66.8
■ non-controlling interests			29.0			88.6

(1) Includes -€239.4 million related to Bureau Veritas (-€22.0 million in 2012), -€39.4 million related to Materis (-€11.3 million in 2012), and -€156.0 million related to Saint-Gobain (-€8.0 million in 2012).

(2) The main impact is €118.3 million related to Saint-Gobain (before taxes, Wendel's share), vs. -€157.0 million in 2012.

The notes to the financial statements are an integral part of the consolidated statements.

5.4 Changes in shareholders' equity

In millions of euros	Number of shares outstanding	Capital	Share premiums	Treasury shares	Retained earnings & other reserves	Currency translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2011	48,446,820	202.2	252.5	-130.2	2,292.1	77.2	2,693.9	604.0	3,298.0
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-122.2	-32.1	-154.4	-27.3	-181.7
Net income for the year (B)					221.1	-	221.1	115.9	337.1
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A)+(B) ⁽¹⁾		-	-	-	98.9	-32.1	66.8	88.6	155.4
Dividends paid ⁽²⁾					-87.1		-87.1	-73.8	-160.9
Movements in treasury shares	-702,356	-4.3	-70.3	14.2			-60.4	-	-60.4
Capital increase									
■ exercise of stock options	26,262	0.1	0.9				1.0		1.0
■ company savings plan	35,417	0.1	1.4				1.5		1.5
Share-based payments (including equity-method investments)					19.3		19.3	8.3	27.6
Changes in scope of consolidation					0.1	0.8	0.9	14.3	15.2
Other					38.5		38.5	-23.5	15.0
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2012, REPORTED BASIS	47,806,143	198.2	184.4	-116.0	2,361.9	45.9	2,674.4	617.9	3,292.3
IAS 19 RESTATEMENT ⁽³⁾		-	-	-	-3.5	-	-3.5	-	-3.5
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2012 AFTER IAS 19 RESTATEMENT ⁽³⁾	47,806,143	198.2	184.4	-116.0	2,358.5	45.9	2,670.9	617.9	3,288.8
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	79.7	-321.7	-241.9	-127.3	-369.2
Net income for the year (B)					333.7	-	333.7	156.3	490.0
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A)+(B) ⁽¹⁾		-	-	-	413.5	-321.7	91.8	29.0	120.8
Dividends paid ⁽²⁾					-83.0		-83.0	-109.8	-192.8
Movements in treasury shares	-1,004,091	-4.0	-74.2	-27.1			-105.2	-	-105.2
Capital increase									
■ exercise of stock options	50,706	0.2	2.6				2.8		2.8
■ company savings plan	28,854	0.1	1.8				1.9		1.9
Share-based payments (including equity-method investments)					17.2		17.2	8.7	25.9
Change in scope of consolidation ⁽⁴⁾					-58.0	10.7	-47.3	-51.2	-98.5
Other					-13.7	0.0	-13.7	27.5	13.9
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2013	46,881,612	194.5	114.6	-143.0	2,634.5	-265.1	2,535.5	522.1	3,057.6

(1) See "Statement of comprehensive income".

(2) In 2013, the cash dividend paid by Wendel was €1.75 per share, for a total dividend of €83.0 million. In 2012, Wendel paid a cash dividend of €1.30 per share, plus one Legrand share for every 50 Wendel shares held, and a cash payment in lieu of fractional shares, if any, for a total dividend of €87.1 million.

(3) The impact of the amendment to IAS 19 "Employee Benefits" is described in note 1 "Accounting principles".

(4) Changes in scope included the impact of Bureau Veritas' net share buybacks (-€48.4 million, Group share), as well as a reversal of currency translation reserves when Legrand was sold (€10.8 million).

The notes to the financial statements are an integral part of the consolidated statements.

5.5 Consolidated cash flow statement

In millions of euros	Note	2013	2012
Cash flows from operating activities			
Net income		490.0	337.1
Share of net income/loss from equity-method investments		-346.7	329.7
Net income from discontinued operations and operations held for sale		-11.7	-721.3
Depreciation, amortization, provisions and other non-cash items		420.4	448.9
Non-cash income and expense related to stock options and similar items		25.8	22.4
Expenses on investments and divestments		3.4	3.4
Cash flow from companies held for sale		65.5	68.4
Gains/losses on divestments		11.8	40.1
Financial income and expense		353.6	441.4
Taxes (current & deferred)		189.6	135.8
Cash flow from consolidated companies before tax		1,201.7	1,105.8
Change in working capital requirement related to operating activities		-85.9	-48.7
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX		1,115.8	1,057.1
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	31	-512.6	-472.5
Disposal of property, plant & equipment and intangible assets	32	85.9	86.6
Acquisition of equity investments	33	-495.3	-320.7
Disposal of equity investments	34	593.6	963.7
Impact of changes in scope of consolidation and of operations held for sale	35	-7.9	18.7
Changes in other financial assets and liabilities and other	36	27.0	-91.1
Dividends received from equity-method investments and unconsolidated companies	37	142.7	129.5
Change in working capital requirements related to investment activities		14.6	28.7
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX		-152.1	342.9
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		4.7	2.5
Contribution of non-controlling shareholders		6.1	13.2
Share buybacks			
■ Wendel		-105.2	-60.4
■ Subsidiaries		-107.7	-66.1
Dividends paid by Wendel ⁽¹⁾		-83.0	-63.3
Dividends paid to non-controlling shareholders of subsidiaries		-110.6	-73.8
New borrowings	38	1,150.1	1,835.7
Repayment of borrowings	38	-1,220.0	-2,455.6
Net finance costs		-419.2	-437.6
Other financial income/expense		-10.3	-26.1
Change in working capital requirements related to financing activities		78.4	90.0
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX		-816.6	-1,241.5
Cash flows related to taxes			
Current tax expense		-233.7	-211.8
Change in tax assets and liabilities (excl. deferred taxes)		39.3	-32.8
NET CASH FLOWS RELATED TO TAXES		-194.4	-244.7
Effect of currency fluctuations		-37.6	-7.7
Net change in cash and cash equivalents		-84.9	-93.9
Cash and cash equivalents at the beginning of the year		849.3	943.3
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	12	764.4	849.3

(1) The cash dividend paid by Wendel in 2012 was accompanied by a dividend composed of Legrand shares (see "Changes in shareholders' equity"). Only the cash dividend of €62.9 million and the cash payment in lieu of fractional shares of €0.4 million are presented in the cash flow statement.

The principal components of the consolidated cash flow statement are detailed beginning with note 31.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are provided in note 12 "Cash and cash equivalents". As of December 31, 2013, cash and cash equivalents were composed of €6.4 million in pledged cash recognized under non-current financial assets, and €758.0 million in available cash recognized under current financial assets.

For fiscal year 2013, the cash flows of Kerneos (the Aluminates business of Materis, which is to be divested during the first half of 2014, see note 2 "Changes in the scope of consolidation"), have been retained within each of the cash flow line items. As of December 31, 2013, the cash balance of €15.6 million was the only item to be reclassified to "Impact of changes in scope of consolidation and of operations held for sale". Kerneos' contribution to the main cash flow line items for 2013 and 2012 is as follows:

In millions of euros	2013	2012
Net cash flows from operating activities, excluding tax	61.2	59.3
Net cash flows from investing activities, excluding tax	-19.2	-27.8
Net cash flows from financing activities, excluding tax	-3.3	-29.2
Cash flows related to taxes	-15.9	-16.0

2012 cash flows do not include those of Deutsch, which was sold on April 3, 2012.

The notes to the financial statements are an integral part of the consolidated statements.

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5.6 General principles

Wendel is a *société anonyme* (public limited company) with an Executive Board and a Supervisory Board. It is governed by French law and has the Paris commercial registry number 572 174 035. Its head office is located at 89 rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

The consolidated financial statements of the Wendel Group cover the 12-month fiscal year from January 1 to December 31, 2013 and are expressed in millions of euros. They include:

- the balance sheet (statement of financial position);

- the income statement and the statement of comprehensive income;
- the statement of changes in shareholders' equity;
- the cash flow statement; and
- the notes to the financial statements.

These financial statements were finalized by Wendel's Executive Board on March 17, 2014 and will be submitted for shareholders' approval at their Annual Meeting.

5.7 Notes

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the fiscal year ended December 31, 2013 have been drawn up in accordance with IFRS principles and methods as adopted by the European Union on December 31, 2013, in accordance with Regulation no. 1606/2002 of the European Council and the European Parliament pertaining to the application of accounting standards, adopted on July 19, 2002.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2013, these accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2012. They correspond to the International Financial Reporting Standards as adopted by the European Union, which are available on the European Commission's website:

"http://ec.europa.eu/internal_market/accounting/ias/index_en.htm".

Note 1-1 Standards, interpretations, and amendments to existing standards that were mandatory in 2013

The following standards and interpretations became applicable to the Wendel Group on January 1, 2013:

- IAS 1 "Presentation of financial statements", applied in advance to the 2012 consolidated financial statements;
- amendment to IFRS 7 "Disclosures — Offsetting Financial Assets and Financial Liabilities";
- amendment to IAS 12 "Deferred tax: recovery of underlying assets";
- amendment to IAS 19 "Employee benefits"; and
- IFRS 13 "Fair value measurement".

The application of the amendments to IFRS 7 and IAS 12 did not have a material impact on the 2013 consolidated financial statements.

The amendment to IAS 19, applied retrospectively, resulted in a net decrease of €3.5 million in shareholders' equity of the Group as of December 31, 2012. This impact was exclusively related to operating subsidiaries and associates and arose because:

- past service costs resulting from changes in pension plans can no longer be amortized over the remaining service periods of the employees concerned; and
- the discount rates applied to employee-related liabilities are used to evaluate the expected yield on plan assets.

As the impact of this amendment is not material, no modifications were made to the presentation of the 2012 consolidated balance sheet and income statement.

The application of IFRS 13 required a disclosure of how the fair value of financial instruments is determined, presented in note 13-3.D on derivative instruments.

Note 1-2 Standards, interpretations, and amendments to existing standards for which early adoption was not applied in 2013

Wendel is currently assessing the potential impact of the application of these texts on its financial statements. In general, the Group has not opted for early adoption of standards and interpretations applicable from years beginning after December 31, 2013, whether or not they have been adopted by the European Commission. In particular, the Group has not applied the following texts to fiscal year 2013:

- IFRS 10 “Consolidated financial statements”, published by the IASB on May 12, 2011 and adopted by the European Commission on December 11, 2012, subsequently modified by the IASB on June 28, 2012, and adopted by the European Commission on April 4, 2013. The standard redefines the notion of control on the basis of three criteria: power, exposure to principal returns, and the relationship between power and these returns. The scope of subsidiaries to be fully consolidated will henceforth be defined on the basis of this standard. In October 2012, the IASB published further amendments designed to better reflect the business model of investment entities. These entities are required to measure their subsidiaries at fair value through profit or loss, rather than to consolidate them. Wendel does not consider itself to be an investment entity as defined by the standard, and will therefore not be affected by this standard. The amendments were adopted by the European Commission on November 20, 2013. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- IFRS 11 “Joint arrangements”, published by the IASB on May 12, 2011 and adopted by the European Commission on December 11, 2012, subsequently amended by the IASB on June 28, 2012, and adopted by the European Commission on April 4, 2013. This standard replaces IAS 31 regarding accounting for investments in joint ventures. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- IFRS 12 “Disclosure of interests in other entities”, published by the IASB on May 12, 2011 and adopted by the European Commission on December 11, 2012, subsequently amended by the IASB on June 28, 2012, and adopted by the European Commission on April 4, 2013. This standard defines the information to be disclosed about investments in subsidiaries, joint ventures and associated companies. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;

- IAS 28 “Investments in associates and joint ventures”, published by the IASB in May 2011 and adopted by the European Commission on December 11, 2012. Application of this standard will be mandatory for fiscal years beginning on or after January 1, 2014;
- amendments to IAS 32 “Offsetting financial assets and liabilities”, published by the IASB on December 16, 2011 and adopted by the European Commission on December 13, 2012. The amendments clarify certain accounting provisions for offsetting financial assets and liabilities;
- amendments to IAS 36 “Impairment of assets”, published by the IASB on May 29, 2013 and adopted by the European Commission on December 19, 2013. The objective is to clarify that the scope of information to be provided on the recoverable amount of impaired assets is limited to the recoverable amount of impaired assets when this amount is based on fair value less exit costs. Application of these amendments will be mandatory for fiscal years beginning on or after January 1, 2014;
- “Novation of Derivatives and Continuation of Hedge Accounting – amendments to IFRS 39”, published by the IASB on June 27, 2013 and adopted by the European Commission on December 19, 2013. The objective of these amendments is to provide an exemption in situations where a derivative designated as a hedging instrument is novated from the original counterparty to a central counterparty as a consequence of laws or regulations. This exemption offers the possibility of maintaining hedge accounting independently of the novation. Application of these amendments will be mandatory for fiscal years beginning on or after January 1, 2014.

Note 1-3 Consolidation methods

The companies over which Wendel has exclusive control are fully consolidated. Companies over which Wendel has significant influence have been accounted for using the equity method. Net income of acquired subsidiaries is consolidated from their acquisition date, while net income of divested subsidiaries is consolidated up to their divestment date.

Note 1-4 Financial statements used as the basis for consolidation

Wendel’s consolidated financial statements have been prepared on the basis of:

- the consolidated financial statements of Bureau Veritas, Materis, Stahl, Saint-Gobain, exceet, Mecatherm, and Parcours for the 12-month fiscal year ended on December 31, 2013 (the last three companies are included in the Oranje-Nassau Développement subgroup);
- the consolidated financial statements of Legrand for the period during which it was held, until June 2013;
- the consolidated financial statements of IHS for the eight-month period following its acquisition, *i.e.* from May 1 to December 31, 2013;
- for all other companies, their individual accounts for the 12-month fiscal year ended December 31, 2013.

Financial information relating to these subsidiaries and associates has been prepared in accordance with IFRS recognition and measurement rules.

Significant changes in the Group's scope of consolidation for fiscal year 2013 are presented in note 2 "Changes in scope of consolidation". The main subsidiaries consolidated as of December 31, 2013 are presented in note 43 "List of principal consolidated companies".

Note 1-5 Business combinations

IFRS 3 "Business combinations" and IAS 27 "Consolidated and separate financial statements", revised, applicable since January 1, 2010, affect the accounting for transactions that lead to the assumption of control, or partial sales that lead to a loss of control. Specifically:

- ancillary transaction costs are recognized in operating income for the period; price adjustments are initially recognized at their fair value, and future fluctuations in their value are recognized in operating income;
- when control is obtained (or lost) the percentage previously held (or remaining) is revalued at fair value and recognized in profit or loss;
- when control is obtained, non-controlling interests are recognized either in proportion to their share in the fair value of the assets and liabilities of the acquired entity, or at their fair value. A proportion of goodwill is also allocated to non-controlling interests at that time. This choice is made on a case-by-case basis for each acquisition;
- purchases and sales of shares in controlled companies that do not lead to the assumption or loss of control are recognized as transfers between the Group share of consolidated shareholders' equity and the share held by non-controlling interests. There is no impact on profit or loss;
- non-controlling interests can now become negative because the net income or loss of a subsidiary is now allocated between the Group share and the non-controlling interests' share, according to their respective equity interests.

Note 1-6 Commitment to buy non-controlling interests in consolidated subsidiaries

When the Group has made firm or conditional commitments to non-controlling shareholders in consolidated subsidiaries to buy their stakes, a financial liability is recognized in an amount corresponding to the present value of the purchase price.

As of December 31, 2013, in the absence of any specific IFRS guidance, this financial liability was offset:

- firstly, by eliminating the carrying amount of the corresponding non-controlling interests;
- secondly, by reducing the Group share of shareholders' equity as follows: the difference between the estimated value of the purchase commitment and the carrying amount of non-controlling interests is deducted from the Group share of retained earnings and other reserves. This heading is adjusted at the end of each accounting period to reflect the estimated value of the purchase commitment and the carrying amount of non-controlling interests. This has no impact on the consolidated income statement, barring subsequent changes to standards and interpretations.

Note 1-7 Intercompany asset sales and transfers

Gains and losses on the sale or transfer of assets between consolidated companies have been eliminated from income and the assets have been maintained at their initial value, except in the event of losses deemed permanent, for which an impairment charge is recognized on the income statement.

Note 1-8 Conversion of the financial statements of foreign companies

Wendel presents its financial statements in euros.

The balance sheets of foreign companies whose functional currency is not the euro have been converted into euros at the exchange rate prevailing at the closing date, and their income statements converted at the average exchange rate for the fiscal year or consolidation period. The discrepancy between the opening and closing balance sheets, as well as that resulting from the application of these exchange rates have been allocated to retained earnings and other reserves under "translation adjustments". Translation adjustments related to subsidiaries are recognized on the income statement when those subsidiaries are divested.

Note 1-9 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in such financial statements. These estimates and judgments are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the balance sheet date, as well as on information available on the date the accounts were finalized. They are based on Group management's past experience and various other factors deemed reasonable, such as market data or the work of an independent appraiser, and are reviewed on a regular basis. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be different from the forecasts.

In preparing these financial statements, the principal items involving estimates and judgments were goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes, derivatives, and treatment of co-investments.

Note 1-10 Measurement rules

Note 1-10.1 Goodwill

Goodwill represents the difference between the cost of acquiring a company and the Group's share of the fair value of its net assets, liabilities, and identifiable contingent liabilities on the date of acquisition. The identifiable assets and liabilities of the acquired company that meet the IFRS recognition criteria are recognized at their fair value at the date of the acquisition. Adjustments in the fair values of assets and liabilities acquired as part of business combinations and initially recognized on the basis of temporary values (because of ongoing appraisals or outstanding additional analyses) are recognized as retroactive goodwill adjustments if they occur within 12 months after the acquisition date. Thereafter, such adjustments are recognized directly on the income

statement unless they are made in correction of errors. The revised version of IFRS 3 “Business combinations” provides that goodwill may be applied to non-controlling interests, if the Group so chooses. Goodwill is presented, where applicable, net of any cumulative recognized loss in value.

Goodwill is not amortized, but is instead tested for impairment at least once per year, on December 31, or more frequently if there is any indication that it may be impaired. Indications of a loss in value may include, for instance, a significant or prolonged decline in the share price of a listed company, a difference in net income compared with budget, or a deterioration in the economic sector in which a company operates. For the purposes of impairment testing, goodwill is allocated to Cash Generating Units (CGU). Each of the Group’s operating entities (Bureau Veritas, Materis, Stahl, Parcour, and Mecatherm) represents a CGU. Goodwill impairment losses are recognized on the income statement under “Other operating income and expenses” and cannot be reversed.

Whenever an operating subsidiary identifies an impairment loss on goodwill within its scope of consolidation, this loss is maintained at the level of Wendel’s consolidated accounts, even if Wendel’s analysis of the subsidiary’s goodwill does not show any impairment. This stance has been taken to allow Wendel to recognize unrealized losses as soon as they appear, as they would inevitably be recognized anyway if the subsidiary were to sell the CGU showing such losses.

Goodwill pertaining to equity-method investments is included in the carrying value of these companies and therefore not presented separately (IAS 28 “Investments in associates and joint ventures”, s.23). It is therefore not subject to a separate impairment test, as the value of equity-method investments is subject to a separate test, goodwill included. Hence, as regards equity-method shareholdings, in the event of an improvement in their value justifying an impairment writeback, the portion of the impairment pertaining to goodwill is also written back. Impairment losses and the gain or loss on divestments and dilutions are recognized in the income statement under “Net income from equity-accounted investments”.

Impairment tests on goodwill and equity-method investments are described in notes 6 “Goodwill” and 9 “Equity-method investments”.

Note 1-10.2 Intangible assets

1. Brands of the Bureau Veritas, Materis, and Mecatherm groups

These brands have been valued using the relief-from-royalty approach, which consists in discounting to perpetuity royalty cash flows determined at a theoretical rate based on net sales generated by the brands. The brands are considered as having an indefinite useful life as there is no foreseeable time limit on their potential to generate cash flow. They are therefore not amortized but are tested for impairment on an annual basis.

The brands of the Bureau Veritas group’s subsidiaries have been amortized over a period of 5-15 years. Only those brands identified at the Wendel group level when Wendel acquired control of Bureau Veritas are considered to have an indefinite life.

2. Contracts and customer relationships of the Bureau Veritas, Materis, and Parcour groups

The value of these assets corresponds to the margin expected to be generated over the residual lives of contracts in force at the date Wendel assumed control, taking into account contract renewals where such renewals are considered probable based on historical statistical data. These contracts and client relationships are therefore amortized over the period used for the calculation of each contract category (up to 30 years, depending on the contract and subsidiary).

Note 1-10.3 Other intangible assets

The cost of developing software intended for internal use and other development costs have been capitalized when it is likely that these expenditures will generate future economic benefits. These costs are then amortized over the asset’s estimated useful life.

Note 1-10.4 Property, plant & equipment

Property, plant & equipment are recognized at their historical cost, determined at the time of acquisition of these assets or at fair value in the event of a business combination. Historical cost includes all costs directly attributable to the acquisition or construction of the assets concerned, in particular borrowing costs that are directly attributable to the acquisition or production of the property, plant & equipment during the accounting period prior to being brought into service.

Property, plant & equipment other than land and investment properties are depreciated on a straight-line basis over a period corresponding to their probable useful life. The depreciation basis for property, plant & equipment is its historical cost less the residual value, *i.e.* the value expected at the end of the asset’s useful life, after allowing for any divestment costs.

The following useful lives are applied:

Buildings	10 to 40 years
Plant	3 to 10 years
Vehicles rented out (Parcours)	Depends on the term of the lease contract
Equipment and tooling	3 to 10 years

Assets that the Wendel Group has acquired under long-term or other leases where the risks and rewards of ownership have been substantially transferred to the Group are accounted for as finance leases and are depreciated on a straight-line basis over their estimated useful life, as described above.

Note 1-10.5 Impairment of property, plant & equipment, and intangible assets

In accordance with IAS 36 "Impairment of assets", the value in use of property, plant & equipment, and intangible assets is tested when there is an indication of impairment. These tests are performed either when there is an indication of a loss of value, or once a year for assets having indefinite useful lives, which in Wendel's case is limited to goodwill and brands. Impairment losses are recognized on the income statement under "Other operating income and expenses".

Note 1-10.6 Financial assets and liabilities

Financial assets include investments in unconsolidated companies, operating receivables, debt securities, marketable securities, derivatives, and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives, and operating liabilities. Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial instruments: recognition and measurement". In accordance with IFRS 13, "Fair value measurement", the value of financial assets and liabilities was adjusted for the impact of Wendel's own credit risk.

1. Financial assets at fair value through profit or loss

These assets include short-term financial investments without the characteristics of cash equivalents. These assets are measured at market value at the balance sheet date, and gains and losses arising from changes in value are recognized through the income statement.

2. Assets held until maturity and loans and receivables

These instruments are stated at amortized cost using the effective interest method. Their carrying amount represents outstanding principal, adjusted for any non-amortized acquisition costs, premiums or discounts. They are tested for recoverable value whenever there is an indication that their recoverable amount might be lower than their carrying value. Any impairment loss is recognized on the income statement.

3. Financial liabilities

With the exception of derivative instruments, all borrowings and other financial liabilities are stated at amortized cost using the effective interest method.

4. Derivatives

Derivatives are measured at fair value. Gains and losses arising from changes in the fair value of derivatives are recognized in the income statement, apart from certain exceptions set out below.

Derivatives can be designated as hedges of fair value, future cash flow, or net investment value:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to shifts in exchange rates, interest rates, or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from a present or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset shifts in foreign exchange rates, interest rates, and commodity prices;
- hedges of a net investment in a foreign business can be designated as hedging instruments, as long as they meet the criteria of IAS 39 "Financial instruments: recognition and measurement". These hedges help offset fluctuations in value due to conversion into the reporting currency used by the parent company in its consolidated financial statements. Financial debt denominated in the operating currency of the hedged investment can be designated as an investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

- the hedging relationship is clearly defined and documented at the outset;
- the effectiveness of the hedging relationship can be demonstrated from the outset and throughout its term.

The use of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value in the balance sheet. Changes in the fair value of the hedged item are recognized on the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent that the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated as, and qualify for, cash flow hedges is recognized directly in shareholders' equity. The gain or loss from the ineffective portion is recognized on the income statement. Amounts accumulated in shareholders' equity are passed through the income statement in the same periods as the corresponding hedged items, or are written back against the acquisition cost of the assets in which the financial risk related to the acquisition price was hedged;

- for net investment hedges, the portion of a gain or loss that is considered effective in the hedge of a net investment in a foreign business is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement. Cumulative gains and losses in shareholders' equity are recognized on the income statement when the foreign business is sold.

Derivatives are measured using Wendel's mathematical models, as well as by independent appraisers, and/or the Group's counterparties.

Note 1-10.7 Methods for measuring the fair value of financial instruments

In accordance with the amendment to IFRS 7 "Financial instruments: disclosures" (March 2009), the tables in note 13 present the Group's assets and liabilities that are measured at fair value, based on their method of measurement. These methods are defined as follows:

- level 1: unadjusted, listed prices of identical instruments on an active market;
- level 2: observable data other than the listed prices referred to in Level 1, either directly (such as a price), or indirectly (calculated from another price);
- level 3: fair values that are not determined on the basis of observable market data.

During fiscal year 2013, there were no transfers between levels 1 and 2, or transfers to or from level 3, of fair value measurements of financial instruments.

Changes in level 3 financial instruments were not significant and are not presented.

Note 1-10.8 Inventories

Inventories have been stated at the lower of cost or net realizable value. Production cost includes the costs of raw materials, direct labor, and any operating costs that can reasonably be associated with production.

Note 1-10.9 Cash and cash equivalents (pledged and unpledged)

Cash is comprised of cash at banks.

In accordance with IAS 7 "Statement of cash flows", cash equivalents are short-term, highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of a change in value. Cash equivalents include euro-denominated, money-market mutual funds and deposit accounts with initial maturities less than or equal to three months. They are measured at their fair value at the balance sheet date.

Pledged cash and cash equivalents are presented as non-current assets, as they are not immediately available.

Note 1-10.10 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized when the Group has an obligation with respect to a third party as a result of a past event for which it is probable or certain that there will be an outflow of resources to that third party, without at least an equivalent inflow from that third party. Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed, formal plan.

Provisions are discounted on the basis of the estimated duration of the obligation. The impact of this discounting is recalculated at each balance sheet date, and the related adjustment is recognized on the income statement under "Other financial income and expense".

Note 1-10.11 Provisions for employee benefits

Defined-contribution plans: contributions are recognized as operating expenses.

Defined-benefit plans: the present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the projected unit credit method. The obligation is determined at each balance sheet date taking into account the age of the Company's employees, their length of service, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments. The funding provision corresponds to the difference between the total obligation as set out above and any assets invested with insurance companies to cover these obligations.

Actuarial gains and losses are recognized in shareholders' equity as soon as they appear (IAS 19 "Employee benefits", s. 93A).

Note 1-10.12 Deferred taxes

In accordance with IAS 12 "Income taxes", deferred taxes are recognized for timing differences between the carrying amounts of assets and liabilities and their tax base.

Tax-loss carryforwards are recognized as deferred tax assets when it is likely that they can be offset against tax on earnings in the next few fiscal years or when they can be offset by deferred tax liabilities of an equal or higher amount. In application of this principle, no tax-loss carryforwards of the Wendel tax group were recognized as assets on the balance sheet.

Regarding subsidiaries and equity-method investments, a deferred tax liability is recognized for all timing differences between the carrying amount of the related shares and their tax base, unless:

- the Group is able to control the date of the reversal of the timing difference; and
- it is probable that the timing difference will not reverse itself in the foreseeable future.

Deferred taxes are calculated by the variable carryforward method, based on the tax rates in effect at the balance sheet date. For French companies, this is 34.43% for income subject to standard assessment plus a 10.7% exceptional contribution which is applicable for fiscal years ending no later than December 30, 2015.

Note 1-10.13 Treasury shares

All treasury shares held by the Group are stated at their acquisition cost as a deduction from shareholders' equity. Proceeds from any sales of treasury shares are credited directly to shareholders' equity. Divestment gains or losses therefore have no impact on income for the fiscal year.

Note 1-10.14 Assets held for sale and businesses being divested

An asset or group of assets is classified as held for sale if its carrying amount will be recovered mainly through a sale transaction rather than through continued use, and when its sale is highly probable. Depreciation on these assets ceases when the asset has been classified as held for sale, and a provision is recognized if the asset's residual carrying amount exceeds its likely realizable value, reduced for selling costs.

A business is considered as being divested when it meets the criteria of assets held for sale. Assets and liabilities of these businesses are presented on a separate line in the balance sheet of the current fiscal year, and the net income or loss they generate is presented on a separate line in the income statement (including fiscal years presented for comparison). Net income or loss from discontinued operations includes, where applicable, any divestment gains or losses or any impairment losses recognized for the business.

Amounts recognized as assets, liabilities, net income or loss, and cash flow from operations held for sale are presented after elimination of intragroup operations.

Note 1-10.15 Revenue recognition

Revenue from the sale of goods is recognized under net sales when the risks and rewards of ownership are substantially transferred to the buyer.

At the Bureau Veritas group, most contracts are short-term. For these contracts, Bureau Veritas recognizes income when the service has been provided to the customer. For other contracts, Bureau Veritas uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be reliably determined. The percentage of completion is determined for each contract by reference to the costs incurred at the balance sheet date, compared to the total estimated costs. The increment of this percentage, applied to the total forecast income from the contract, represents the profit margin recognized in

the period. In the event of a forecast negative margin, provisions are recognized immediately for the entire contract.

The Mecatherm group uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be readily determined. The increment in the percentage of completion, applied to the total forecast income from the contract, represents the profit margin recognized in the period.

Note 1-10.16 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. Receivables and payables in foreign currencies are translated into euros at the exchange rate prevailing at the balance sheet date. Exchange differences resulting from the translation of transactions in currencies other than euros are recognized on the income statement under "Other financial income and expenses".

In the event of hedges of a net investment in a foreign business (see above, "Derivatives"), the portion of the gain or loss on a hedging instrument covering a net investment in a foreign business that is considered to be an effective hedge is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement.

Note 1-10.17 Stock subscription and purchase option plans

In accordance with IFRS 2 "Share-based payments", the Group recognizes an expense corresponding to the fair value of employee stock subscription options, purchase options, bonus shares, and performance shares at the grant date, with the corresponding offsetting entry being recognized under consolidated shareholders' equity. The expense is spread out over the options' vesting period.

Wendel uses the binomial model to determine the fair value of options and performance shares granted. In 2013, as in previous fiscal years, Wendel's plans were valued by an independent appraiser.

Note 1-10.18 Accounting treatment of participation of managers in Group investments

The co-investment mechanisms described in note 4 "Participation of managers in Group investments" take the form of ownership by managers of various financial instruments, such as ordinary shares, index-based or preferred shares, warrants, etc.

These investments are redeemed upon divestment or an IPO, or after a pre-determined period of time. At this time, the investment gains are shared on the basis of whether or not Wendel's annual performance and cumulative profitability objectives have been met.

These investments are measured and accounted for based on the manner in which they will be redeemed, either as equity instruments under a divestment or an IPO, or in cash under Wendel's commitment to buy them back after a pre-determined period has elapsed.

Until the redemption method is known, the investments are accounted for based on the method thought to be the most likely.

When the investments are most likely to be redeemed as equity instruments, the managers' initial investment is accounted for as non-controlling interests in proportion to their share of the total investment (Wendel + co-investors *pari passu* + management teams). On redemption, the dilution created by the sharing of the investments' value reduces Wendel's capital gain. If an initial advantage exists (*i.e.* a positive difference between the fair value of the co-investment and the managers' subscription or acquisition price), it is recognized as an operating expense and spread over the vesting period of the investment. The offsetting entry for this expense is an increase in shareholders' equity. This advantage would be determined on the grant date and would not be revalued thereafter. If, on the other hand, the beneficiaries have invested at the fair value of the subscribed or acquired instruments, there is no initial advantage and no expense is recognized, as was the case in 2013.

When the investments are most likely to be redeemed in cash, under Wendel's repurchase commitments after the lapse of a pre-determined period, the initial investment is recognized as debt. This debt is later restated at its fair value until payment is made. The change in fair value is recognized on the income statement. When the investment is redeemed, the debt is paid off in cash.

The most likely redemption method is determined at each balance sheet date, until the investments are redeemed. Should the most likely method change, the effects of the change are recognized in advance on the income statement. Hence, if the most likely redemption method were to be changed to cash, the amount recognized on the income statement at the time of the change would be the fully revalued amount of the instruments at that date.

As of December 31, 2013, the liquidity windows open in 2014 for the managers of certain subsidiaries resulted in the recognition of a financial liability. A profit or loss was also recognized for the difference between the value of this liability and the share of the corresponding non-controlling reserves. There is no guarantee that these liquidity positions will be exercised. Wendel believes that the majority of the Group's co-investments are most likely to be redeemed as part of a divestment of the investments concerned or as part of an IPO of these investments. Details of the commitments recognized for these liquidity positions and the puts of non-controlling interests are set out in note 40-5 "Shareholder agreements and co-investment mechanisms", alongside the valuation of the liquidity amounts not recognized in the liabilities section of the balance sheet given that they are expected to be redeemed as shares.

Note 1-11 Presentation rules

Note 1-11.1 Balance sheet presentation

An asset is classified as current when it meets any of the four following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the balance sheet date; or
- it is cash or cash equivalent carrying no restriction on exchange or use in settlement of a liability for at least 12 months after the balance sheet date. When the asset is in a pledged cash or cash equivalent account, the amount is recognized under non-current assets.

A liability is classified as current when it meets any of the four following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the balance sheet date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 1-11.2 Income statement presentation

"Operating income" includes income and expenses not resulting from financial activities, equity-method investments, discontinued activities, activities held for sale, and income tax.

"Other operating income and expenses" corresponds to the impact of limited, unusual, abnormal, or infrequent events. These may include gains or losses on divestments of property, plant & equipment or intangible assets, impairment losses on property, plant & equipment or intangible assets, restructuring costs, and provisions for claims and litigation.

Financial income and expenses include "Finance costs, net" and "Other financial income and expense", which include gains and losses on disposals of financial assets, impairment losses on financial assets, dividends paid by unconsolidated associates, changes in the fair value of "financial assets at fair value through profit or loss", the impact of discounting receivables, liabilities or provisions, and foreign exchange differences.

1. Income taxes: treatment of the CVAE tax

According to Wendel's analysis, the CVAE tax on value added meets the definition of an income tax, as defined in IAS 12.2 "Income taxes". IFRIC has specified that to enter into the scope of IAS 12, a tax must be calculated on the basis of a net amount of revenue less expenses and that this net amount may be different from the net income figure on the income statement. Wendel finds that the CVAE has the characteristics indicated in this conclusion, inasmuch as the value added constitutes the intermediate level of profit systematically used,

in accordance with French tax rules, to determine the amount due under the CVAE.

The CVAE tax is therefore presented in the "Tax expense" line.

2. Income taxes: treatment of the CICE tax credit

According to Wendel's analysis, the CICE tax credit does not meet the definition of an income tax, as defined in IAS 12.2 "Taxes based on taxable profits". Wendel therefore deducts the CICE tax credit from personnel costs.

The CICE tax credit is presented within "Income from ordinary activities".

Note 1-11.3 Earnings per share

Basic earnings per share are calculated by dividing the Group's share of net income for the year by the average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the Group's share of net income by the average number of shares outstanding during the year, adjusted according to the "treasury stock" method. According to the "treasury stock" method, it is assumed that the cash received from the exercise of dilutive instruments would be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact. Dilutive instruments issued by subsidiaries are also included in determining the Group share of net income.

If the income statement presents income from divested businesses separately, earnings per share from continuing and discontinued operations are also presented separately.

NOTE 2 Changes in scope of consolidation

Note 2-1 Changes in scope of consolidation in fiscal year 2013

As of December 31, 2013, the Wendel Group was composed of:

- fully-consolidated operating companies: Bureau Veritas (51.5% net of treasury shares), Materis (75.5%), Stahl (92.2%), and companies held by Oranje-Nassau Développement, *i.e.* Parcours (95.8%) and Mecatherm (98.1%);
- operating companies accounted for by the equity method: Saint-Gobain (16.3% net of treasury shares), IHS (38.4%), and exceet (28.4% net of treasury shares), which is held by Oranje-Nassau Développement; and
- Wendel and its holding companies.

Consolidation details are shown in note 43.

Note 2-1.1 Investment in IHS (mobile telephone infrastructure in Africa)

At the end of 2013, Wendel made its first direct investment in Africa, taking an equity stake in IHS Holding.

IHS is a fast-growing provider of telecom tower passive infrastructure for mobile phone operators in Africa. Its business consists in building, leasing, and managing telecommunications towers for its own account and on behalf of third parties. The members of its multicultural, entrepreneurial management team have extensive experience in the telecoms sector in Africa and around the world. IHS maintains long-term relationships with its customers. As of the closing date, the

group managed 10,500 towers in Africa (including the acquisition of MTN Group towers in Zambia and Rwanda).

This \$276 million investment was part of several capital increases to support IHS in its pan-African expansion strategy. IHS acquired telecom towers in Côte d'Ivoire and Cameroon from MTN Group during the first half 2013 and entered an agreement with Orange in these same countries. The other shareholders that participated in the capital increases are top-tier private equity companies in Africa and an Asian sovereign fund.

After the December 2013 close, Wendel invested an additional \$152 million in February 2014 as part of a new capital increase in IHS. The total investment therefore amounted to \$428 million at the date the financial statements were finalized.

In accordance with the policy of Wendel managers participating in Group investments (see note 4), 0.5% of the investment was made by Wendel managers.

Wendel is now IHS's largest shareholder, owning over 35% of its capital, and with three seats on IHS's Board of Directors. The Wendel Group now has a significant influence over IHS, which has been consolidated by the equity method since the end of April 2013 (IHS's closing date nearest the date of the investment). Consequently, eight months of activity have been consolidated in the Group's 2013 consolidated income statement. The opening balance is being analyzed, and goodwill will be allocated to identifiable assets and liabilities and to contingent liabilities during the 12 months following the investment, in compliance with IFRS standards.

Note 2-1.2 Sale of the Group's residual investment in Legrand (products and systems for low voltage installations)

On June 11, 2013, Wendel successfully sold all of the 14.4 million shares it still held in Legrand, representing 5.4% of the capital, at €36 per share. The proceeds of the transaction totaled €520 million, and Wendel realized a capital gain of €369 million (net of sales fees). This capital gain has been recognized in the income statement under "Net income from equity-accounted investments".

Over an 11-year period, Wendel's investment in Legrand generated an IRR of 19% and increased in value 3.9 times.

Due to the significant influence Wendel exercised over Legrand, with seats on the Board of Directors, the Strategy Committee, the Audit Committee and the Nominating and Compensation Committee, its investment was accounted for by the equity method until the date it sold its stake in the company. 5.4% of Legrand's earnings were therefore consolidated under "Equity-accounted investments" until the date Legrand was sold.

Note 2-1.3 Investment in Saint-Gobain (production, transformation and distribution of building materials)

As of December 31, 2013, Wendel held 89,812,635 Saint-Gobain shares, representing 16.3% of capital (net of treasury shares) and 25.8% of voting rights.

These shares are accounted for using the equity method. Wendel's significant influence over Saint-Gobain is shown by its representation on the Board of Directors (three seats out of 16), the Financial Statements Committee, the Strategic Committee and the Appointments, Compensation and Governance Committee. Wendel and Saint-Gobain published the principles and objectives of their 10-year cooperation agreement on May 26, 2011. Under the terms of this agreement, Wendel is guaranteed three seats on the Board of Saint-Gobain so long as it holds more than 10% of the voting rights of Saint-Gobain.

The percentage of Wendel's ownership represented by these equity-method investments fell by 0.8% during fiscal year 2013. This dilution derived from:

- the capital increase reserved for employees and stock-option exercises, which were partially offset by share buybacks carried out by Saint-Gobain; and
- the dividend paid by Saint-Gobain in 2013, with beneficiaries having the option of receiving the dividend in cash (€1.24 per share) or in shares (issue price: €28.12 per share). 72.5% of shareholders chose to receive the dividend in shares. Wendel opted to receive its dividends in shares and sold all of the shares thus received under the terms of a bank financing agreement. As a result of this sale, Wendel received the equivalent of a dividend in cash (€1.24 per share) on the shares it held, plus a premium of €12.5 million relating to the financing agreement.

Overall, these transactions led to a dilution loss of €97.0 million (including €64.3 million for the share dividends), which is recognized under "Net income from equity-accounted investments". The dilution

loss relates to the difference between the carrying value of the shares on the Group's consolidated balance sheet and the subscription price of the shares issued by Saint-Gobain in these transactions.

Additionally, 1,910,000 Saint-Gobain shares purchased in August 2011 were recognized at their market price as current financial assets at the opening of the fiscal year. This treatment was related to the Group's initial, announced objective not to hold the shares over the long term. All of these shares were sold during the summer of 2013 for €68.3 million, with Wendel achieving a gain of 16% on this investment since August 2011 (including dividends received). The change in value between their opening value (market price) and their sale price resulted in a gain of €6.7 million in fiscal year 2013.

Note 2-1.4 Investment in Saham (insurance and customer relationship centers in Africa)

Wendel invested in the pan-African group, Saham, in November 2013. The Moroccan-based group, which is majority-owned by its founder, has in the past focused on two lines of business: insurance and customer relationship centers. It is also developing its activities in the real estate and healthcare sectors in order to benefit from the existing synergies with its insurance activities.

Wendel has decided to initially invest €100 million in exchange for 13.33% of the group's capital, in the form of a capital increase, to strengthen Saham's resources and to speed up its expansion in Africa and the Middle East. Wendel takes part in the governance of the group, having one director on Saham's board of directors. Given Wendel's percentage holding at the end of 2013, this investment is not accounted for by the equity method, but is recognized at fair value in non-current financial assets.

Shareholder agreements described in note 40-5 "Shareholder agreements and co-investment mechanisms" specify the way in which Wendel could increase its holding in this investment.

In accordance with the policy of Wendel managers participating in Group investments (see note 4), 0.5% of the investment was made by Wendel managers.

Note 2-1.5 Acquisition of Nippon Oil Pump (design and manufacture of pumps)

In December 2013, Wendel acquired 98% of Nippon Oil Pump for JPY 3.2 billion (around €23 million), subject to a price adjustment clause whose impact is expected to be limited. A Japanese company founded 94 years ago, NOP leads the Japanese market for the design, development and manufacture of trochoid pumps, water pumps, and hydraulic motors. It also has worldwide leadership positions in the trochoid pump segment. These pumps are used principally for oil circulation in machine tools, for the purposes of lubrication and cooling.

This investment will be fully consolidated only from 2014, given that the impact on the 2013 consolidated financial statements is not material, and that NOP's IFRS accounts were not yet available when Wendel's accounts were finalized. NOP achieved sales of JPY 4.8 billion in 2013, and an EBITDA of JPY 0.8 billion (Japanese accounting standards).

Again, for this acquisition, 0.5% of the investment was made by Wendel managers (see note 4).

Note 2-1.6 Principal changes in scope of consolidation of subsidiaries and associates

1. Acquisition by Stahl (high-performance coatings and leather-finishing products) of the Leather Services division of Clariant

Stahl signed an agreement at the end of 2013 with Clariant to purchase its Leather Services business. This transaction will enable Stahl to strengthen its offering across the entire leather finishing value chain, notably downstream in Leather Finish and upstream in Wet End, and to further increase its exposure to the Asia Pacific zone. In exchange for the sale of its assets to Stahl, Clariant will receive 23% of the shares of Stahl and a cash payment in the region of €70 million. At the same time, Stahl will put in place new financing in order to continue its development, focusing particularly on its high-performance coatings business, and also to refinance its existing credit lines and partially repay its shareholder loans, with Wendel, in particular, to receive around €40 million. Wendel will remain the principal shareholder, with roughly 70% of Stahl's capital.

This transaction will be recognized in 2014 when it is finalized, after obtaining the necessary regulatory approvals.

2. Sale by Materis (specialty chemicals for construction) of its Aluminates division

Materis has signed an agreement with a view to selling the whole of its Aluminates division, Kerneos. This transaction values Kerneos at €610 million. Materis will use the proceeds of the sale to partially pay down debt. The sale is expected to close in the first half of 2014, subject to the necessary regulatory approvals. As part of this transaction, Wendel will reinvest €60 million in Kerneos in the form of subordinated debt earning interest at 10.5%.

In accordance with IFRS 5, "Non-current assets held for sale and discontinued operations", the contribution of Kerneos to the consolidated income of Wendel has been reclassified to "Net income from discontinued operations and operations held for sale" for fiscal year 2013 and fiscal year 2012 (presented for comparative purposes). Similarly, all of Kerneos' balance sheet items have been reclassified in the line items entitled "Assets of operations held for sale" and "Liabilities of operations held for sale" as of year-end 2013. The 2013 consolidated cash flow statement includes Kerneos' cash flows. Only the cash balance at the end of 2013 was reclassified as a result of the changes in the scope of consolidation.

3. Changes in scope of consolidation of the Bureau Veritas group (compliance evaluation and certification services)

In 2013, Bureau Veritas continued to follow its acquisition strategy, completing seven acquisitions and increasing its investment in three companies. The principal acquisitions during the year were as follows:

- 7Layers, a German company specialized in the testing and certification of mobile electronics devices and wireless technologies. Its head office is in Ratingen in Germany, and the company has accredited laboratories and engineering centers in Germany, China, South Korea, and the United States. It also has representative offices in Japan, Taiwan, and Southern Europe;
- Sievert Group, a leading company in non-destructive testing and industrial inspection in India and the Middle East. Based in Mumbai, Sievert has a strong presence in India, South-East Asia and the Middle East; and
- Carab Tekniva Group, a leading company in South Africa providing management services for assets destined for the electricity generation and petrochemicals sectors, based near Pretoria.

On December 20, 2013, Bureau Veritas signed a CAD 650 million agreement relating to the acquisition of Maxxam Analytics International Corporation, the Canadian market leader in analytical services. Founded more than 40 years ago, Maxxam is the Canadian "Testing, Inspection & Certification" (TIC) market leader. With more than 50 laboratories, warehouses, and offices across the country, Maxxam has the largest network of laboratories in Canada, testing around 2.5 million samples each year. Sales and EBITDA for the current fiscal year, which finishes end-March 2014, are estimated at €187 million and €42 million, respectively. This transaction will be recognized after its closing in 2014.

The cost of the transactions carried out during 2013 totaled €170.6 million (of which €28.7 million was to be paid after the close). The resulting goodwill amounted to €68 million. The goodwill amount will become definitive once valuation of the identifiable assets and liabilities and the contingent liabilities of the companies acquired is completed over the next 12 months, in line with accounting standards.

Annual sales in 2013 of all the companies and groups acquired by Bureau Veritas came to approximately €92.3 million, and their operating income before amortization of intangible assets from business combinations was in the region of €19.2 million.

Finally, in 2013 Bureau Veritas finalized the sale of operations in Brazil and Spain which were identified as assets and liabilities held for sale as of December 31, 2012.

4. Changes in scope of consolidation by the Saint-Gobain group (production, transformation and distribution of building materials), an equity-accounted investment

On January 17, 2013, Saint-Gobain concluded an agreement with Ardagh for the sale of Saint-Gobain Containers, Inc. (Verallia North America). On July 1, 2013, the FTC (Federal Trade Commission) filed a complaint in Federal Court seeking to temporarily prevent the sale being consummated. Negotiations were commenced with the FTC in order to resolve the questions raised by the regulator. These negotiations being still ongoing on January 13, 2014, the Saint-Gobain group and Ardagh decided to extend the validity of the sales contract until April 30, 2014.

On March 7, 2013, Saint-Gobain signed an agreement for the sale of its U.S.-based PVC Pipe & Foundations business. The sale was finalized on May 1, 2013.

On December 19, 2013, Saint-Gobain signed an agreement for the sale of its fiber-cement coatings business in the United States, this business line being part of the Exterior Products division within the Construction Products sector. This transaction was finalized at the beginning of 2014.

NOTE 3 Related parties

Wendel's related parties are:

- Saint-Gobain, except and IHS, which were accounted for by the equity method at the closing date, as was Legrand until the date it was sold;
- the members of Wendel's Executive Board and Supervisory Board; and
- Wendel-Participations, which is the Group's control structure.

Note 3-1 Saint-Gobain

During the 2013 fiscal year, Wendel received €113.7 million in dividends from Saint-Gobain in the form of Saint-Gobain shares. All of the shares received have been sold, see note 2 "Changes in the scope of consolidation".

Some Saint-Gobain subsidiaries undertake transactions with Wendel Group subsidiaries. These transactions are carried out at market prices.

Note 3-2 Legrand

During fiscal year 2013, Wendel received €14.4 million in dividends from Legrand.

Note 3-3 except

The shareholder loan accorded by the Group to except in 2011 amounted to €5.6 million as of December 31, 2013.

Note 3-4 Members of the Supervisory Board and Executive Board

Compensation paid by Wendel to the members of the Executive Board in respect of 2013 amounted to €3,819.3 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2013 totaled €2,435.0 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2013 totaled €762.0 thousand, including €655.8 thousand in Wendel director's fees and compensation paid to the Chairman of the Supervisory Board, €56.5 thousand in directors' fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board, and €27.5 thousand paid by Wendel's subsidiaries to certain members of the Supervisory Board for serving on their Boards.

Note 2-2 Changes in scope of consolidation in fiscal year 2012

The principal changes in scope during 2012 were as follows:

- the sale of Deutsch (high-performance connectors); and
- payment of a portion of Wendel's dividend in the form of Legrand shares (products and systems for low-voltage installations)

In addition, Ernest-Antoine Seillière, retired since 2005 after 30 years of service to the Group, and Chairman of the Supervisory Board until the end of March 2013, benefits from a Wendel Group supplementary pension plan, described in note 15-2 "Employee benefits". He was to receive a net pensions allowance of €261,000 from the insurance company for his five months as member of the Supervisory Board. In addition, in 2006 he co-invested in Materis, Stahl and VGG (see note 4 "Participation of managers in Group investments").

The Company has committed to pay Frédéric Lemoine, Chairman of the Executive Board, in the event of his departure, a maximum of twice his most recent yearly fixed salary and variable pay on achieved objectives, provided performance conditions have been met.

The Company's commitments to Bernard Gautier, member of the Executive Board, in the event of his departure, are as follows:

- end-of-contract severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board;
- end-of-appointment severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board, subject to performance conditions.

The members of the Executive Board, and around 40 other people, have co-invested in Materis, Stahl, VGG, Parcours, Mecatherm, IHS, NOP and Saham (see note 4 "Participation of managers in Group investments").

Note 3-5 Wendel-Participations

Wendel-Participations is owned by approximately 1,050 Wendel family individuals and legal entities. Wendel-Participations owns 35.7% of Wendel's share capital.

There are no other significant economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "WENDEL Investissement" brand; and
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

NOTE 4 Participation of managers in group investments

Note 4-1 Participation of Wendel managers in Group investments

To involve its managers in the Group's value creation, Wendel has set up co-investment mechanisms to allow them to invest their personal funds in the same assets in which the Group invests. This gives managers a personal stake in the risks and rewards of these investments. Several mechanisms co-exist depending on the date of Wendel's initial investment. However, certain rules are common to all mechanisms:

- i) the amount of the co-investment is no more than 0.5% of the amount invested by Wendel; the co-investments correspond to the disbursements made by each manager, concurrent with the Wendel investments;
- ii) if a liquidity event (as defined in paragraph (iii) below) occurs, the managers have, depending on the particular case, either the same rights and obligations as Wendel in relation to the gain or the loss incurred (*pari passu* co-investment), or different rights and obligations. In the latter case, if Wendel achieves a predefined level of return, the managers have the right to a greater share of the gain; conversely, if the return is not achieved, the managers lose the whole of the corresponding investment, including their initial contribution;
- iii) a liquidity event is defined as a full divestment of a portfolio company, a change in control, or divestment of more than 50% of the shares held by Wendel, or if the company concerned is listed on a stock exchange. The liquidity extended to co-investors may be either the total amount or an amount proportional to the investment sold;
- iv) co-investors' rights vest over a period of four years in five tranches of 20% each, including 20% at the investment date. In the event of their departure during this period, the managers agree to sell (and in certain cases have the option to sell) their unvested rights upon request at their initial value, and, in certain cases, to sell their vested rights under predefined financial conditions;
- v) in the absence of a liquidity event several years after the initial investment, a cash payout is offered to co-investors, in one or more tranches. The valuation of the portfolio company is systematically performed by an internationally-renowned independent expert, and managers' rights and obligations are calculated in accordance with the rules set out in paragraph (ii) above.

In addition, co-investments deriving from small investments can be aggregated and paid up at the end of the year. Accordingly, payment of co-investments that together represent less than €100,000 for all co-investor/managers (corresponding to Wendel investments of less than €20 million) can be deferred until a cumulative threshold of €250,000 is reached. If this threshold is not reached at least once a year, payment must nevertheless be made.

2006-08 period

Co-investments related to acquisitions Wendel made between 2006 and 2008 (and to subsequent reinvestments Wendel made in these companies) remain governed by the principles above, and the following specific rules:

- i) the co-investments confer a right to 10% of the capital gain (on 0.5% of the investments), provided that Wendel has obtained a minimum return of 7% p.a. and a cumulative return of 40% on its investment. Otherwise, the co-investors lose the amounts they have invested;
- ii) if no liquidity event occurs, a cash payment is offered to the co-investors after a period of 10 years.

Under these previously applied principles, managers invested personally alongside Wendel in:

- Saint-Gobain: this co-investment was unwound in 2010, prior to maturity, in light of the absence of prospects of a return for co-investors, who thereby lost the whole of their investment;
- Materis, Deutsch, Stahl, and Van Gansewinkel Groep (VGG): these co-investments were made through Winvest International SA SICAR, formed in 2006 and divided into four sub-funds corresponding to each of the investments; the co-investment in Deutsch was unwound when the company was sold to TE Connectivity in April 2012.

2011-12 period

In 2011, the co-investment principles evolved, in particular to include a *pari passu* share. Co-investments related to acquisitions made by Wendel between 2011 and 2012 (and to subsequent reinvestments made by Wendel in these companies) are therefore governed by the principles set out at the beginning of note 4-1 and by the following specific rules:

- i) 30% of the amounts invested by the co-investors are invested under the same terms and conditions as Wendel (*pari passu* co-investment);
- ii) the remaining 70% confer a right, should a liquidity event occur, to 7% of the capital gain (carried interest), provided that Wendel has obtained a minimum return of 7% p.a. and a cumulative return of 40% on its investment. Otherwise, the co-investors lose 70% of their investment;
- iii) from eight years after Wendel's initial investment, if Wendel has not fully divested the company in question or listed it on a stock exchange, a three-stage payment is offered to co-investors: the potential capital gain is realized after eight years on one-third of the amounts invested by co-investors; similarly, the potential gain on the other two-thirds is realized after 10, then 12 years if no full divestment or IPO has taken place in the meantime.

Under these principles, the managers invested personally alongside Wendel in Parcour, Mecatherm, and IHS. These co-investments were made through Oranje-Nassau Développement SA SICAR, created in 2011, and currently divided into three sub-funds corresponding to each of the investments.

In 2013, as part of Wendel's reinvestments in IHS and Mecatherm, Wendel managers made supplementary co-investments in these companies (the rules of the supplementary co-investments follow those applicable to the initial co-investments).

As part of this operation, and on the prior authorization of the Supervisory Board, the Chairman and the other member of the Executive Board made respective supplementary co-investments of €322,740 and €215,160 in IHS, and €4,956 and €3,300 in Mecatherm.

2013-17 period

The co-investment mechanism was again amended in 2013, on the initiative of the Supervisory Board, in order to introduce a pooled share and, in certain cases, to raise the Group's minimum return condition. These amendments were set for the four years of the Executive Board's new term. Co-investments related to acquisitions made by Wendel in new companies between April 2013 and April 2017 are therefore governed by the principles set out at the beginning of note 4-1 and by the following specific rules:

- i) 35% of the amount co-invested gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return is at least 10% p.a. (carried interest deal by deal); a three-stage payment is offered to co-investors at eight, 10 and 12 years after Wendel's initial investment (see 2011-12 period), if Wendel has not fully divested the company in question or listed it on a stock exchange;
- ii) 35% of the amount co-invested gives the right to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return, calculated for all of these investments as a whole, is at least 7% p.a. (pooled carried interest); if Wendel has not fully divested each of the investments of the period in question, or listed them on a stock exchange, the pooled capital gain will be allocated equally in 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);
- iii) the remaining 30% is co-invested *pari passu* with Wendel, 15% on a deal-by-deal basis, and 15% on a pooled basis.
- iv) the co-investors having freely made the commitment to participate in the 2013-17 at a certain proportion of total co-investments are required to invest at this level in all of the investments of the period with respect to the pooled portion (carried interest and *pari passu*); failing which, the co-investor concerned will lose all of his/her rights to the pooled capital gain for the non-invested portion, except for cases of *force majeure* where the co-investor will simply be diluted;

v) those co-investors who have met their commitment to co-invest in the pooled portion, may invest the same amount on a deal-by-deal basis (carried interest and *pari passu*), without obligation;

vi) the four-year period necessary to acquire the rights to pooled carried interest is calculated from the date of the initial investment.

In addition, the share of the Executive Board's co-investment has been fixed at one-third of the total co-investment, comprising 60% from the Chairman of the Executive Board, and 40% from Bernard Gautier.

As a result of implementing these new principles, two new SICARs (Expansion 17 SA SICAR and Global Performance 17 SA SICAR) have been created and are currently in the process of being recognized by Luxembourg's financial regulator, the *Commission de Surveillance du Secteur Financier* (CSSF).

In compliance with these principles, Wendel managers co-invested alongside Wendel in the Moroccan company Saham, and in the Japanese company Nippon Oil Pump, in November and December 2013 respectively.

As part of this operation, and on the prior authorization of the Supervisory Board, the Chairman and the other member of the Executive Board made respective supplementary co-investments of €103,766 and €69,159 in Saham, and €23,310 and €15,636 in Nippon Oil Pump.

Note 4-2 Participation of subsidiaries' managers in the performance of their companies

Various mechanisms exist in Group subsidiaries and associates to allow senior managers to participate in the performance of each entity.

For listed subsidiaries and associates (Bureau Veritas and Saint-Gobain), these mechanisms comprise subscription- and purchase-type stock option plans, and performance share plans.

For unlisted subsidiaries (Materis, Mecatherm, Parcour, Stahl, and NOP), the participation policy is based on a co-investment mechanism through which these executives may co-invest significant sums alongside Wendel. These mechanisms are generally comprised in part of a *pari passu* investment, which gives a return profile identical to that achieved by Wendel, and in part of a ratchet investment (or a bonus system) which offers a gain profile differentiated according to the internal rate of return (IRR) achieved by Wendel. This portion of the co-investors' investment only benefits from a return in excess of Wendel's when a certain profitability threshold has been met (ranging from 7% to 10%).

These investments present a risk for the co-investors in that they run the risk of losing all or part of the significant sums they have invested, depending on the value of the investment at maturity.

These co-investment mechanisms and the sharing of risk between Wendel and the co-investors are represented by a variety of financial instruments held by Wendel and the co-investors. These instruments include ordinary shares, index-based or preferred shares, fixed-rate bonds, warrants, etc.

These investments mature either when a liquidity event occurs (divestment or IPO) or, if no such event takes place, at a specific point in time (depending on the company, between 2 and 14 years after the initial investment by Wendel).

Note 4-3 Impact of co-investment mechanisms for Wendel

If the business plans of the companies related to the co-investments of managers from Wendel and its subsidiaries are realized, there could be a dilutive impact of up to 15% on Wendel's ownership interest in these companies.

NOTE 5 Managing financial risks

Note 5-1 Managing equity market risks

Note 5-1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas, and Exceet) and others are unlisted (Materis, Stahl, Parcours, Mecatherm, IHS and NOP). The Group also holds non-controlling interests, such as in Saham and VGG.

The value of these investments is based mainly on:

- their economic and financial performance;
- their prospects for business development and profitability;
- their ability to identify risks and opportunities in their environment;
- equity market trends, directly in the case of listed companies and indirectly in the case of unlisted companies, whose valuations may be influenced by market parameters.

Growth in Wendel's Net Asset Value (NAV) depends on its managers' capacity to select, buy, develop and then resell companies able to distinguish themselves as leaders in their sectors.

Wendel makes its decisions on the basis of its investment teams' expertise and in-depth strategic, accounting / financial, legal, tax and environmental analyses. These processes identify the operating, competitive, financial and legal opportunities and threats likely to have an impact on the value of an investment.

Wendel monitors and analyzes each company's operating and financial performance and the risks to which they are subject, alongside the managers of the companies, during regular in-depth operational review meetings or meetings of these companies' governance entities. In addition, knowledge sharing with the management team makes it possible to develop true sectoral expertise and thus to prepare an analysis of future prospects at regular intervals. This regular review also enables Wendel to better analyze developments in each investment and play its role of principal shareholder.

Wendel's company-specific approach is supplemented at the Group level through an overall analysis of the distribution of Wendel's subsidiaries and investments by economic activity, in order to ensure sufficient diversification, not only sectorally, but also from the point of view of competitive positioning and of the resilience of the companies to economic hardship.

Nevertheless, there is a risk that the subsidiary's economic results will not meet Wendel's expectations. This risk is significant amid the current high volatility on the financial markets and the after-effects of the global recession, which continues to generate much uncertainty about economic trends.

Additionally, the financial and debt structure of certain unlisted investments (Materis, Stahl, VGG, Mecatherm, IHS, and NOP) accentuates the valuation risk of these investments. While leverage makes high internal rates of return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in economic activity by restricting their access to liquidity and by subjecting them to the risk that financial covenants will trigger accelerated maturity of their financial debt (see note 5-2 "Managing liquidity risk"). Moreover, the financial crisis has shown that banks' own difficulties (e.g. access to liquidity, prudential ratios) could create obstacles in refinancing the debt of these companies. To forecast and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. Moreover, Wendel and its subsidiaries are in close contact with bank lenders, in order to more effectively manage the restrictions on these financing agreements.

The value of these investments is therefore subject to the risk that their economic and financial performance and prospects for business development and profitability will be undermined by difficulties related to their organization, financial structure, economic sector and/or the global economic environment. It is also subject to financial market risk, and equity market risk in particular. However, Wendel is a long-term shareholder with no short-term demands on the value of its assets at a specific point in time, even though it monitors NAV trends very closely.

Note 5-1.2 Equity derivatives

Wendel may use equity or index derivatives to manage or hedge the risk on its asset portfolio. Wendel issued (wrote) 6.1 million European puts on Saint-Gobain in 2007 (see note 13-4 "Put options issued (written) on Saint-Gobain shares").

These instruments are monitored regularly by the Finance department, which evaluates the associated risk and presents it to the Executive Board.

Note 5-1.3 Short-term financial investments indexed to equity markets

As part of its cash management (see note 5-2 "Managing liquidity risk"), Wendel uses liquid, short-term financial investments, a small portion of which are indexed to equity markets (equity funds). This small portion is therefore exposed to equity market risk. Such investments, which offer higher expected yields than cash instruments, but also greater risk of loss in value, are formally monitored on a regular basis by the Group Vice-President for Finance and the Executive Board.

Note 5-1.4 Equity market risk

Equity market risk relates to:

- consolidated and equity-method securities, whose recoverable values used for impairment tests are based on market parameters, including the discount rate used in calculating "value in use" or the market price used in calculating "fair value";
- the puts issued (written) on Saint-Gobain shares, which are recognized at their fair value on the balance sheet. When Saint-Gobain's share

price declines, the liability related to these puts increases, generating a loss in the income statement, and vice-versa. As an indication, as of December 31, 2013, a +/-5% change in the price of Saint-Gobain's shares would have an impact of about +/-€10 million on the income statement (see note 13-4 "Put options issued (written) on Saint-Gobain shares");

- short-term financial investments indexed to the equity markets, the total value of which was €58 million as of December 31, 2013. Such investments are classified under current financial assets, and any change in their fair value is recognized on the income statement. A +/-5% variation in the equity markets would have an impact of about +/-€3 million on the value of these investments and on the income statement;
- margin calls on the financing of Saint-Gobain shares. There was no longer any risk of this type at the date the accounts were finalized; see note 5-2 "Managing liquidity risk";
- the covenants under Wendel's syndicated credit facility. These covenants are based on ratios of financial debt to the value of assets and are described in note 5-2 "Managing liquidity risk". As of December 31, 2013, this credit was undrawn and Wendel was in compliance with the covenants;
- the degree of financial leverage of Wendel and its holding companies (*i.e.* net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond borrowings (See note 5-2 "Managing liquidity risk").

In millions of euros	Net carrying value (Group share)	Market value (closing share price)	Impact on market value of a 5% decline in share prices	Balance sheet note	Impact on net income				
					of a +/-5% change in share price	of a -/+0.5% change in discount rate applied to the value of future cash flows	of a +/-0.5% change in perpetual growth rate used to calculate discounted future cashflows	of a 1% reduction in the normative margin used to discount cash flows in post-business-plan periods	
Equity-method investments									
Saint-Gobain	4,004.8	3,590.3	-179.5	9	N/A ⁽¹⁾	+414/-400	+414/-283	-439	
Oranje-Nassau Développement									
■ exceet	55.7	31.4	-1.6	9	N/A ⁽¹⁾	0/0	0/0	0	
■ IHS	185.1	N/A	N/A					⁽²⁾	
Consolidated investments									
Bureau Veritas	1,036.1	4,783.8	-239.2	6	0	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	
Materis	-378.2	N/A	N/A	6					
Shareholder loan and Materis liquidity line ⁽⁴⁾	329.6								
	-48.6				N/A	0/0	0/0	0	
Stahl	30.2	N/A	N/A	6					
Stahl shareholder loan ⁽⁴⁾	77.0								
	107.2				N/A	0/0	0/0	0	
Oranje-Nassau Développement									
■ Parcours	131.3	N/A	N/A	6	N/A	0/0	0/0	N/A ⁽⁵⁾	
■ Mecatherm (incl. liquidity line ⁽⁴⁾)	122.9	N/A	N/A	6	N/A	0/0	0/0	0	
Financial instruments									
Puts issued (written) on Saint-Gobain	-142.0	-142.0	-10.0	9	+/-10	N/A	N/A	N/A	
Other financial assets									
Investment in Saham	100.0	N/A	N/A					⁽²⁾	
Investment in NOP	22.7	N/A	N/A					⁽²⁾	
Short-term financial investments indexed to the equity markets	58.1	58.1	-2.9		+/-2.9	N/A	N/A	N/A	

(1) Impairment tests are based on value in use (discounted future cash flows). See note 9 "Equity-method investments".

(2) No impairment test was carried out because the investment is recent and there is no indication of impairment.

(3) The recoverable value retained for the Bureau Veritas impairment test is the market share price.

(4) Eliminated on consolidation.

(5) The reference accounting measure used for the Parcours impairment test is "Income (loss) before exceptional items and tax".

Note 5-2 Managing liquidity risk

Note 5-2.1 Liquidity risk of Wendel and the holding companies

Wendel needs cash to make investments, service debt, pay operating expenses and dividends and meet margin calls on Saint-Gobain financing. These needs are covered by asset rotation, bank and bond financing, and by dividends received from subsidiaries and associates.

1. Position and monitoring of cash and short-term financial investments

1.1. Cash and short-term financial investments as of December 31, 2013

As of December 31, 2013, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Available	Available	Pledged	Total
	denominated in €	denominated in \$	denominated in €	
Money-market mutual funds ⁽¹⁾	95			95
Bank accounts and bank certificates of deposit	260 ⁽¹⁾	73 ⁽¹⁾	6 ⁽²⁾	339
Diversified, equity, and bond funds ⁽³⁾	27	38		65
Funds managed by financial institutions ⁽³⁾	258			258
TOTAL	641	111	6	758

752

(1) Classified under cash and cash equivalents within current assets.

(2) Classified under pledged cash and cash equivalents.

(3) Classified under other current financial assets.

1.2. Monitoring cash and short-term financial investments

Every month cash & equivalents (including short-term financial investments) and cash flow are displayed on a chart summarizing the changes during the month and the month-end position. This chart is presented to the Executive Board. It also includes a breakdown between pledged and unpledged cash, the detail of the various cash and short-term financial investment vehicles, as well as counterparty information. Finally, another chart indicating the expected cash flows over the coming months and years is prepared and used to determine when financing needs will arise under various scenarios.

Cash investment vehicles consist of short-term bank deposits and low-volatility, money-market mutual funds (classified under “Cash and cash equivalents”), funds managed by financial institutions, and equity, bond and diversified funds (classified under “Other financial assets”). These investments are valued daily (or in some cases weekly). Amounts allocated to more volatile funds, potentially generating higher returns, represent an insignificant portion of cash and short-term financial investments. Wendel has a formal procedure for monitoring the net asset values of these more volatile funds on a weekly basis. In choosing the various types of investments, Wendel takes into account the compatibility of their term with its debt repayment obligations and those of its holding companies.

2. Managing debt maturities and refinancing

2.1. Debt position as of December 31, 2013

As of December 31, 2013, gross debt with recourse to Wendel was composed of €3,286.7 million in Wendel bonds with maturities ranging from 2014 to 2019 (see details in note 16 “Financial debt”). In January 2014, Wendel placed an additional €400 million bond issue, maturing in 2021.

Moreover, bank debt financing of Saint-Gobain shares without recourse to Wendel totaled €425 million as of end-December 2013. This amount was repaid in advance at the beginning of 2014. This debt was subject to margin calls (see note 5-2.4.3 “Margin calls on Saint-Gobain financing”).

Following the 2021 bond issue in January 2014, and the repayment of the bank debt at the beginning of 2014, the average financing maturity is 3.7 years and the next maturity date is in November 2014.

Available, undrawn lines are made up of:

- a new €600 million syndicated credit line maturing in May 2018, arranged in the first half of 2013 in replacement of the previous line of €1,200 million, maturing in 2013/14; and

- bank debt subject to margin calls for the financing of Saint-Gobain shares. At the beginning of 2014, the €875 million credit line with maturity 2016/17, drawn down by €425 million at the end of 2013, was fully repaid and replaced by a new €800 million credit line, currently undrawn, with a maturity of 2020. The total undrawn bank debt used to finance Saint-Gobain shares amounted to €1,500 million at the beginning of 2014, including €700 million maturing in 2017 and €800 million maturing in 2020.

2.2. Managing debt

To manage debt maturities, Wendel must find the necessary resources to cover the repayment of its financial obligations at their maturity. These resources can derive from available cash, asset rotation, or new financing. This latter resource may be limited by:

- the availability of bank and bond lending sources, which has been restricted by financial market volatility, banks' access to liquidity, and pressure from financial institution regulators (Basel III, Solvency II); and
- the level of financial leverage of Wendel and its holding companies (*i.e.* net debt/assets), which is a key credit risk indicator tracked by Wendel's lenders and by Standard & Poor's, which rates the Group's financial structure. Leverage depends in particular on asset values, and is thus subject to equity market risk (see note 5-2 "Managing equity market risk").

To manage refinancing risk, Wendel seeks to align the maturities of its bond and bank financing with its long-term investor outlook. Wendel therefore secures medium to long-term financing and extends existing maturities when market conditions allow and when Wendel management deems it necessary to do so.

Wendel also has available credit lines that enable it to ensure the repayment of the nearest maturities. Finally, Wendel can take the opportunity to sell assets so as to pay off some of its financial debt and reduce financial leverage.

Refinancing operations undertaken in 2013 to manage bank and bond maturities by strengthening the financial structure and extending the average debt maturity are set out in note 16-1.1 "Principal changes in the financial debt of Wendel and its holding companies during 2013". During the first half of 2013, Wendel announced its intention to further strengthen its financial structure so as to return to investment grade status in the next four years.

In April 2013, Standard & Poor's upgraded its long-term rating for Wendel from BB to BB+ with a stable outlook. The short-term rating is B.

3. Managing risk related to the financial covenants of the syndicated credit

The new syndicated credit, undrawn as of December 31, 2013, is subject to the same financial covenants as the preceding facility. The covenants are based principally on the market value of Wendel's assets and on the amount of net debt (see note 5-2.4.2 "Syndicated loan documentation and covenants"). As such, the covenants are sensitive to changes in the equity markets.

Wendel regularly carries out simulations to analyze the impact of fluctuations in the value of its assets, the level of collateral granted and the cash flow projections on the level of the syndicated credit covenants.

Wendel's bonds and financing benefitting from pledged Saint-Gobain shares are not subject to financial covenants.

4. Managing the risk related to margin calls on the Saint-Gobain investment financing

The mechanisms for margin calls on Saint-Gobain financing are described in note 5-2.4.3 "Margin calls on Saint-Gobain financing".

Note 5-2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

Cash and debt levels are reported regularly to Wendel. Forecasts of bank covenant compliance for the coming year and over the lifetime of the business plan are prepared several times a year and any time an event occurs that could have a material impact on the covenants. These forecasts and calculations of covenant compliance are presented regularly to Wendel.

2. Impact of liquidity risk of subsidiaries on Wendel

Debt of operating subsidiaries and associates is without recourse to Wendel. As such, these subsidiaries' liquidity risk affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support those of its operating subsidiaries and associates that might experience cash flow difficulties. Similarly, they have no mutual support obligation between them. As a result, Wendel's liquidity is affected only if Wendel decides to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries, and new investments. In 2012, Wendel provided Materis with a €50 million liquidity line (drawn down by €20 million as of December 31, 2013) as part of the renegotiation of the terms of Materis' bank debt. Wendel also extended a €5 million liquidity line to Mecatherm and provided a guarantee of €15 million to Mecatherm's lenders in return for the easing of its bank documentation covenants. Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity *via* the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial situation of subsidiaries affect their value. This is taken into account in calculating Wendel's financial leverage (see note 5-2.1.2.2 "Managing debt maturities" of Wendel and its holding companies).

Note 5-2.3 Wendel's liquidity outlook

Wendel's liquidity risk for the 12 months following the 2013 closing is low, given the high level of cash and short-term financial investments, the undrawn available credit lines and because there is no debt repayment date before the end of 2014.

Note 5-2.4 Financing agreements and covenants of Wendel and its holding companies**1. Bonds issued by Wendel – documentation**

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

2. Wendel's syndicated credit (undrawn) – documentation and covenants

The syndicated credit facility has financial covenants associated with it, based primarily on the market value of Wendel's assets and on the amount of its net debt.

This net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions (in particular the Saint-Gobain financing structure). As of December 31, 2013 the net debt taken into account corresponds to Wendel bonds less available cash (any pledged cash is lodged in the Saint-Gobain financing structure).

Net debt of the Saint-Gobain, Bureau Veritas, Materis, Stahl, Parcours, exceet, Mecatherm, IHS, Saham, and NOP groups, as well as the debt related to the acquisition of Saint-Gobain shares (less any cash pledged), is deducted from the gross revalued assets of these companies inasmuch as it is without recourse to Wendel.

The covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
 - the ratio of:
 - i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and the financial holding companies,
- to
- ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow), must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of December 31, 2013 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

3. Margin calls on Saint-Gobain financing

Bank debt financing Saint-Gobain shares is subject to margin calls. The value of collateral given under these financing arrangements (Saint-Gobain shares, Bureau Veritas shares, and cash) must remain at the level required under bank agreement covenants, based in turn on the amount of debt. Should this value decline, the bank demands further collateral; should it increase, a portion of the collateral is freed up. As Wendel finances these margin calls, its liquidity may be affected by a decline in the price of shares given as collateral for this financing.

This debt is without recourse to Wendel. Wendel could therefore decide not to respond to these additional margin calls. This would put the related financing contract in default, and the bank could then exercise the collateral already provided.

These bank debts were repaid at the beginning of 2014. Therefore, there was no longer any collateral given at the date the accounts were finalized (at end-2013, the value of Saint-Gobain and Bureau Veritas shares pledged for the debt of €425 million still drawn at that date amounted to €923 million, and the pledged cash was €6 million).

Note 5-2.5 Financial debt of operating subsidiaries – documentation and covenants**1. Bureau Veritas financial debt**

This debt is without recourse to Wendel.

As of December 31, 2013, the gross face value of Bureau Veritas' financial debt was €1,511.3 million. Its cash balance was €190.6 million.

Bureau Veritas does not have significant repayment obligations on its debt in the short or medium term and has unused lines of credit amounting to €435.4 million (including an unconfirmed amount of USD 175 million) as follows:

- €308.5 million on the revolving credit line maturing in 2017: available amount of €320.0 million reduced for amounts used (€11.5 million via a commercial paper program);
- €72.5 million on the 2011 US private placement, with the use of this amount requiring the prior agreement of the investor; and
- €54.4 million on the 2013 US private placement, with the use of this amount requiring the prior agreement of the investor.

Certain Bureau Veritas financing arrangements require compliance with the following ratios, calculated on a rolling 12-month basis, twice per year, at June 30 and December 31:

- an interest cover ratio, *i.e.* EBITDA divided by net interest expense, of more than 5.5; and
- a leverage ratio, *i.e.* the ratio between net consolidated debt and EBITDA, of less than 3.25.

As of December 31, 2013, Bureau Veritas was in compliance with these ratios.

2. Materis financial debt

This debt is without recourse to Wendel.

As of December 31, 2013, the gross face value of Materis' bank debt, including Kerneos, was €2,023.7 million (including accrued interest and the €20 million liquidity line granted by Wendel, and excluding issuance costs and shareholder loans; see details on maturity dates in note 16 "Financial debt"). Its cash balance was €83.7 million (including Kerneos).

The sales proceeds from Kerneos (see note 2 "Changes in the scope of consolidation") will be used to reduce Materis' financial debt.

As part of the renegotiation with Materis' lenders in 2012, Wendel extended a €50 million interest-bearing cash facility to Materis, which may be repaid and canceled after the sale of Kerneos, in accordance with the lenders' agreements. As of December 31, 2013, €20 million was drawn down under this line.

The Materis group is subject to the following covenants:

- LTM EBITDA divided by net interest expense, must be greater than 1.85 as of December 31, 2013. This minimum rises to 2.11 in 2015. This ratio is calculated on a rolling 12-month basis;
- the ratio of consolidated net debt (excluding shareholders' loans) to LTM EBITDA must be below 7.63 as of December 31, 2013. This ceiling falls to 6.69 in 2015;
- the ratio of cash flow after capex and dividends (plus available cash up to €35 million) to total debt serviced (cash interest payable plus scheduled principal repayment) must be greater than 1. This ratio is calculated on a rolling 12-month basis;
- annual capex must not exceed 4.5% of consolidated sales (plus any capex roll-over) in fiscal years 2013 through 2016.

These covenants are tested quarterly and Materis was in compliance with them as of December 31, 2013.

The credit agreements entered into by Materis contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, exiting from Wendel's tax consolidation group, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require the prior approval of the lending banks.

3. Stahl financial debt

This debt is without recourse to Wendel.

As of December 31, 2013, the gross face value of Stahl's bank debt was €168.7 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates under note 16 "Financial debt"). Its cash balance was €58.2 million.

As part of the acquisition of the Leather Services division of Clariant (see note 2 "Changes in the scope of consolidation"), Stahl intends to refinance its debt in order to continue its development, refinance its existing credit lines and partially repay its shareholder loans, with Wendel, in particular, to receive around €40 million.

The Stahl group is subject to the following covenants:

- the ratio of consolidated net debt (excluding shareholder loans) to LTM EBITDA must be less than or equal to 5.55 at December 31, 2013 (this ceiling falls to 5.00 on September 30, 2014). This ratio is tested quarterly;
- the ratio of LTM EBITDA to net interest expense paid had to be greater than or equal to 2.95 as of December 31, 2013. This minimum rises to 3.05 on September 30, 2014. This ratio is calculated on a rolling 12-month basis and is tested quarterly;
- the ratio of cash flow after capex and dividends to total debt service, *i.e.* interest payable plus scheduled principal repayment, must be greater than or equal to 1.40 until December 31, 2014. This ratio is calculated on a rolling 12-month basis and is tested every six months.

In addition, 2013 capex expenditure must not exceed €13 million (this ceiling will rise to €14 million in 2014). This is tested annually.

As of December 31, 2013, Stahl was in compliance with these covenants.

The credit agreements entered into by Stahl contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lending banks.

4. Parcours financial debt

This debt is without recourse to Wendel.

As of December 31, 2013, the gross face value of Parcours' bank debt was €450.5 million. It consisted essentially of credit lines used to finance the vehicles leased to customers. These credit lines are provided by around 25 financial institutions and no single bank extends more than 25% of total outstandings. Every year, the Parcours group negotiates an annual drawdown limit with each of its banking partners, which it can use to finance the purchase of vehicles it leases under new contracts. Parcours draws down when it purchases the vehicles and repays the loans linearly over 36 months. Certain lines are fully or partially collateralized by the financed vehicles and/or by the lease payments. In addition, part of the debt is subject to annually-calculated financial ratios (net financial debt/shareholders' equity, financial debt/EBITDA, financial debt/cash flow, financial debt/PP&E, net interest expense/EBITDA). As of December 31, 2013 Parcours was in compliance with these financial ratios.

5. Mecatherm financial debt

This debt is without recourse to Wendel.

As of December 31, 2013, the gross face value of Mecatherm's debt was €62.3 million (including accrued interest, non-recourse discounting, and a €5m liquidity line granted by Wendel, and excluding issuance costs; see details on maturity dates in note 16 "Financial debt"). Its cash balance was €10.5 million.

Given the particularly volatile economic context, Mecatherm and its bank lenders agreed to extend the suspension of covenant tests until December 2014. As part of this agreement, Wendel has maintained its €5 million liquidity line, so as to enable Mecatherm to finance its general corporate needs, and the €15 million on-demand guarantee to the banks to cover the servicing of Mecatherm's bank debt until December 31, 2014.

6. NOP financial debt

This debt is without recourse to Wendel.

As of end-2013, the gross face value of NOP's bank debt was JPY 4.7 billion (i.e. €32.5 million). Its cash balance was JPY 0.5 billion (i.e. €3.7 million). Almost one-third of the bank debts will be amortized until

2019, and two-thirds are repayable at maturity in 2019. The financial covenants specify a minimum level of shareholders' equity and stipulate that net income cannot be negative for two consecutive years.

NOP was not consolidated as of December 31, 2013 (see note 2 "Changes in scope of consolidation").

Note 5-3 Managing interest rate risk

Each subsidiary manages its interest-rate exposure by taking into account, among other things, the restrictions imposed by its financing agreements. Wendel tracks the Group's overall position. Simulations of sensitivity of financing costs to interest-rate trends are analyzed regularly and whenever an event occurs that is likely to have an impact on interest-rate exposure. On the basis of these analyses, Wendel and its subsidiaries may decide to set up swaps, caps, collars, or any other derivative for hedging purposes.

As of December 31, 2013, the exposure of the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.5		3.3
Cash and short-term financial investments ⁽¹⁾	-0.3		-0.8
Impact of derivatives	0.6	1.6	-2.2
INTEREST-RATE EXPOSURE	4.8	1.6	0.4
	71%	23%	6%

(1) Excluding €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2013 during which they will hedge interest-rate risk.

As of December 31, 2012, the exposure of the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries, except for Deutsch which was classified under operations held for sale) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.2		3.8
Cash and short-term financial investments ⁽¹⁾	-0.3		-0.9
Impact of derivatives	0.9	0.9	-1.8
INTEREST-RATE EXPOSURE	4.9	0.9	1.2
	70%	13%	17%

(1) Excluding €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2012 during which they hedged interest-rate risk.

The derivatives hedging interest-rate risk are set out in note 13 "Financial assets and liabilities".

A +100 basis point change in the interest rates to which the Group's interest rate exposure is indexed would have an impact in the region of €11 million (-€17 million as of December 31, 2012) on net finance costs before tax over the 12 months after December 31, 2013, based on net financial debt as of December 31, 2013, interest rates on that date and the maturities of interest-rate hedging derivatives. Given the historically low yield curve, the sensitivity of net finance costs before tax is presented in the scenario of an interest rate rise only.

Note 5-4 Managing credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk, and the receivables for which a risk of non-payment exists are subject to write-down. As of the closing date, owing to the Group's geographical and sectoral diversification, there was no significant concentration of credit risk in trade receivables.

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. For short-term investments in funds managed by financial institutions, or bond, equity or diversified funds, an analysis is carried out on the counterparty risk. By tracking cash and short-term financial investments, Wendel regularly measures its exposure to each counterparty. However, given the total amount of cash and short-term financial investments as of December 31, 2013 (see note 5-2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution.

Derivative contracts are entered into with top-ranking financial institutions.

Note 5-5 Managing currency risk

Note 5-5.1 Wendel

As of December 31, 2013, Wendel owned €111 million in short-term financial investments denominated in US dollars. These financial assets are recognized at fair value. As such a 5% decline in the value of the US dollar compared with the euro would have a negative impact of -€6 million on Wendel's income statement.

In addition, Bureau Veritas, Stahl, and Materis operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, in particular the US dollar and currencies pegged to it. The other operating subsidiaries have little exposure to currency risk.

Note 5-5.2 Bureau Veritas

Bureau Veritas operates internationally and is consequently exposed to the risk of variations in several foreign currencies. This risk relates both to transactions undertaken by Bureau Veritas entities in currencies other than their functional currency (operating exchange rate risk), and to assets and liabilities denominated in foreign currencies (conversion risk).

Regarding operating exchange risk, the majority of Bureau Veritas entities operate in their local currency, which is also their functional currency. For this reason, operating exchange risk is not covered by specific hedging operations.

No hedging is in place in terms of the risk related to converting the accounts of foreign entities to the accounts and reporting currency of Bureau Veritas.

If it deems it necessary, Bureau Veritas may undertake foreign currency borrowings and thereby hedge certain commitments by pegging its financing costs to operating revenues and cash flows in the currencies concerned. If financing is performed in a currency other than the functional currency of the country, Bureau Veritas may put in place currency hedges to protect against exchange rate risk. Additionally, the centralization of subsidiaries' cash surpluses and shortfalls in other currencies may be hedged *via* currency swaps.

In 2013, more than half of Bureau Veritas' net sales were in currencies other than the euro, including 12% in US dollars, 6% in Australian dollars, 7% in Chinese yuans, 4% in Brazilian reals, and 5% in Hong Kong dollars. No other currency individually accounted for more than 5% of Bureau Veritas' net sales. This trend is a result of the strong growth of Bureau Veritas' businesses outside the euro zone, in Asia and notably in the US and in dollar-zone currencies.

A 5% fluctuation in the euro against the US dollar would have had an impact of 0.6% on Bureau Veritas' 2013 operating income. A 5% fluctuation in the euro against the Australian dollar would have had a 0.1% impact; a 5% fluctuation in the euro against the Chinese yuan would have had a 0.75% impact; a 5% fluctuation in the euro against the Brazilian real would have had a 0.15% impact; and a 5% fluctuation in the euro against the Hong Kong dollar would have had a 0.25% impact.

Finally, the impact on income before tax of a +/-1% fluctuation in the US dollar on USD-denominated financial assets and liabilities held by entities having a non-USD operating currency is +/-€1.1 million.

Note 5-5.3 Stahl

In 2013, 57% of Stahl's net sales were in currencies other than the euro, including 16% in US dollars, 14% in Singapore dollars, 5% in Brazilian reals, and 6% in Indian rupees. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of +/-1.7% on Stahl's 2013 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or less than €1 million. In addition, Stahl has financial debt of about €131 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a translation impact of about +/-€7 million would be recognized in net financial expense.

Note 5-5.4 Materis

A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of +/-2.5% on Materis' 2013 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or around +/-€5 million.

Note 5-6 Managing commodity risk

Certain of the Group's investments are exposed to the risk of changes in commodity prices.

Materis purchased around €771 million of raw materials in fiscal year 2013. A 10% increase in the price of the raw materials used by Materis would have led to a theoretical increase in the cost of these raw

materials of around €77 million on a full-year basis. Materis nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such raw material price increases. Materis continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products.

Stahl purchased around €179 million of raw materials in fiscal year 2013. A 10% increase in the price of the raw materials used by Stahl would have led to a theoretical increase in the cost of these raw materials of around €18 million. Stahl nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such raw material price increases. Stahl did not enter into any contracts to hedge movements in raw material prices in 2013.

5.8 Notes to the balance sheet

NOTE 6 Goodwill

In millions of euros	12/31/2013		
	Gross amount	Impairment	Net amount
Bureau Veritas	1,943.0	57.9	1,885.2
Materis	876.0	327.7	548.2
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
TOTAL	2,981.2	385.6	2,595.6

In millions of euros	12/31/2012		
	Gross amount	Impairment	Net amount
Bureau Veritas	2,017.2	57.9	1,959.3
Materis	1,095.8	328.3	767.5
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
TOTAL	3,275.2	386.2	2,889.1

The principal changes during the year were as follows:

In millions of euros	2013	2012
Net amount at beginning of year	2,889.1	2,787.8
Business combinations ⁽¹⁾	72.3	180.9
Reclassification of Kerneos under "Operations held for sale"	-211.2	-
Impact of changes in currency translation adjustments and other	-152.5	-22.4
Impairment for the year ⁽²⁾	-2.0	-57.3
NET AMOUNT AT END OF YEAR	2,595.6	2,889.1

(1) In 2013, this item includes €68.0 million of acquisitions by Bureau Veritas.

(2) Materis recognized an impairment loss in 2013 of €2.0 million on its CGUs.

Note 6-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each CGU (Cash Generating Unit) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year on December 31 (see the Accounting principles section).

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were finalized on situations existing at the end of December 2013. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-December 2013 balance sheet date.

Note 6-1.1 Impairment test on Bureau Veritas goodwill (listed company)

The carrying value of the Bureau Veritas shares held (€4.6 per share, or €1,036 million) as of end-2013 was far below their fair value (closing share price: €21.245 per share, or €4,784 million). As a result, there was no need to apply value in use for the impairment test, and no impairment has been recognized.

Note 6-1.2 Impairment tests on the goodwill of Wendel's unlisted subsidiaries: Materis, Stahl, Parcours and Mecatherm

As Materis, Stahl, Parcours and Mecatherm each constitute a CGU in Wendel's consolidated statements, IAS 36 "Impairment of assets" tests were also performed on these subsidiaries. The values in use determined by Wendel for these tests were based on discounted future cash flows. The business plans used were prepared by Wendel on the basis of those drawn up by the subsidiaries, and using the latest information available on the underlying markets. For each subsidiary, the value so calculated for Wendel's share of the capital (including shareholder loans where appropriate) is compared to the carrying value (share of shareholders' equity increased, where appropriate, for shareholder loans eliminated on consolidation).

1. Materis

An impairment test was performed, although the carrying value of the Group's stake in Materis is negative.

A discount rate of 8% was used for Materis (8.3% in 2012) for the calculation of future discounted cash flows, and a long-term growth rate of 2% was applied to post-business plan cash flows (2.25% in 2012). The business plan covers a five-year period. The cash flows from the Aluminates business (Kerneos) have not been included in the business plan because the value retained for this division is the expected sales price (see note 2 "Changes in the scope of consolidation"). Materis' value in use, so calculated by Wendel, was

above its carrying value as of December 31, 2013, and accordingly Wendel recognized no additional impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For the calculated value to be negative, the discount rate would have to exceed 11% or the long-term growth rate would have to be negative. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 basis point, no impairment would have to be recognized.

Materis also carried out an impairment test on its CGUs as of December 31, 2013. A total write-down of €11.5 million was recorded on assets in Southern European and Turkey, including €2 million relating to goodwill and €9 million relating to tangible and intangible assets. In accordance with the Group's accounting principles, this impairment loss was maintained in Wendel's consolidated statements.

2. Stahl

A discount rate of 9% was used for Stahl (vs. 10.5% in 2012), and a long-term growth rate of 2% was applied to post-business plan cash flows (same rate as in 2012). The business plan covers a five-year period, and does not include the impact of the merger with the Leather Services division of Clariant, which will take place in 2014 (see note 2 "Changes in the scope of consolidation"). Stahl's value in use, so calculated by Wendel, was above its carrying value as of December 31, 2013, and accordingly Wendel recognized no impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized at the Wendel level, the long-term growth rate would have to become negative, or the discount rate would have to change significantly (rate in the region of 20%). Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 basis point, no impairment would have to be recognized. Separately, no impairment loss was recognized in Stahl's financial statements in 2013.

3. Parcours

A discount rate of 10.5% (9.5% in 2012) was used for Parcours and a long-term growth rate of 2% was applied to post-business plan cash flows, as for 2012. The business plan covers a five-year period. Parcours' value in use, so calculated by Wendel, was above its carrying value as of December 31, 2013, and accordingly Wendel recognized no impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment charge to be recognized, the long-term growth rate would have to be negative, or the discount rate would have to exceed 14%. Separately, no impairment loss was recognized in Parcours' financial statements in 2013.

4. Mecatherm

A discount rate of 9% was used for Mecatherm (same rate as in 2012), and a long-term growth rate of 2% was applied to post-business plan cash flows (same rate as in 2012). The business plan covers a five-year period. Mecatherm's value in use, so calculated by Wendel, was above its carrying value as of December 31, 2013, and accordingly Wendel recognized no impairment. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment

in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized, the long-term growth rate would have to be reduced to around 1.2%, or the discount rate would have to exceed 9.5%. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 basis point, no material impairment would have to be recognized. Separately, no impairment loss was recognized in Mecatherm's financial statements in 2013.

NOTE 7 Intangible assets

In millions of euros	12/31/2013		
	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	32.5	9.6	22.9
Acquired			
Concessions, patents, and licenses	95.5	39.0	56.5
Customer relationships	1,126.0	719.5	406.5
Software	114.2	74.7	39.5
Other intangible assets	50.3	18.4	31.9
	1,386.0	851.5	534.5
Assets of indefinite useful life			
Acquired			
Brands	720.3	48.7	671.6
	720.3	48.7	671.6
TOTAL	2,138.8	909.8	1,229.0

In millions of euros	12/31/2012		
	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	24.4	6.2	18.1
Acquired			
Concessions, patents, and licenses	101.9	35.2	66.7
Customer relationships	1,208.4	704.0	504.3
Software	121.0	83.4	37.5
Other intangible assets	45.0	17.6	27.4
	1,476.3	840.3	636.0
Assets of indefinite useful life			
Acquired			
Brands	849.8	44.7	805.1
	849.8	44.7	805.1
TOTAL	2,350.4	891.2	1,459.3

The principal changes during the year were as follows:

In millions of euros	2013	2012
Amount at beginning of year	1,459.3	1,489.4
Acquisitions	10.8	9.6
Internally generated assets	5.3	4.4
Reclassification of Kerneos under "Operations held for sale"	-169.4	-
Impact of business combinations ⁽¹⁾	73.6	121.0
Impact of currency translation adjustments and other	-38.3	0.7
Amortization and impairment losses for the year	-112.3	-165.8
AMOUNT AT END OF YEAR	1,229.0	1,459.3
of which		
<i>Bureau Veritas</i>	585.0	608.9
<i>Materis</i>	498.6	696.3
<i>Stahl</i>	64.2	69.1
<i>Oranje-Nassau Développement</i>	81.1	84.8
<i>Wendel and holding companies</i>	0.1	0.2
<i>Total</i>	1,229.0	1,459.3

(1) In 2013, the impact of business combinations included the €73.6 million in acquisitions undertaken by Bureau Veritas.

NOTE 8 Property, plant & equipment

In millions of euros	12/31/2013		
	Gross amount	Depreciation and provisions	Net amount
Land	79.8	5.8	74.0
Buildings	247.6	131.3	116.3
Plant, equipment, and tooling	1,127.9	681.9	446.0
Other property, plant & equipment	1,184.4	515.0	669.4
Assets under construction	53.7	-	53.7
TOTAL	2,693.5	1,334.0	1,359.5

In millions of euros	12/31/2012		
	Gross amount	Depreciation and provisions	Net amount
Land	97.7	5.7	92.0
Buildings	365.2	186.0	179.2
Plant, equipment, and tooling	1,847.7	891.0	956.7
Other property, plant & equipment	659.6	405.4	254.2
Assets under construction	73.9	-	73.9
TOTAL	3,044.1	1,488.1	1,556.0

The principal changes during the year were as follows:

In millions of euros	2013	2012
Amount at beginning of year	1,556.0	1,434.9
Acquisitions ⁽¹⁾	496.4	458.6
Divestments	-10.9	-10.5
Reclassification of Kerneos under "Operations held for sale"	-246.2	-
Impact of business combinations ⁽²⁾	19.2	62.1
Parcours: reclassification in inventory of used vehicles (net) ⁽³⁾	-83.7	-89.0
Impact of currency translation adjustments	-64.1	-15.1
Depreciation, amortization, and provisions recognized during the year	-307.3	-285.0
AMOUNT AT END OF YEAR	1,359.5	1,556.0
<i>Bureau Veritas</i>	401.3	379.4
<i>Materis</i>	286.5	564.7
<i>Stahl</i>	84.5	91.4
<i>Oranje-Nassau Développement</i>	576.3	513.2
<i>Wendel and holding companies</i>	10.9	7.3
<i>Total</i>	1,359.5	1,556.0

The change in property, plant & equipment during 2013 derived principally from:

- (1) In 2013, this amount principally relates to €271.0 million in vehicles acquired by the Parcours group (Oranje-Nassau Développement), and internal investments made by Bureau Veritas and Materis for €139.6 million and €69.0 million respectively.
- (2) The impact of business combinations of €19.2 million relates to the acquisitions undertaken by Bureau Veritas.
- (3) Parcours' fleet of leased vehicles is recognized under property, plant & equipment. Second-hand vehicles returned by customers at contract termination are recognized on the balance sheet under "Inventories" before being sold.

NOTE 9 Equity-method investments

In millions of euros	12/31/2013	12/31/2012
Saint-Gobain	4,004.8	4,228.4
Legrand	-	145.3
IHS	185.1	-
exceet	55.7	53.8
Investments of Bureau Veritas	0.8	0.7
Investments of Materis	0.4	3.8
Investments of Stahl	2.4	2.1
TOTAL	4,249.2	4,434.1

The change in equity-method investments broke down as follows:

In millions of euros	2013
Amount at beginning of year	4,434.1
Share in net income for the year	
Saint-Gobain	71.2
Legrand ⁽¹⁾	12.9
IHS ⁽¹⁾	-9.7
exceet	1.3
Other	0.2
Dividends paid by equity-method companies	-125.9
Impact of changes in currency translation adjustments	-175.2
Impact of dilution on the Saint-Gobain investment ⁽¹⁾	-97.0
Sale of Legrand shares ⁽¹⁾	-138.8
Investment in IHS ⁽¹⁾	211.6
Other ⁽²⁾	64.3
AMOUNT AS OF DECEMBER 31, 2013	4,249.2

(1) See note 2, "Changes in scope of consolidation".

(2) Includes €74.2 million in actuarial differences, net of tax, related to Saint-Gobain.

Note 9-1 Additional information on Saint-Gobain

In millions of euros	12/31/2013	12/31/2012 restated for IAS 19 ⁽⁴⁾
Carrying values at 100%		
Total assets (Saint-Gobain) ⁽¹⁾	45,726	47,534
Impact of the revaluation of acquired assets and liabilities	3,884	4,052
Residual goodwill (excluding goodwill in Saint-Gobain's balance sheet) ⁽²⁾	3,179	3,293
Non-controlling interests	344	412
Total liabilities ⁽¹⁾	27,856	29,704

	2013	2012 restated for IAS 19 ⁽⁴⁾
Net sales ^{(1) (3)}	42,025	43,198
Operating income ⁽¹⁾	2,764	2,863
Business income ⁽¹⁾	1,891	1,966
Recurring net income, Group share ⁽¹⁾	1,027	1,053
Net income, Group share ⁽¹⁾	595	693
Impact of the revaluation of acquired assets and liabilities	-168	-470

(1) In Saint-Gobain's books, at 100%.

(2) Value of residual goodwill after impairment see note 9-4.1 "Impairment test on Saint-Gobain, accounted for by the equity method".

(3) In 2013, net sales declined by 2.7% and by 0.3% organically.

(4) The restatements derive from the IAS 19 amendment related to employee benefits.

Note 9-2 Additional information on IHS

In millions of euros	12/31/2013
Carrying values at 100%	
Total assets (IHS) ⁽¹⁾	879.9
Goodwill adjustment (Wendel) ⁽²⁾	50.6
Non-controlling interests ⁽¹⁾	15.8
Total liabilities ⁽¹⁾	435.4

	8-month period to end-December 2013 ⁽³⁾
Net sales ⁽¹⁾	97.3
EBITDA ⁽¹⁾	27.1
Net income, Group share ⁽¹⁾	-25.3
Impact of the revaluation of acquired assets and liabilities ⁽²⁾	-

(1) In IHS's books, at 100%.

(2) See note 2 "Changes in scope of consolidation". The opening balance sheet is being analyzed and goodwill allocation to identifiable assets and liabilities and to contingent liabilities will be finalized in the 12 months following the investment.

(3) The closing date of IHS closest to the investment date was April 30, 2013. Consequently, eight months of activity have been consolidated in the Group's consolidated income statement.

Note 9-3 Additional information on exceet

In millions of euros	12/31/2013	12/31/2012 restated for IAS 19 ⁽²⁾
Carrying values at 100%		
Total assets (exceet) ⁽¹⁾	182.8	179.3
Goodwill adjustment (Wendel)	97.2	100.2
Non-controlling interests	-	-
Total liabilities ⁽¹⁾	84.1	88.9

	2013	2012 restated for IAS 19 ⁽²⁾
Net sales ^{(1) (3)}	190.8	188.8
EBITDA ⁽¹⁾	18.3	16.5
Net income, Group share ⁽¹⁾	7.5	3.1
Impact of the revaluation of acquired assets and liabilities	-3.0	-12.9

(1) In exceet's books, at 100%.

(2) The restatements derive from the IAS 19 amendment related to employee benefits.

(3) In 2013, sales were up 1.1%, with negative organic contribution of 2.2%.

Oranje-Nassau Développement's percentage interest (100% Wendel) in exceet Group SE is subject to the potentially dilutive effect of financial instruments issued by exceet.

In addition to the 20,073,695 listed shares in circulation (net of treasury shares), 5,708,427 of which are held by the Wendel Group, exceet has issued the following financial instruments:

- 20,000,000 listed warrants giving access to the capital of exceet under the following terms:
 - exercise price of €12/share, and
 - a cashless exercise: upon exercise, the holders will not pay the exercise price in cash, but will receive exceet shares equal in value to the intrinsic value of a number of warrants given in exchange for the shares.

Ultimately, the maximum number of exceet shares to be issued is approximately 2.94 million. The Wendel Group holds 6.75% of these warrants, which are recognized as financial assets at their fair value;

- 5,210,526 unlisted promoters' shares, of which 1,000,000 will be converted into listed shares if the share price reaches €12/share; 2,105,263 will be converted into listed shares if the share price reaches €14/share; and 2,105,263 will be converted into listed shares if the share price reaches €16/share. They do not give dividend rights or rights to the net assets of exceet if they are not converted. These shares are held by the promoters of the Helikos project, including the Wendel Group, which holds 75.8% of the shares. These instruments are accounted for as shareholders' equity and are thus recognized in Wendel's financial statements as part of the value of exceet shares accounted for by the equity method; and
- 9,000,000 unlisted, earn-out shares that can be converted into listed shares in three equal tranches, if the listed share price reaches the thresholds of €12, €13 and €15 per share. These earn-out shares do not give dividend rights or rights to the net assets of exceet if they are not converted. They are held by Vorndran Mannheims Capital Advisors GmbH, the other main shareholder of the exceet group.

After July 2016, the promoters shares and earn-out shares will no longer be convertible and will be reimbursed at par (€0.0152 per share). The warrants are exercisable until the same date, and may be repurchased at €0.01 per warrant, provided the share price exceeds €17. Warrants not exercised will be automatically canceled.

Note 9-4 Impairment tests on equity-accounted investments

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were finalized on situations existing at the end of December 2013. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-December 2013 balance sheet date.

No impairment test was performed on IHS as there is no indication that the value of this investment may be impaired.

Note 9-4.1 Impairment test on Saint-Gobain shares

An impairment test was performed on the Saint-Gobain shares, as their carrying amount in Wendel's consolidated financial statements, calculated according to the equity method, was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, *i.e.* the share price at the balance sheet date (€39.98 per share, or €3,590.3 million for the 89.8 million Saint-Gobain shares); and (2) value in use, *i.e.* the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The five-year business plan used in this calculation was prepared by Wendel using, among other things, research on the sector published by leading forecasters, Wendel's internal analyses and studies carried out by Wendel. The assumptions underlying the business plan (trends in underlying markets, price effects, etc.) were developed by sector and by country. The updated business plan used for the December 2013 calculation took into account the divestment of Verallia North America (valued at sales price in the value in use calculation), as it did at December 31, 2012. With the exception of Verallia North America, the business plan included no potential divestments relating to packaging activities; and in accordance with IAS 36, no strategic acquisitions were included. Finally, the assumptions used in calculating post-business plan cash flows (*i.e.* growth in sales and normative profitability) were based on an analysis of the historical performances of Saint-Gobain's activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used as of December 31, 2012: 2%. The discount rate used was also identical to that used as of December 31, 2012: 8%. It was based in particular on market parameters (risk-free rate, market premium, beta of comparables) and took into account risks specific to the business plan.

After the test was performed as of December 31, 2012, an impairment of €4.6 per share or €414 million was recognized on all of the Saint-Gobain equity-accounted shares. After taking into account 2013 earnings, changes in consolidated reserves, the payment of dividends and dilution effects (see the note on changes in scope of consolidation), the gross carrying value was €49.2 per share as of December 31, 2013 and the value net of the impairment recognized at end-2012 was €44.6 per share (€4,005 million for all consolidated shares). The value in use estimated as of the December 2013 closing was €45.3 per share, very close to the net carrying value. Given that no significant new information affecting Saint-Gobain's financial condition has called into question the impairment recognized as of December 31, 2012, this impairment has been maintained as of December 31, 2013. The difference between the market price and the carrying value reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

Sensitivity analysis shows that

- if the discount rate were 0.5% higher, an additional impairment of €400 million would have to be recognized;
- and if the long-term growth rate were 0.5% lower, an additional impairment of €283 million would have to be recognized; or
- if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, an additional impairment charge of €439 million would have to be recognized.

Finally, the model as a whole is sensitive to the assumptions of the five-year business plan.

Note 9-4.2 Impairment test on excecet shares

An impairment test was performed on these equity-accounted shares, as their carrying value was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, *i.e.* the share price at the balance sheet date

(€31 million for the 5.7 million shares held), and (2) value in use, *i.e.* the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The business plan used covers an eight-year period, and in accordance with IAS 36, no strategic acquisitions are included in its assumptions. As in 2012, the long-term growth rate applied to post-business plan cash flows was 2% and the discount rate was 10%. The impact of dilutive instruments in excecet's capital was taken into account.

The calculated value in use was higher than the carrying value of the shares held. As a result, no impairment was recognized.

Sensitivity analysis shows that if the discount rate were 0.5% higher, if the long-term growth rate were 0.5% lower, or if the normative margin used for cash flows after the end of the eight-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized. For an impairment charge to be recognized, the discount rate would have to exceed 10.7% or the long-term growth rate would have to be less than 0.5%.

NOTE 10 Inventories

In millions of euros	12/31/2013			12/31/2012
	Gross amount	Provisions	Net amount	Net amount
At:				
Bureau Veritas	12.6	-	12.6	8.6
Materis	183.3	12.5	170.8	274.7
Stahl	46.3	3.5	42.7	47.9
Oranje-Nassau Développement	34.3	1.3	33.0	35.6
TOTAL	276.5	17.3	259.2	366.7

NOTE 11 Trade receivables

In millions of euros	12/31/2013			12/31/2012
	Gross amount	Provisions	Net amount	Net amount
At:				
Bureau Veritas	1,072.3	80.3	992.0	940.7
Materis	333.4	38.3	295.1	334.2
Stahl	72.5	4.4	68.1	66.2
Oranje-Nassau Développement	83.9	5.7	78.2	71.5
Wendel and holding companies	0.3	0.1	0.3	0.1
TOTAL	1,562.4	128.7	1,433.7	1,412.8

Unprovisioned past-due trade receivables and related accounts for the largest subsidiaries were as follows:

- Bureau Veritas: €440.7 million as of December 31, 2013 vs. €423.1 million as of December 31, 2012, of which €119.9 million and €106.0 million, respectively, were more than three months past due;

- Materis: €84.3 million as of December 31, 2013 vs. €97.1 million as of December 31, 2012, of which €22.2 million and €26.8 million, respectively, were more than three months past due.

NOTE 12 Cash and cash equivalents

In millions of euros	12/31/2013 Net amount	12/31/2012 Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets ⁽¹⁾	6.4	3.4
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	427.6	486.1
Cash and cash equivalents of Wendel and its holding companies ⁽²⁾	434.1	489.5
Bureau Veritas	190.6	243.5
Materis	68.1	71.4
Stahl	58.2	33.7
Oranje-Nassau Développement	13.4	11.3
Cash and cash equivalents of subsidiaries classified as current assets	330.3	359.8
TOTAL	764.4	849.3
<i>of which non-current assets</i>	<i>6.4</i>	<i>3.4</i>
<i>of which current assets</i>	<i>758.0</i>	<i>845.9</i>

(1) Principally cash collateral granted to banks as part of the financing of the Saint-Gobain investment (see note 5-2 "Managing liquidity risk" and note 40 "Off-balance-sheet commitments").

(2) In addition to this cash, Wendel had €323.9 million in short-term financial investments as of December 31, 2013 and €340.5 million as of December 31, 2012, recognized in other current financial assets (see note 5-2.1 "Liquidity risk of Wendel and the holding companies").

NOTE 13 Financial assets and liabilities (excl. financial debt and operating receivables and payables)

Note 13-1 Financial assets

In millions of euros	Method for recognizing changes	Level	12/31/2013	12/31/2012
Pledged cash and cash equivalents of Wendel and its holding companies – A	Income statement ⁽¹⁾	1	6.4	3.4
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement ⁽¹⁾	1	427.6	486.1
Wendel's short-term financial investments	Income statement ⁽¹⁾	1	323.9	329.2
Assets held until maturity	Amortized cost	N/A	-	11.2
Cash and short-term financial investments of Wendel and its holding companies			758.0	829.9
Cash and cash equivalents of subsidiaries	Income statement ⁽¹⁾	1	330.3	359.8
Assets available for sale – B	Shareholders' equity ⁽²⁾	3	126.6	5.9
Financial assets at fair value through profit or loss – C	Income statement ⁽¹⁾	1	20.5	81.2
Loans	Amortized cost	N/A	8.8	20.3
Deposits and guarantees	Amortized cost	N/A	58.5	55.2
Derivatives – D	Income statement ⁽¹⁾ / Sh. equity ⁽²⁾	See D	10.5	40.2
Other			22.1	26.8
TOTAL			1,335.4	1,419.4
<i>of which non-current financial assets, including pledged cash and cash equivalents</i>			<i>222.3</i>	<i>118.0</i>
<i>of which current financial assets, including cash and cash equivalents</i>			<i>1,113.1</i>	<i>1,301.4</i>

(1) Change in fair value through profit or loss.

(2) Change in fair value through shareholders' equity.

Note 13-2 Financial liabilities

In millions of euros	Method for recognizing changes	Level	12/31/2013	12/31/2012
Derivatives – D	Income statement ⁽¹⁾ / Sh. equity ⁽²⁾	See D	177.0	235.9
Other (incl. puts held by non-controlling shareholders) – E	N/A	N/A	111.9	119.6
TOTAL			288.9	355.5
<i>of which non-current financial liabilities</i>			<i>230.3</i>	<i>129.2</i>
<i>of which current financial liabilities</i>			<i>58.6</i>	<i>226.4</i>

(1) Change in fair value through profit or loss.

(2) Change in fair value through shareholders' equity.

Note 13-3 Details of financial assets and liabilities

A – Cash and cash equivalents (pledged and unpledged): pledged cash and cash equivalents are presented as non-current financial assets as they are not immediately available (see note 12 “Cash and cash equivalents”).

D – Derivatives:

In millions of euros	Level	12/31/2013		12/31/2012	
		Assets	Liabilities	Assets	Liabilities
Saint-Gobain puts (written) ⁽¹⁾	2	-	141.9	-	182.4
Interest rate swaps – hedging of cash flows ⁽²⁾	2	-	13.4	20.6	13.9
Interest rate swaps – not qualifying for hedge accounting ⁽²⁾	2	9.7	15.9	14.7	37.6
Other derivatives – not qualifying for hedge accounting	2	0.8	5.8	4.9	2.0
TOTAL		10.5	177.0	40.2	235.9
Of which:					
Non-current portion		9.7	168.8	37.1	83.2
Current portion		0.8	8.2	3.1	152.6

(1) See description of puts in the following note.

(2) See description of swaps in the following note.

E – Other financial liabilities: This item primarily relates to €52.7 million of earnouts in operating subsidiaries, minority puts, and liabilities related to liquidity commitments at the level of Wendel and the holding companies (see note 40–5 “Shareholder agreements and co-investment mechanisms”).

Note 13-4 Put options issued (written) on Saint-Gobain shares

Wendel issued (wrote) 6.1 million puts on Saint-Gobain in 2007, whose value at the end of December 2013 was a liability of €144.0 million, vs. a liability of €182.4 million at the opening date. In accordance with IFRS 13, “Fair value measurement”, these values were adjusted for the impact of Wendel’s own credit risk, which reduced this liability by €2 million as of December 31, 2013 (see accounting principles). Accordingly, the net value of the puts was €142 million as of December 31, 2013. The change in value of these puts and the adjustment related to Wendel’s credit risk are recognized on the income statement.

Their carrying value is based on a mathematical model used to value options, which takes into account the market parameters prevailing at

B – As of December 31, 2013, this item includes the **Saham and NOP investments**; see note 2, “Changes in scope of consolidation”.

C – As of December 31, 2012, this item included 1.9 million unconsolidated **Saint-Gobain** shares that were divested in 2013; see note 2, “Changes in scope of consolidation”.

the balance sheet date, including share price, volatility, and liquidity of the underlyings. A change of +/-5% in Saint-Gobain’s share price would have led to a change in the carrying value as of the closing date of approximately +/- €10 million, recognized on the income statement.

The expiry dates of these puts were extended during fiscal year 2013. The new maturity dates are:

- September 2015 for 2,152,560 puts;
- December 2015 for 2,595,360 puts; and
- March 2016 for 1,341,858 puts.

Note 13-5 Interest rate swaps and foreign exchange hedges

The value of interest rate swaps is calculated by the counterparties on the basis of the yield curve at the balance sheet date and the present value of cash flows expected from the contracts. In accordance with IFRS 13, “Fair value measurement”, the value of the swaps was adjusted for the impact of Wendel’s own credit risk. This adjustment was not material (see accounting principles).

Notional amount	Characteristics ⁽¹⁾	Qualified as	Start ⁽¹⁾	Maturity ⁽¹⁾	12/31/2013	12/31/2012
	<i>sign convention: (+) asset, (-) liability</i>					
Hedging of bonds carried by Wendel						
€100 million	Pay 3.98% against 4.21%		pre-closing	05-2016	0.6	0.8
€300 million	Pay 12-month Euribor+0.93% between 1.70% and 2.60%, 3.40% if < 1.70%, and 3.53% if > 2.60%. Coupon: 3.49%		pre-closing	08-2017	0.5	0.8
					1.1	1.5
Hedging of interest-rate risk of Wendel and the holding companies ⁽²⁾						
€400 million	Pay 1.06% against Euribor	Hedge	01-2014	01-2016	-5.4	
€400 million	Pay 1.02% against Euribor		02-2014	02-2016	-4.8	
	Other interest-rate swaps expiring in first quarter 2014				-0.7	
					-10.8	-25.5
Hedging of subsidiaries' debt						
€450 million	0.88% cap on Euribor		pre-closing	03-2015	0.1	
€800 million	0.79% cap on Euribor		pre-closing	01-2015	0.1	
\$95 million	Pay 2.73% against Libor		pre-closing	12-2014	-1.7	
€37 million	Pay 1.38% against Euribor		pre-closing	01-2015	-0.5	
					-2.1	-9.0
	Cross currency swaps ⁽³⁾	Hedge			-7.7	16.8
TOTAL					-19.5	-16.2

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.

(2) These swaps cover the risk of fluctuation in interest rates paid on floating rate bank debt. The net value of all swaps as of December 31, 2013 was -€10.8 million, vs. -€25.5 million at end-2012. The change in value of all swaps qualified as hedges and recognized under shareholders' equity was €1.6 million for fiscal year 2013. De-designating certain hedging instruments led to a €1.8 million increase in hedging reserves in shareholders' equity. The change in the value of non-qualified instruments and partially-effective hedges recognized through profit or loss was €11.3 million.

(3) Bureau Veritas: as of December 31, 2013, a currency hedge was set up on the US private placement debt denominated in pounds sterling, so as to convert the debt into euros. Any change in the value of these instruments is recognized in shareholders' equity and passed through profit or loss over the life of the loans.

NOTE 14 Shareholders' equity**Note 14-1 Number of shares outstanding**

	Par value	Total number of shares	Treasury shares	Number of shares outstanding
As of 12/31/2012	€4	49,543,641	1,737,498	47,806,143
As of 12/31/2013	€4	48,631,341	1,749,729	46,881,612

The reduction of 912,300 shares is due to:

- the exercise of stock options (50,706 shares);
- subscriptions to the company savings plan (28,854 shares); and
- the cancellation of 991,860 shares.

Note 14-2 Treasury shares

As of December 31, 2013, 100,000 shares were held for the purposes of the liquidity contract (unit cost: €102.66 per share) vs. 150,000 shares as of December 31, 2012.

As of December 31, 2013, Wendel held 1,649,729 of its shares in treasury outside the context of the liquidity contract (1,587,498 as of

December 31, 2012). These treasury shares are primarily allocated to cover stock option exercises and grants of bonus and performance shares, with the remainder being retained for potential acquisitions.

The net increase of 62,231 shares derived from:

- the purchase of 1,323,347 shares during the year;
- the cancellation of 991,860 shares; and
- the sale of 269,256 shares to meet options exercises under stock option plans.

In total, shares held in treasury represented 3.60% of the share capital as of December 31, 2013.

Note 14-3 Non-controlling interests

In millions of euros	12/31/2013	12/31/2012
Bureau Veritas group	556.7	653.7
Deutsch group	-	-
Materis group	-45.7	-45.2
Stahl group	-1.4	-0.3
Parcours group	1.8	2.2
Mecatherm group	3.1	3.0
Other	7.5	4.5
TOTAL	522.1	617.9

NOTE 15 Provisions

In millions of euros	12/31/2013	12/31/2012
Provisions for risks and contingencies	115.5	116.9
Employee benefits	163.5	192.8
TOTAL	279.0	309.8
<i>Of which non-current</i>	269.6	302.8
<i>Of which current</i>	9.4	7.0

Note 15-1 Provisions for risks and contingencies

In millions of euros	12/31/2012	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2013
Bureau Veritas (1)								
Disputes and litigation	50.6	5.8	-4.3	-6.5	-0.8	-0.2	-1.4	43.2
Other	20.6	23.0	-11.8	-6.1	-	-1.9	4.4	28.2
Materis	16.7	6.3	-3.8	-0.9	-	0.2	-2.5	15.9
Stahl	0.8	0.2	-0.4	-	-	-	-	0.7
Oranje-Nassau Développement	4.8	5.7	-3.7	-0.1	-	-	-	6.7
Wendel and holding companies (2)	23.4	0.3	-1.1	-1.9	-	-	-	20.7
TOTAL	116.9	41.3	-24.9	-15.6	-0.8	-1.9	0.5	115.5
<i>Of which current</i>	7.0							9.4

In millions of euros	12/31/2011	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2012
Bureau Veritas (1)								
Disputes and litigation	55.5	6.0	-5.4	-6.9	0.9	1.4	-0.9	50.6
Other	25.6	13.0	-15.0	-3.9	-	-	0.9	20.6
Materis	15.7	5.2	-2.9	-0.8	-	0.9	-1.4	16.7
Stahl	1.5	0.1	-0.2	-0.5	-	-	-	0.8
Oranje-Nassau Développement	4.8	3.5	-3.2	-	-	-	-0.3	4.8
Wendel and holding companies (2)	26.1	3.1	-2.8	-3.0	-	-	-	23.4
TOTAL	129.2	30.9	-29.5	-15.1	0.9	2.3	-1.7	116.9
<i>Of which current</i>	8.2							7.0

(1) In the normal course of its activities, Bureau Veritas is party to various disputes and legal actions that aim, among other things, to invoke its professional liability with regard to services it has provided. While Bureau Veritas pays the greatest attention to risk control and the quality of its services, some of those services can give rise to claims and result in financial penalties. Provisions have been recognized on the losses that may result from such litigation. The amount recognized is the best estimate of the amount necessary for extinguishing the debt, updated at the closing date. The costs that Bureau Veritas might be required to pay could exceed the amount of the provision for litigation due to a number of factors, in particular the uncertain outcome of litigation.

Provisions for risks and contingencies on the balance sheet as of December 31, 2013 related principally to the following disputes:

- a claim relating to the construction of a hotel and retail complex in Turkey; and
- a claim pertaining to the crash of a Gabon Express flight.

(2) The principal disputes, claims and risks identified for Wendel and its holding companies are as follows:

- a provision is maintained for an environmental risk concerning polluted land which belonged to a Group subsidiary whose operations were discontinued in 1967;
- in November 2012, the Court of Justice of the European Union upheld the September 13, 2010 judgment of the General Court of the European Union on the appeal by Éditions Odile Jacob, which annulled the European Commission's 2004 decision authorizing Lagardère to sell the publishing company Editis to Wendel. This authorization was granted in the context of commitments made by Lagardère to obtain the European Commission's approval for the Lagardère/VUP transaction.

In May 2011, the European Commission granted a new authorization to Wendel, as acquirer of Editis, with effect as of the date of the acquisition. In September 2011, Éditions Odile Jacob filed an appeal against this decision before the General Court of the European Union. The case remains pending.

Éditions Odile Jacob also brought an action against Wendel and other parties in October 2010 before the Paris Commercial Court, seeking

the annulment of Wendel's acquisition of Editis in 2004 and its subsequent sale of Editis in 2008. In December 2011, the Paris Commercial Court issued a stay of proceedings, pending the EU decisions. Éditions Odile Jacob has contested the stay of proceedings. Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute;

- the European Commission notified Wendel in 2012 of a pending competition investigation regarding a company in which the Group was a shareholder and which was divested several years ago. As of the date the financial statements were finalized, Wendel had no information about the timing or potential next actions of this investigation. Accordingly, no provision has been recognized for this litigation;
- in its ruling of December 17, 2013, the Commercial Court dismissed the claims for compensation of a former management-level employee for the losses he was alleging to have suffered as a result of the unwinding of a mechanism under which Wendel executives benefited from the Group's performance. The Court also ordered this former manager to pay a token €1 in damages to compensate for the harm to Wendel's image. Two other legal proceedings, initiated by former managers against various defendants, including Wendel, are currently ongoing regarding the same issue. The total damages claimed are in the region of €28 million. In addition, the former manager whose claims were dismissed by the Commercial Court, and whose employment at Wendel was terminated in June 2009, has lodged a claim with the labor conciliation board (Conseil des Prud'hommes) for almost €5 million. Wendel has entered a counter-claim for €1 million. The ruling is expected on March 31, 2014. The Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them;
- in 2012, Wendel and certain Group holding companies received proposed tax adjustments from the tax authority. These proposed adjustments have been almost entirely accepted by Wendel or abandoned by the authority, with the corresponding charge, which was in any case not material, being recognized in 2012. A disagreement remains, however, between Wendel and the tax authority regarding VAT and the calculation of late payment interest, for a total amount less than €1 million. None of the adjustments was either directly or indirectly related to Wendel's divestment of Solfur; the tax authority's examination of the terms of this transaction did not lead to any further action on its part.

Note 15-2 Employee benefits

In millions of euros	12/31/2013	12/31/2012
Defined-benefit plans	78.4	94.7
Retirement bonuses	64.4	64.4
Other	20.8	33.8
TOTAL	163.5	192.8
<i>Of which non-current</i>	163.5	192.8
<i>Of which current</i>	-	-

The breakdown by subsidiary was as follows:

In millions of euros	12/31/2013	12/31/2012
Bureau Veritas	125.6	124.6
Materis	25.3	50.8
Stahl	2.5	7.2
Oranje-Nassau Développement	2.4	2.3
Wendel and holding companies ⁽¹⁾	7.8	7.9
	163.5	192.8

(1) Including €6.7 million relating to Oranje-Nassau Groep as of December 31, 2013 (€7.0 million as of December 31, 2012).

The change in provisions for employee benefits broke down as follows for 2013:

In millions of euros	12/31/2012	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailed and settlement	Business combinations	Currency translation adjustments and other	12/31/2013
Commitments									
Defined-benefit plans	239.2	4.8	-2.1	-7.6	6.6	-12.2	-	-2.1	226.3
Retirement bonuses	126.5	8.8	-1.8	-10.4	3.0	0.6	0.6	-19.4	108.3
Other	40.0	1.5	-0.4	-1.7	0.7	0.3	0.0	-18.3	22.0
	405.7	15.1	-4.3	-19.7	10.3	-11.3	0.6	-39.8	356.7

In millions of euros	12/31/2012	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Currency translation adjustments and other	12/31/2013
Partially-funded plan assets								
Defined-benefit plans	178.1	5.0	4.1	3.0	-16.7	-	-2.2	171.3
Retirement bonuses	29.8	0.9	-0.1	1.2	-	-	-10.0	21.7
Other	4.9	0.3	-	-0.4	-0.1	-	-4.6	0.2
	212.8	6.1	4.0	3.7	-16.7	-	-16.8	193.2
Provision for employee benefits	192.8							163.5

The change in provisions for employee benefits broke down as follows for 2012:

In millions of euros	12/31/2011	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailement and settlement	Business combinations	Currency translation adjustments and other	12/31/2012
Commitments									
Defined-benefit plans	234.1	5.9	34.7	-8.1	9.9	-26.2	-0.0	-11.1	239.2
Retirement bonuses	100.3	7.0	18.1	-6.7	4.1	1.8	0.4	1.6	126.5
Other	32.7	3.0	3.2	-1.5	1.5	0.0	0.2	0.9	40.0
	367.1	15.9	56.1	-16.4	15.4	-24.4	0.5	-8.6	405.7

In millions of euros	12/31/2011	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Currency translation adjustments and other	12/31/2012
Partially-funded plan assets								
Defined-benefit plans	181.5	6.9	14.3	13.5	-4.4	-	-33.7	178.1
Retirement bonuses	27.7	1.4	0.6	-	-	-	-	29.8
Other	5.0	0.3	-	-	-0.4	-	-	4.9
	214.2	8.7	14.9	13.5	-4.8	-	-33.7	212.8
Provision for employee benefits	152.9							192.8

Liabilities on defined-benefit plans broke down as follows:

In millions of euros	12/31/2013	12/31/2012
Fully unfunded liabilities	84.6	82.6
Partially or fully-funded liabilities	272.1	320.0
TOTAL	356.7	405.7

Assets of defined-benefit plans broke down as follows as of December 31, 2013:

	2013	2012
Insurance company funds	47%	48%
Equity instruments	17%	17%
Debt instruments	9%	27%
Cash and other	26%	8%

Expenses recognized on the income statement broke down as follows:

In millions of euros	2013	2012
Expenses recognized on the income statement with respect to defined-benefit plans		
Service costs during the year	15.1	15.9
Interest costs	10.3	15.4
Expected return on plan assets	-6.1	-8.7
Past service costs	0.6	0.4
Impact of plan curtailments or settlements	1.0	3.3
TOTAL	20.9	26.3
Expenses recognized on the income statement with respect to defined-contribution plans	68.8	67.3

1. Commitment characteristics and actuarial assumptions applied at Bureau Veritas

Employee benefits at Bureau Veritas included the following defined-benefit plans:

- pension plans, most of which have been closed for several years. Pension plans are generally unfunded, with the exception of a very limited number of plans financed by contributions paid to insurance companies and valued on the basis of periodic actuarial calculations;
- retirement bonuses;
- long-service awards.

The principal actuarial assumptions used to calculate these commitments are as follows: average discount rate = 3.5%; average salary increase rate = 3.0% (Germany: 2.5%, France: 3.3%, Italy: 2.0%, Netherlands: 3.0%, United Kingdom: 2.5%).

2. Commitment characteristics and actuarial assumptions applied at Materis

Retirement benefits are calculated mainly on the basis of employees' seniority when they retire. These plans essentially concern France (and to a lesser extent Portugal, Italy, Switzerland, Australia, and South Africa). Actuarial assumptions are determined in each country.

The main assumptions for Europe were as follows: discount rate of 3.3%, inflation rate of 2.0%, salary increase rate between 2.3% and 4.5%, and return on assets of 3.3%.

3. Commitment characteristics and actuarial assumptions applied at Stahl

Stahl employee benefits in the Netherlands, Italy, the United Kingdom, the United States, and Mexico concern the following defined-benefit plans, depending on the country:

- partially-funded retirement plans;
- retirement bonuses, in particular in Italy;
- long-service awards.

Its main actuarial assumptions were as follows: discount rate of 3.8% and average inflation rate of 2.2%.

4. Wendel's commitments

In 1947, the company "Les Petits-Fils de François de Wendel" (now Wendel) set up a supplementary pension plan for all employees, regardless of their level, provided they retire while employed by the Group. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of the salary. The pension plan provides for a payout of 60% to a surviving spouse as of the date of the employee's retirement, and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group from the guaranteed amount. Since 2005, the company transfers the assets necessary to service pension benefits to an insurance company, which makes payments to the beneficiaries.

There are currently 47 retirees and 11 employees of the Company who benefit from the plan. One beneficiary was a member of the Supervisory Board in 2013.

NOTE 16 Financial debt

For a description of the terms of financial debt and related covenants, see note 5-2 "Managing liquidity risk".

In millions of euros	Currency	Coupon rate	Effective interest rate ⁽²⁾	Maturity	Repayment	Overall line	12/31/2013	12/31/2012
Wendel								
2014 bonds	EUR	4.875%	6.579%	11-2014	at maturity		476.6	591.9
2015 bonds	EUR	4.875%	4.910%	09-2015	at maturity		368.5	400.0
2016 bonds	EUR	4.875%	5.501%	05-2016	at maturity		649.7	654.2
2017 bonds	EUR	4.375%	5.186%	08-2017	at maturity		692.0	692.0
2018 bonds	EUR	6.750%	5.727%	04-2018	at maturity		500.0	300.0
2019 bonds	EUR	5.875%	5.397%	09-2019	at maturity		600.0	400.0
Syndicated loan	EUR	Euribor+margin		05-2018	revolving credit	€600 M	-	-
Syndicated credit repaid and canceled in 2013							-	250.0
Amortized cost of bonds							-2.8	-56.7
Accrued interest							71.2	59.5
							3,355.2	3,291.0
Holding companies – financing of the Saint-Gobain investment								
Bank borrowings ⁽¹⁾	EUR	Euribor+margin		01-2016, 01-2017	amortizing	€875 M	425.0	425.0
Bank borrowings ⁽¹⁾	EUR	Euribor+margin		07-2017	revolving credit	€700 M	-	-
Bank borrowings repaid in 2013							-	200.0
Deferred issuance costs							-1.3	-1.6
Accrued interest							3.3	8.3
							427.1	631.7
Holding companies								
Loans from non-controlling shareholders							16.5	14.4
							16.5	14.4
Bureau Veritas								
2017 bonds	EUR	3.750%		05-2017	at maturity		500.0	500.0
Borrowings and debt from lending institutions maturing in less than 1 year – fixed rate							9.1	0.7
Borrowings and debt from lending institutions maturing in less than 1 year – floating rate							95.1	127.6
Borrowings and debt from lending institutions maturing in 1 to 5 years – fixed rate							176.5	41.0
Borrowings and debt from lending institutions maturing in 1 to 5 years – floating rate							211.2	123.2
Borrowings and debt from lending institutions maturing in more than 5 years – fixed rate							445.0	598.7
Borrowings and debt from lending institutions maturing in more than 5 years – floating rate							74.4	19.8
							1,511.3	1,411.0
Materis ⁽³⁾								
Bank borrowings (maturity not extended)	EUR	Euribor+margin		04-2014 to 10-2015	amortizing		62.8	125.6
Bank borrowings (mezzanine PIK)	EUR	Euribor+margin		12-2016	at maturity		460.1	425.7
Bank borrowings (second lien)	EUR	Euribor+margin		03-2016	at maturity		139.7	138.3
Bank borrowings (senior A)	EUR	Euribor+margin		09-2015	at maturity		124.6	146.6
Bank borrowings (senior B)	EUR	Euribor+margin		01-2016	at maturity		296.2	338.1
Bank borrowings (senior C)	EUR	Euribor+margin		01-2016	at maturity		335.6	378.6
Bank borrowings	EUR	Euribor+margin		09-2015	at maturity	€133.2 M	63.4	62.7
Bank borrowings (revolving credit 2)	EUR	Euribor+margin		09-2015	revolving credit	€111.5 M	54.8	54.8
Bank borrowings (acquisition)	EUR	Euribor+margin		09-2015	at maturity		102.0	108.5

In millions of euros	Currency	Coupon rate	Effective interest rate ⁽²⁾	Maturity	Repayment	Overall line	12/31/2013	12/31/2012
Bank borrowings (acquisition 2)	EUR	Euribor+margin		01-2016	at maturity	€100 M	86.6	88.8
Deferred issuance costs							-20.1	-33.0
Shareholder loans							68.3	60.6
Other debt and accrued interest							81.7	116.7
							1,855.6	2,011.9
Stahl								
Bank borrowings (second lien PIK)	USD	Fixed		12-2017	at maturity		47.5	57.1
Bank borrowings (senior A)	USD	Libor+margin		12-2014	amortizing		83.0	94.8
Bank borrowings (senior B)	EUR	Euribor+margin		12-2014	amortizing		36.8	40.2
Bank borrowings (revolving credit)	USD	Libor+margin		11-2014	revolving credit	\$36 M	-	-
Shareholder loans							5.1	4.7
Other borrowings and accrued interest							1.3	1.6
							173.7	198.5
Parcours								
Bank borrowings	EUR	Euribor+margin		2014 to 2016	amortizing		434.6	396.9
Other borrowings and accrued interest							15.9	12.2
							450.5	409.2
Mecatherm								
Bank borrowings (senior)	EUR	Euribor+margin		2014 to 2018	amortizing		55.2	62.7
Bank borrowings				09-2017	revolving credit	€5 M	-	2.6
Deferred issuance costs							-1.8	-2.4
Other borrowings and accrued interest							2.0	4.0
							55.4	66.9
TOTAL							7,845.2	8,034.4
of which non-current portion							6,751.3	7,483.1
of which current portion							1,093.9	551.3

(1) These loans were granted by the banks in the form of combined financial instruments, contractually linked and indissociable so as to enable the repayment of the funds made available by the banks. The combination of these instruments is equivalent to a conventional bank loan.

(2) The effective interest rate is calculated inclusive of the issue premiums/discounts and bank issuance fees. For bonds having been issued in several stages, the effective interest rate corresponds to the weighted average of the par value issued.

(3) Debt held by the Kerneos (Aluminates) division of Materis has been reclassified into "Liabilities of operations held for sale". It amounts to €183.6 million (see note 2 "Changes in scope of consolidation").

Note 16-1.1 Principal changes in the financial debt of Wendel and its holding companies during 2013

The €250 million outstanding under the previous syndicated loan (maturity 2013/14) at the start of the fiscal year was repaid in May 2013 when it was replaced by a new syndicated loan of €600 million, maturing in May 2018. This new syndicated loan was undrawn as of end-2013.

In April 2013, Wendel carried out two simultaneous bond placements at favorable terms, totaling €300 million. Of this amount, €200 million forms a single series with the existing 2018 bonds, and €100 million forms a single series with the existing 2019 bonds. The implied yields of these placements were 3.768% and 4.098% respectively. In September 2013, Wendel also carried out a private bond placement maturing in 2019, accompanied by the repurchase of bonds maturing in 2014. To execute this operation, Wendel repurchased €80 million (par value) in bonds maturing in 2014 at market prices, and issued €100 million (par value) in bonds maturing in 2019 at a yield of 4.17%. They will form a single series with the existing 2019 bonds. Following this operation, the 2018 and 2019 series stand at €500 million and €600 million respectively. Finally, in January 2014 (post close), Wendel placed a €400 million bond issue maturing in 2021 with a coupon of 3.75%.

In addition, Wendel repurchased and canceled certain of its outstanding bonds during fiscal year 2013:

- €35.35 million (par value) of the 2014 bonds were repurchased, reducing the par value of these bonds still outstanding to €476.59 million as of end-2013;
- €31.5 million (par value) of the 2015 bonds were repurchased, reducing the par value of these bonds still outstanding to €368.5 million as of end-2013; and
- €4.5 million (par value) of the 2016 bonds were repurchased, reducing the par value of these bonds still outstanding to €649.65 million as of end-2013.

The difference between the par value and the repurchase price of -€6.7 million was recognized under financial income (the issuance costs of -€2.2 million were amortized).

Bond repurchases continued at the beginning of 2014, reducing the outstanding par value of the 2014 bonds to €460.59 million, and that of the 2015 bonds to €356.6 million as of end-2013.

Regarding bank debt subject to margin calls, the full balance of €200 million of the debt maturing in 2015 was repaid in advance in 2013. In addition, the €875 million credit line with maturity 2016/17, drawn down by €425 million at the end of 2013, was repaid at the beginning of 2014 and replaced by a new €800 million credit line, currently undrawn, with a maturity of 2020. There were no other debts subject to margin calls drawn as of end-2013.

Overall, these transactions had the effect of extending the average maturity of the Group's financing and adjusting it to Wendel's future needs.

Note 16-1.2 Bureau Veritas

The gross debt of Bureau Veritas increased by €100.3 million in 2013, primarily due to the financing of acquisitions.

Note 16-1.3 Materis

In accordance with IFRS 5, "Non-current assets held for sale and discontinued operations", the financial debt of Kerneos, the Alumina business of Materis, which is expected to be divested in the first half of 2014, has been reclassified to "Liabilities of operations held for sale" (€183.6 million).

As of December 31, 2013, the gross face value of Materis' bank debt, including Kerneos, was €2,023.7 million (including accrued interest and the €20 million liquidity line granted by Wendel, and excluding issuance costs and shareholder loans; see note 5-2.2 "Liquidity risk of operating subsidiaries").

The sales proceeds from Kerneos will be used to reduce Materis' financial debt by around €600 million (see note 5-2.5.2. "Materis bank debt").

Note 16-2 Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Wendel par value ⁽¹⁾	-476.6	-2,210.2	-600.0	-3,286.7
Par value of financing related to the acquisition of Saint-Gobain shares	-	-425.0	-	-425.0
Interest of Wendel and of financing related to the acquisition of Saint-Gobain shares ⁽²⁾	-201.7	-493.7	-35.3	-730.7
Subsidiaries and associates				
■ par value	-546.1	-2,863.4	-539.6	-3,949.2
■ interest ⁽²⁾	-132.7	-505.4	-33.7	-671.8
TOTAL	-1,357.1	-6,497.7	-1,208.6	-9,063.4

(1) The schedule showing the par values of Wendel's debt does not take into account the puts issued. The amount to be paid out on these puts depends on the Saint-Gobain share price at maturity. As of December 31, 2013, the market value of these puts was -€142.0 million for maturities between 2015 and 2016 (see note 13-4 "Puts issued (written) on Saint-Gobain shares").

(2) Interest is calculated on the basis of the yield curve prevailing on December 31, 2013. Interest on debt and interest-rate hedges does not reflect interest earned on invested cash.

Note 16-3 Market value of gross financial liabilities

The fair value of bond debt is the market price on December 31, 2013. LBO borrowings were valued on the basis of quotes received from top-tier banks, where available. For the debt financing the

Saint-Gobain shares, the carrying value was considered representative of market value, given the variable interest-rate indexation and the level of collateral. The value of the syndicated loan (indexed on variable interest rates) is its carrying value. Accrued interest not yet due is also recorded at carrying value.

In millions of euros	31/12/2013	31/12/2012
Wendel	3,643.1	3,536.1
Financing of the investment in Saint-Gobain	428.3	633.3
Operating subsidiaries	4,098.5	3,705.7
TOTAL	8,169.9	7,875.1

NOTE 17 Trade payables

In millions of euros	12/31/2013	12/31/2012
At:		
Bureau Veritas	232.3	240.7
Materis	184.2	236.2
Stahl	38.1	28.1
Oranje-Nassau Développement	86.0	69.9
Wendel and holding companies	8.6	4.4
TOTAL	549.2	579.3

NOTE 18 Other current liabilities

In millions of euros	12/31/2013	12/31/2012
Other current liabilities at:		
Bureau Veritas	467.4	468.8
Materis	27.0	171.5
Stahl	144.1	25.9
Oranje-Nassau Développement	34.2	26.5
Wendel and holding companies	15.1	11.1
	687.9	703.8
Deferred revenue	88.5	78.6
TOTAL	776.4	782.4

NOTE 19 Current and deferred taxes

Details of current taxes are as follows:

In millions of euros	12/31/2013	12/31/2012
Current tax assets		
Bureau Veritas	40.7	55.0
Stahl	4.3	3.9
Oranje-Nassau Développement	1.6	3.3
Wendel and holding companies	19.6	25.2
	66.1	87.4
Current tax liabilities		
Bureau Veritas	81.0	75.8
Materis	0.5	3.1
Stahl	1.3	4.4
Oranje-Nassau Développement	-	1.8
Wendel and holding companies	0.2	0.2
	83.1	85.4

Details of deferred taxes are as follows:

In millions of euros	12/31/2013	12/31/2012
Deferred tax assets		
Bureau Veritas	122.1	110.4
Materis	41.3	50.3
Stahl	10.7	14.3
Oranje-Nassau Développement	8.7	11.6
Wendel and holding companies	1.8	2.9
	184.7	189.5
Deferred tax liabilities		
Bureau Veritas	158.6	166.6
Materis	260.5	370.1
Stahl	17.2	18.1
Oranje-Nassau Développement	34.3	35.2
Wendel and holding companies	0.0	-
	470.6	590.0
NET DEFERRED TAX LIABILITIES	-286.0	-400.6

The change in deferred taxes is as follows:

In millions of euros	2013	2012
Amount at beginning of year	-400.6	-440.9
Changes through profit or loss	29.9	63.0
Changes through shareholders' equity	-1.7	14.6
Currency translation adjustments	3.8	1.5
Business combinations	76.8	-28.9
Other	5.8	-9.8
AMOUNT AT END OF YEAR	-286.0	-400.6

NOTE 20 Assets and liabilities of operations held for sale

As of December 31, 2013, assets and liabilities held for sale were composed primarily of the assets and liabilities of the Aluminates business of Materis (Kerneos). Kerneos is expected to be divested in the first half of 2014 (see note 2 "Changes in scope of consolidation").

As of December 2013, the assets of Kerneos totaled €801.0 million, and liabilities excluding intragroup loans and debts totaled €375.2 million:

In millions of euros	Assets	Liabilities
Goodwill, net	215.1	Provisions 22.5
Intangible assets, net	169.4	Financial debt 183.6
Property, plant & equipment, net	246.4	Trade payables 41.1
Inventories	93.4	Deferred tax liabilities 94.7
Trade receivables	36.8	Other 33.4
Cash and cash equivalents	15.6	
Other	24.4	
TOTAL	801.0	375.2

5.9 Notes to the income statement

In accordance with IFRS 5, “Non-current assets held for sale and discontinued operations”, income items relating to Kerneos, the Aluminates business of Materis, which is expected to be divested in the first half of 2014, have been reclassified to “Net income from discontinued operations and operations held for sale” for fiscal years 2013 and 2012.

NOTE 21 Net sales

In millions of euros	2013	2012	% Change	Organic growth
Bureau Veritas	3,933.1	3,902.3	0.8%	3.5%
Materis	1,736.6	1,709.1	1.6%	4.3%
Stahl	356.3	361.2	-1.4%	1.3%
Oranje-Nassau Développement				
■ Parcours	309.6	292.9	5.7%	5.7%
■ Mecatherm	96.1	73.1	31.5%	31.5%
CONSOLIDATED NET SALES	6,431.8	6,338.6	1.5%	4.0%

Consolidated net sales broke down as follows:

In millions of euros	2013	2012
Sales of goods	2,264.4	2,578.8
Sales of services	4,167.4	3,759.8
CONSOLIDATED NET SALES	6,431.8	6,338.6

NOTE 22 Operating expenses

In millions of euros	2013	2012
Purchases and external charges	2,712.3	2,698.3
Personnel costs	2,498.1	2,445.9
Taxes other than income taxes	79.1	93.7
Other operating expenses	22.4	27.8
Depreciation & amortization	378.2	364.4
Net additions to provisions	9.9	18.3
TOTAL	5,700.1	5,648.4

Note 22-1 R&D costs recognized as expenses

In millions of euros	2013	2012
Materis	24.2	22.6
Stahl	2.4	2.7

Note 22-2 Average number of employees at consolidated companies

	2013	2012
Bureau Veritas	61,581	58,924
Materis ⁽¹⁾	8,509	8,521
Stahl	1,211	1,238
Oranje-Nassau Développement	607	578
Wendel and holding companies	77	74
TOTAL	71,985	69,335

(1) The average number of Materis' employees has been restated for Kerneos employees for fiscal years 2013 and 2012.

NOTE 23 Income from ordinary activities

In millions of euros	2013	2012
Bureau Veritas	574.2	563.5
Materis	135.2	115.5
Stahl	45.3	37.0
Oranje-Nassau Développement	35.4	27.4
Wendel and holding companies	-54.1	-47.0
INCOME FROM ORDINARY ACTIVITIES	736.0	696.4

NOTE 24 Other operating income and expenses

In millions of euros	2013	2012
Net gains on sale of intangible assets and property, plant & equipment	-0.7	7.1
Net gains (losses) on divestment of consolidated investments	1.3	-
Restructuring costs	-19.2	-23.0
Impairment of assets ⁽¹⁾	-11.5	-146.4
Other income and expenses	-31.1	-11.5
TOTAL	-61.2	-173.8

(1) Includes asset impairment (goodwill, intangible assets, and property, plant & equipment) of -€11.5 million at Materis in 2013. In 2012, the impairments essentially related to Materis and Bureau Veritas.

NOTE 25 Finance costs, net

In millions of euros	2013	2012
Income from cash and cash equivalents ⁽¹⁾	9.2	13.1
Finance costs, gross		
Interest expense	-406.9	-429.9
Interest expense on shareholder loans from non-controlling interests	-10.4	-8.6
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-31.9	-30.5
	-449.2	-469.0
TOTAL	-440.0	-455.9

(1) Includes €5.5 million at the level of Wendel and its holding companies. An additional €14.5 million in income on short-term financial investments is recognized under "Other financial income and expenses", leading to total income of €20.0 million 2013 (€23.7 million in 2012) on the cash and short-term financial investments of Wendel and its holding companies.

NOTE 26 Other financial income and expense

In millions of euros	2013	2012
Gains (losses) on disposals of assets available for sale	6.0	-
Dividends received from unconsolidated companies	4.3	3.6
Income on interest-rate, currency and equity derivatives ⁽¹⁾	59.5	10.9
Interest on other financial assets	9.2	8.2
Net currency exchange gains (losses)	-9.4	-6.3
Impact of discounting	-2.6	-7.9
Gain on buyback of debt	-2.4	-2.5
Other ⁽²⁾	21.9	8.4
TOTAL	86.4	14.5

(1) In 2013, this line item primarily included a +€42.6 million change in fair value of the put options on Saint-Gobain shares.

(2) In 2013, this amount included a €12.5 million premium on the sale of Saint-Gobain shares received in 2013 as a dividend paid by Saint-Gobain. (see note 2 "Changes in scope of consolidation").

NOTE 27 Tax expense

In millions of euros	2013	2012
Current income tax	-219.5	-212.7
Deferred taxes	29.9	76.9
TOTAL	-189.6	-135.8

The portion of CVAE (value added) tax is recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French national accounting council) of January 14, 2010.

The difference between the theoretical tax based on standard rate of 34.43% applicable in France and the actual income tax expense of Wendel, its holding companies and its operating subsidiaries broke down as follows:

In millions of euros	Wendel and holding companies	Operating subsidiaries	Total
Income before tax expense, net income from equity-method subsidiaries and net income from discontinued operations and operations held for sale	-156.5	477.7	321.2
Theoretical amount of tax expense calculated on the basis of a rate of 34.43%	53.9	-164.5	-110.6
Impact of:			
Uncapitalized tax losses of Wendel/holding companies and transactions subject to reduced tax rates at the holding company level	-54.6		
Uncapitalized tax losses at the operating subsidiary level		-35.6	
Reduced tax rates and foreign tax rates at the operating subsidiary level		51.6	
CVAE tax paid by operating subsidiaries		-18.3	
Exceptional contribution paid by operating subsidiaries		-18.8	
Tax on dividends	-2.5	-6.0	
Other, including benefit arising from tax consolidation for Wendel	7.2	-2.0	
Actual tax expense	4.0	-193.6	-189.6

NOTE 28 Net income (loss) from equity-method investments

In millions of euros	2013	2012
Net income including impact of goodwill allocation		
Saint-Gobain	71.2	50.5
Legrand ⁽¹⁾	12.9	28.7
except	1.3	-3.3
IHS ⁽¹⁾	-9.7	-
Other companies	0.2	0.7
Sale of Legrand shares ⁽¹⁾	369.0	14.6
Impact of Legrand dilution	-1.3	0.0
Impairment of equity-method Saint-Gobain shares ⁽²⁾	-	-414.0
Impact of dilution on the Saint-Gobain investment ⁽³⁾	-97.0	-6.8
TOTAL	346.7	-329.7

(1) In 2013: see note 2 "Changes in scope of consolidation" with respect to Legrand and IHS.

(2) In 2012: impairment recognized on Saint-Gobain shares (see note 9-4.1 "Impairment test on Saint-Gobain shares, accounted for by the equity method").

(3) In 2013: the effects of dilution are detailed in note 2 "Changes in scope of consolidation" with respect to Saint-Gobain.

NOTE 29 Net income from discontinued operations and operations held for sale

In millions of euros	2013	2012
Gain on divestments		
Deutsch	-	689.2
Oranje-Nassau Groep – oil & gas business	0.9	0.8
	0.9	690.0
Share in net income for the period from discontinued operations		
Materis – Kerneos division – share in net income for the period	10.8	13.8
Deutsch – share in net income for the period	-	6.7
Wendel and holding companies – interest income on loans to the Deutsch group	-	10.7
	10.8	31.3
TOTAL	11.7	721.3

Kerneos income statement:

In millions of euros	2013	2012
Net sales	361.2	363.4
Operating income	34.1	36.9
Net income	10.8	13.8
of which: Net income, Group share	8.7	10.6

NOTE 30 Earnings per share

In euros and millions of euros	2013	2012
Net income, Group share	333.7	221.1
Impact of dilutive instruments on subsidiaries	-9.0	-8.0
Diluted net income	324.7	213.1
Average number of shares, net of treasury shares	47,234,665	48,246,738
Potential dilution due to Wendel stock options ⁽¹⁾	605,137	599,362
Diluted number of shares	47,839,802	48,846,101
Basic earnings per share (in euros)	7.07	4.58
Diluted earnings per share (in euros)	6.79	4.36
Basic earnings per share from continuing operations (in euros)	6.87	-10.28
Diluted earnings per share from continuing operations (in euros)	6.60	-10.31
Basic earnings per share from discontinued operations (in euros)	0.19	14.86
Diluted earnings per share from discontinued operations (in euros)	0.19	14.67

(1) According to the "treasury stock" method, it is assumed that the cash received from the exercise of dilutive instruments would be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact.

Basic earnings per share from continuing operations and diluted earnings per share from continuing operations include the gain on the sale of Legrand as well as the Group's share in Legrand's earnings

during the period. These two items were recognized in the income statement under "Share of net income from equity-method investments".

5.10 Notes on changes in cash position

NOTE 31 Acquisition of property, plant & equipment and intangible assets

In millions of euros	2013	2012
By Bureau Veritas	146.8	140.5
By Materis	72.2	78.2
By Stahl	8.3	9.7
By Oranje-Nassau Développement ⁽¹⁾	281.0	243.5
By Wendel and holding companies	4.3	0.6
TOTAL	512.6	472.5

(1) Includes €271.0 million of vehicles purchased and leased out by Parcours in 2013, vs. €238.9 million in 2012.

NOTE 32 Disposal of property, plant & equipment and intangible assets

Disposals of property, plant & equipment and intangible assets include principally €75.3 million in sales of Parcours' second-hand vehicles (€71.9 million in 2012).

NOTE 33 Acquisition of equity investments

The principal acquisitions undertaken in the period are detailed in note 2 "Changes in scope of consolidation".

In millions of euros	2013	2012
By Oranje-Nassau Développement:		
■ NOP	22.7	-
■ Saham	100.0	-
By Bureau Veritas	170.6	281.2
By Materis	5.0	39.5
IHS	191.2	-
Other securities	5.9	-
TOTAL	495.3	320.7

NOTE 34 Divestments

In millions of euros	2013	2012
Sale of Deutsch	-	959.6
Sale of Legrand shares ⁽¹⁾	518.6	-
Sale of Saint-Gobain shares ⁽¹⁾	68.3	-
Divestments by Bureau Veritas	4.0	3.3
Other	2.7	0.8
TOTAL	593.6	963.7

(1) See note 2 "Changes in scope of consolidation".

NOTE 35 Impact of changes in scope of consolidation and of operations held for sale

The amount in 2013 was the balance of +€7.6 million related to the entry of subsidiaries of Bureau Veritas into the scope of consolidation and -€15.6 million related to the reclassification of cash and cash equivalents of the Kerneos business of Materis into "Assets and operations held for sale".

The amount in 2012 was the sum of +€12.7 million and +€6.0 million relating to the entry of subsidiaries of Bureau Veritas and Materis, respectively, into the scope of consolidation.

NOTE 36 Changes in other financial assets and liabilities and other

In 2013, this item consisted mainly of €31.2 million in net sales of Wendel's short-term financial investments (classified under current financial assets; see the section on Wendel's liquidity).

In 2012, this item consisted mainly of:

- Wendel's short-term financial investments, net of sales, of €55.9 million (classified under current financial assets; see the section on Wendel's liquidity);

- the €19.8 million (\$25 million) convertible loan granted to IHS;
- the €15.0 million guarantee given as part of the agreement between Mecatherm and its lenders (see note 5-2.5 "Financial debt of operating subsidiaries – documentation and covenants").

NOTE 37 Dividends received from equity-accounted investments and unconsolidated companies

Dividends received in 2013 principally included €126.2 million from Saint-Gobain (including €12.5 million of premium, see note 2 "Changes in the scope of consolidation") and €14.4 million from Legrand. In 2012, these figures were €113.7 million and €14.3 million, respectively.

The €103.0 million dividend received from Bureau Veritas was eliminated upon consolidation (€71.5 million in 2012).

NOTE 38 Net change in borrowing and other financial liabilities

Details of financial debt are shown in note 16 "Financial debt".

In millions of euros	2013	2012
New borrowings by:		
Wendel - bond issue	445.2	397.6
Bureau Veritas	275.4	937.9
Materis	117.6	216.8
Stahl	-	-
Oranje-Nassau Développement ⁽¹⁾	311.9	283.4
	1,150.1	1,835.7
Borrowings repaid by:		
Wendel – repurchase of 2014, 2015, and 2016 bonds	158.1	142.6
Wendel – syndicated credit facility	250.0	250.0
Debt financing the acquisition of Saint-Gobain shares	200.0	760.0
Bureau Veritas	155.0	810.8
Materis	150.6	231.2
Stahl	25.6	15.6
Oranje-Nassau Développement ⁽¹⁾	280.8	245.4
	1,220.0	2,455.6
TOTAL	-69.9	-619.9

(1) These amounts essentially represented Parcours' operating loans, which finance the company's fleet of vehicles leased out to customers.

5.11 Other notes

NOTE 39 Segment information

Analysis of the income statement by operating segment is divided into two parts: “net income from business sectors” and non-recurring items.

Net income from business sectors

Net income from business sectors is the Group’s “recurring” income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, as defined below:

- “net income from investments” is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Materis, and Stahl, as well as Parcours and Mecatherm held by Oranje-Nassau Développement); and Wendel’s share in the net income of investments accounted for under the equity method (Saint-Gobain, Legrand, and IHS, as well as except, held by Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocations;
- net income from holding companies includes the operating expenses of Wendel and the holding companies, the cost of net debt contracted to finance Wendel and its holding companies, the cost of financing the Saint-Gobain shares, and the related income tax items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

“Non-recurring income” includes, for the entire scope of consolidation, the net after-tax amounts not linked to the operating activity of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- restructuring costs considered exceptional;
- exceptional legal disputes, notably those that are not linked to operating activities;

- interest income and expenses on shareholder loans, as these are linked to the structure of the financial instruments used to invest in the subsidiaries and associates. These items do not usually give rise to a settlement in cash prior to divestment. The tax impact related to these items is considered recurring inasmuch as it has a structural impact on the tax to be paid;
- changes in “fair value”;
- impairment losses on assets, and in particular on the value of goodwill;
- currency impact on financial liabilities;
- financial restructuring expenses and the income and expenses related to extinguishing debt;
- any other significant item unconnected with the Group’s recurring operations.

Impact of goodwill allocation

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of the acquisition (or from changes to these valuations within 12 months after the transaction). The affected items are primarily:

- inventories and work-in-progress;
- property, plant & equipment;
- intangible assets, including brands and contracts;
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (because the accounting entries relate to the companies’ acquisition prices and not their business activities).

Note 39-1 Income statement by operating segment for fiscal year 2013

In millions of euros	Equity-method investments								Total operations
	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand	IHS	Holding companies	
Net income from business sectors									
Net sales	3,933.1	1,736.6	356.3	405.8				-	6,431.8
EBITDA	N/A	196.7	64.7	N/A					
Adjusted operating income ⁽¹⁾	656.9	152.4	56.0	43.4					
Other recurring operating items	-	-2.0	-1.2	-0.8					
Operating income	656.9	150.4	54.8	42.7				-50.4	854.3
Finance costs, net	-62.3	-129.4	-11.9	-10.3				-198.3	-412.1
Other financial income and expense	-1.6	-4.9	-	0.0				-	-6.5
Tax expense	-184.5	-26.5	-11.9	-12.9				4.7	-231.2
Share in net income of equity-method investments	-0.0	0.0	0.3	2.0	171.4	13.8	-5.8	-	181.7
Net income from discontinued operations and operations held for sale	-	23.4	-	-	-	-	-	-	23.4
RECURRING NET INCOME FROM BUSINESS SECTORS	408.4	13.0	31.3	21.5	171.4	13.8	-5.8	-244.0	409.7
Recurring net income from business sectors – non-controlling interests	204.8	2.6	2.5	0.7	-	-	-0.0	-	210.4
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	203.6	10.5	28.8	20.9	171.4	13.8	-5.7	-244.0	199.3
Non-recurring income									
Operating income	-80.2	-45.2	-14.4	-7.3	-	-	-	-32.3	-179.5
Net financial income	-0.0	-49.5	-8.1	0.5	-	-	-	122.1	65.0
Tax expense	19.4	12.1	8.4	2.3	-	-	-	-0.7	41.5
Share in net income of equity-method investments	-	-	-	-0.7	-197.2	-2.2	-4.0	369.0	164.9
Net income from discontinued operations and operations held for sale	-	-12.6	-	-	-	-	-	0.9	-11.7
NON-RECURRING NET INCOME	-60.8	-95.2	-14.2	-5.2	-197.2	-2.2	-4.0	459.1	80.3
of which:									
■ Non-recurring items	-14.9	-66.9	-7.2	-0.2	-89.0 ⁽³⁾	-1.7	-4.0	459.1 ⁽²⁾	275.1
■ Impact of goodwill allocation	-45.9	-19.7	-7.0	-5.0	-28.1	-0.5	-	-	-106.2
■ Asset impairment	-	-8.5	-	-	-80.1	-	-	-	-88.6
Non-recurring net income – non-controlling interests	-29.7	-23.3	-1.1	-0.2	-	-	-0.0	0.2	-54.1
NON-RECURRING NET INCOME - GROUP SHARE	-31.1	-71.9	-13.1	-5.1	-197.2	-2.2	-4.0	458.9	134.4
CONSOLIDATED NET INCOME	347.6	-82.1	17.1	16.3	-25.7	11.6	-9.7	215.1	490.0
Consolidated net income – non-controlling interests	175.1	-20.7	1.3	0.5	-	-	-0.0	0.2	156.3
CONSOLIDATED NET INCOME - GROUP SHARE	172.5	-61.4	15.7	15.8	-25.7	11.6	-9.7	214.9	333.7

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) This amount includes the €369.0 million gain on the sale of Legrand shares and a €42.6 million increase in the fair value of Saint-Gobain puts (see note 13-4 "Put options issued (written) on Saint-Gobain shares").

(3) This amount principally included a €97.0 million dilution loss on Saint-Gobain shares (see note 2 "Changes in the scope of consolidation").

The contribution of Oranje-Nassau Développement to the 2013 income statement by business sector broke down as follows:

	Oranje-Nassau Développement			Total
	Parcours	Mecatherm	exceet	
Net income from business sectors				
Net sales	309.6	96.1	-	405.8
EBITDA	N/A	16.6	-	
Adjusted operating income ⁽¹⁾	N/A	15.3	-	
Other recurring operating items	-0.3	-0.5	-	-0.8
Operating income	27.9	14.8	-	42.7
Finance costs, net	-6.4	-3.9	-	-10.3
Other financial income and expense	0.0	0.0	-	0.0
Pre-tax income, including management fees	21.5	N/A		
Tax expense	-8.5	-4.4	-	-12.9
Share in net income of equity-method investments	-	-	2.0	2.0
Net income from discontinued operations and operations held for sale	-	-	-	-
RECURRING NET INCOME FROM BUSINESS SECTORS	13.0	6.5	2.0	21.5
Recurring net income from business sectors – non-controlling interests	0.5	0.1	-	0.7
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	12.4	6.4	2.0	20.9
Non-recurring income				
Operating income	-5.9	-1.4	-	-7.3
Net financial income	-0.0	0.5	-	0.5
Tax expense	2.0	0.3	-	2.3
Share in net income of equity-method investments	-	-	-0.7	-0.7
Net income from discontinued operations and operations held for sale	-	-	-	-
NON-RECURRING NET INCOME	-4.0	-0.6	-0.7	-5.2
of which:				
■ Non-recurring items	-1.4	0.3	0.9	-0.2
■ Impact of goodwill allocation	-2.6	-0.9	-1.6	-5.0
■ Asset impairment	-	-	-	-
Non-recurring net income – non-controlling interests	-0.2	-0.0	-	-0.2
NON-RECURRING NET INCOME - GROUP SHARE	-3.8	-0.6	-0.7	-5.1
CONSOLIDATED NET INCOME	9.0	5.9	1.3	16.3
Consolidated net income – non-controlling interests	0.4	0.1	-	0.5
CONSOLIDATED NET INCOME - GROUP SHARE	8.6	5.8	1.3	15.8

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 39-2 Income statement by operating segment for fiscal year 2012

In millions of euros						Equity-method investments		Holding companies	Total operations
	Bureau Veritas	Materis	Deutsch	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand		
Net income from business sectors									
Net sales	3,902.3	1,709.1	-	361.2	365.9			-	6,338.6
EBITDA	N/A	188.1	-	54.9	N/A				
Adjusted operating income ⁽¹⁾	639.2	135.3	-	47.0	N/A				
Other recurring operating items	-	-2.0	-	-1.2	-0.5				
Operating income	639.2	133.3	-	45.8	32.8			-45.7	805.4
Finance costs, net	-57.8	-140.0	-	-13.4	-11.4			-205.5	-428.1
Other financial income and expense	-11.4	-0.8	-	-	0.1			-0.1	-12.2
Tax expense	-157.7	-27.8	-	-6.1	-8.1			6.3	-193.6
Share in net income of equity-method investments	0.0	0.4	-	0.3	2.1	192.0	31.1	-	225.8
Net income from discontinued operations and operations held for sale	-	25.2	24.9	-	-	-	-	0.3	50.5
RECURRING NET INCOME FROM BUSINESS SECTORS	412.3	-9.8	24.9	26.6	15.4	192.0	31.1	-244.7	447.8
Recurring net income from business sectors – non-controlling interests	206.2	-1.9	2.6	2.3	0.5	-	-	0.2	209.9
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	206.1	-7.9	22.3	24.3	14.8	192.0	31.1	-244.8	237.9
Non-recurring income									
Operating income	-133.9	-123.9	-	-10.3	-5.3	-	-	-9.3	-282.8
Net financial income	-0.0	-38.2	-	-2.2	-0.7	-	-	39.9	-1.1
Tax expense	20.3	25.8	-	7.6	2.0	-	-	2.0	57.8
Share in net income of equity-method investments	-	-	-	-	-5.4	-562.3	-2.4	14.6	-555.5
Net income from discontinued operations and operations held for sale	-	-11.4	-18.2	-	-	-	-	700.4	670.8
NON-RECURRING NET INCOME	-113.6	-147.6	-18.2	-4.9	-9.4	-562.3	-2.4	747.7	-110.8
of which:									
■ Non-recurring items	-3.6	-57.5	-14.7	2.0	-0.4	-9.2	-1.4	747.7 ⁽²⁾	662.8
■ Impact of goodwill allocation	-47.5	-21.5	-3.5	-7.0	-9.0	-80.1	-1.0	-	-169.5
■ Asset impairment	-62.5	-68.6	-	-	-	-473.0 ⁽³⁾	-	-	-604.1
Non-recurring net income – non-controlling interests	-55.5	-36.1	-1.9	-0.4	-0.1	-	-	-	-94.0
NON-RECURRING NET INCOME - GROUP SHARE	-58.1	-111.5	-16.3	-4.5	-9.2	-562.3	-2.4	747.7	-16.8
CONSOLIDATED NET INCOME	298.7	-157.4	6.7	21.7	6.0	-370.3	28.7	503.0	337.1
Consolidated net income – non-controlling interests	150.7	-38.0	0.7	1.8	0.4	-	-	0.2	115.9
CONSOLIDATED NET INCOME - GROUP SHARE	147.9	-119.4	6.0	19.8	5.6	-370.3	28.7	502.8	221.1

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) This amount includes:

the €689.2 million gain on the sale of Deutsch;

the €14.6 million gain on the sale of Legrand shares, which served to pay Wendel's dividend in kind.

(3) This amount includes a €414.0 million write-down in the value of Wendel's holding in Saint-Gobain.

The contribution of Oranje-Nassau Développement to the 2012 income statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Net income from business sectors				
Net sales	292.9	73.1	-	365.9
EBITDA	N/A	7.8	-	
Adjusted operating income ⁽¹⁾	N/A	6.5	-	
Other recurring operating items	-	-0.5	-	-0.5
Operating income	26.8	6.0	-	32.8
Finance costs, net	-6.8	-4.6	-	-11.4
Other financial income and expense	-	0.1	-	0.1
PRE-TAX INCOME, INCLUDING MANAGEMENT FEES	20.0			
Tax expense	-7.7	-0.4	-	-8.1
Share in net income of equity-method investments	-	-	2.1	2.1
Net income from discontinued operations and operations held for sale	-	-	-	-
RECURRING NET INCOME FROM BUSINESS SECTORS	12.3	1.0	2.1	15.4
Recurring net income from business sectors – non-controlling interests	0.5	0.0	-	0.5
RECURRING NET INCOME FROM BUSINESS SECTORS - GROUP SHARE	11.8	1.0	2.1	14.8
Non-recurring income				
Operating income	-4.0	-1.4	-	-5.3
Net financial income	-	-0.7	-	-0.7
Tax expense	1.3	0.7	-	2.0
Share in net income of equity-method investments	-	-	-5.4	-5.4
Net income from discontinued operations and operations held for sale	-	-	-	-
NON-RECURRING NET INCOME	-2.7	-1.3	-5.4	-9.4
of which:				
■ Non-recurring items	-	-0.4	0.1	-0.4
■ Impact of goodwill allocation	-2.7	-0.9	-5.5	-9.0
■ Asset impairment	-	-	-	-
Non-recurring net income – non-controlling interests	-0.1	-0.0	-	-0.1
NON-RECURRING NET INCOME – GROUP SHARE	-2.5	-1.3	-5.4	-9.2
CONSOLIDATED NET INCOME	9.6	-0.3	-3.3	6.0
Consolidated net income – non-controlling interests	0.4	-0.0	-	0.4
CONSOLIDATED NET INCOME – GROUP SHARE	9.2	-0.3	-3.3	5.6

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 39-3 Balance sheet by operating segment as of December 31, 2013

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Wendel and holding companies	Consolidated
Goodwill, net	1,885.2	548.2	24.1	138.1	-	-	-	2,595.6
Intangible assets, net	585.0	498.6	64.2	81.1	-	-	0.1	1,229.0
Property, plant & equipment, net	401.3	286.5	84.5	576.3	-	-	10.9	1,359.5
Non-current financial assets	45.5	8.4	3000	3.6	-	-	157.9	215.9
Pledged cash and cash equivalents	-	-	-	-	-	-	6.4	6.4
Equity-method investments	0.8	0.4	2.4	55.7	4,004.8	1385.1	-	4,249.2
Deferred tax assets	122.1	41.3	10.7	8.7	-	-	1.8	184.7
Total non-current assets	3,039.9	1,383.4	186.4	863.5	4,004.8	185.1	177.2	9,840.3
Assets and operations held for sale	-	801.0	4.5	-	-	-	-	805.5
Inventories and work-in-progress	12.6	170.8	42.7	33.0	-	-	-	259.2
Trade receivables	992.0	295.1	68.1	78.2	-	-	0.3	1,433.7
Other current assets	117.8	61.8	8.4	13.8	-	-	5.5	207.4
Current income tax assets	40.7	-	4.3	1.6	-	-	19.6	66.1
Other current financial assets	6.9	0.2	-	0.0	-	-	348.0	355.1
Cash and cash equivalents	190.6	68.1	58.2	13.4	-	-	427.6	758.0
Total current assets	1,360.7	596.0	181.8	139.9	-	-	800.9	3,079.4
TOTAL ASSETS								13,725.1
Shareholders' equity - Group share								2,535.5
Non-controlling interests								522.1
Total shareholders' equity								3,057.6
Long-term provisions	197.0	38.7	2.9	2.5	-	-	28.6	269.6
Financial debt (non-current portion)	1,407.1	1,792.8	52.6	251.2	-	-	3,247.6	6,751.3
Other non-current financial liabilities	24.3	13.9	-	3.5	-	-	188.6	230.3
Deferred tax liabilities	158.6	260.5	17.2	34.3	-	-	0.0	470.6
Total non-current liabilities	1,787.0	2,105.8	72.6	291.6	-	-	3,464.8	7,721.8
Liabilities held for sale	-	375.2	-	-	-	-	-	375.2
Short-term provisions	-	2.5	0.3	6.6	-	-	-	9.4
Financial debt (current portion)	104.2	62.8	121.1	254.7	-	-	551.1	1,093.9
Other current financial liabilities	47.7	1.0	1.7	0.3	-	-	7.8	58.6
Trade payables	232.3	184.2	38.1	86.0	-	-	8.6	549.2
Other current liabilities	555.6	144.4	26.9	34.2	-	-	15.3	776.4
Current income tax liabilities	81.0	0.5	1.3	-	-	-	0.2	83.1
Total current liabilities	1,020.9	395.4	189.4	381.8	-	-	583.1	2,570.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								13,725.1

The contribution of Oranje-Nassau Développement to the 2013 balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	except	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	-	138.1
Intangible assets, net	11.8	69.3	-	81.1
Property, plant & equipment, net	570.0	6.3	-	576.3
Non-current financial assets	3.1	0.5	-	3.6
Pledged cash and cash equivalents	-	-	-	-
Equity-method investments	-	-	55.7	55.7
Deferred tax assets	6.2	2.5	-	8.7
Total non-current assets	626.9	180.9	55.7	863.5
Assets and operations held for sale	-	-	-	-
Inventories and work-in-progress	24.8	8.2	-	33.0
Trade receivables	29.0	49.2	-	78.2
Other current assets	11.0	2.7	-	13.8
Current income tax assets	-	1.6	-	1.6
Other current financial assets	0.0	-	-	0.0
Cash and cash equivalents	2.9	10.5	-	13.4
Total current assets	67.7	72.2	-	139.9
Long-term provisions	0.3	2.2	-	2.5
Financial debt (non-current portion)	204.3	46.9	-	251.2
Other non-current financial liabilities	1.5	2.0	-	3.5
Deferred tax liabilities	9.8	24.6	-	34.3
Total non-current liabilities	215.9	75.7	-	291.6
Liabilities held for sale	-	-	-	-
Short-term provisions	2.3	4.3	-	6.6
Financial debt (current portion)	246.2	8.5	-	254.7
Other current financial liabilities	0.3	-	-	0.3
Trade payables	71.0	15.0	-	86.0
Other current liabilities	11.1	23.1	-	34.2
Current income tax liabilities	-	-	-	-
TOTAL CURRENT LIABILITIES	330.9	50.9	-	381.8

Note 39-4 Balance sheet by operating segment as of December 31, 2012

In millions of euros	Bureau Veritas	Materis	Oranje-Nassau StahlDéveloppement	Saint-Gobain	Legrand	Wendel and holding companies	Consolidated
Goodwill, net	1,959.3	767.5	24.1	138.1	-	-	2,889.1
Intangible assets, net	608.9	696.3	69.1	84.8	-	-	1,459.3
Property, plant & equipment, net	379.4	564.7	91.4	513.2	-	-	1,556.0
Non-current financial assets	68.1	9.0	-	3.0	-	-	114.6
Pledged cash and cash equivalents	-	-	-	-	-	-	3.4
Equity-method investments	0.7	3.8	2.1	53.8	4,228.4	145.3	4,434.1
Deferred tax assets	110.4	50.3	14.3	11.6	-	-	189.5
Total non-current assets	3,126.8	2,091.6	201.0	804.5	4,228.4	145.3	10,646.0
Assets and operations held for sale	5.4	-	5.3	-	-	-	10.6
Inventories and work-in-progress	8.6	274.7	47.9	35.6	-	-	366.7
Trade receivables	940.7	334.2	66.2	71.5	-	-	1,412.8
Other current assets	111.3	66.8	13.7	10.5	-	-	205.0
Current income tax assets	55.0	-	3.9	3.3	-	-	87.4
Other current financial assets	10.3	0.4	-	0.7	-	-	455.5
Cash and cash equivalents	243.5	71.4	33.7	11.3	-	-	845.9
Total current assets	1,369.4	747.4	165.4	132.9	-	-	3,373.4
TOTAL ASSETS							14,030.0
Shareholders' equity - Group share							2,674.4
Non-controlling interests							617.9
Total shareholders' equity							3,292.3
Long-term provisions	195.8	65.3	7.8	2.6	-	-	302.8
Financial debt (non-current portion)	1,282.7	1,916.0	173.8	241.3	-	-	7,483.1
Other non-current financial liabilities	24.2	-	3.4	3.4	-	-	129.2
Deferred tax liabilities	166.6	370.1	18.1	35.2	-	-	590.0
Total non-current liabilities	1,669.3	2,351.4	203.2	282.6	-	-	3,998.7
Liabilities held for sale	1.0	-	-	-	-	-	1.0
Short-term provisions	-	2.2	0.3	4.6	-	-	7.0
Financial debt (current portion)	128.3	95.9	24.6	234.7	-	-	551.3
Other current financial liabilities	52.2	22.8	-	1.8	-	-	226.3
Trade payables	240.7	236.2	28.1	69.9	-	-	579.3
Other current liabilities	547.0	171.3	25.9	26.9	-	-	782.4
Current income tax liabilities	75.8	3.1	4.4	1.8	-	-	85.4
Total current liabilities	1,043.9	531.6	83.4	339.7	-	-	2,231.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY							14,030.0

The contribution of Oranje-Nassau Développement to the 2012 balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	except	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	-	138.1
Intangible assets, net	16.0	68.8	-	84.8
Property, plant & equipment, net	507.1	6.1	-	513.2
Non-current financial assets	2.5	0.4	-	3.0
Pledged cash and cash equivalents	-	-	-	-
Equity-method investments	-	-	53.8	53.8
Deferred tax assets	6.9	4.7	-	11.6
Total non-current assets	568.4	182.4	53.8	804.5
Assets and operations held for sale	-	-	-	-
Inventories and work-in-progress	28.2	7.3	-	35.6
Trade receivables	33.1	38.4	-	71.5
Other current assets	8.3	2.2	-	10.5
Current income tax assets	-0.0	3.3	-	3.3
Other current financial assets	0.7	-	-	0.7
Cash and cash equivalents	1.6	9.7	-	11.3
Total current assets	72.0	60.9	-	132.9
Long-term provisions	0.3	2.3	-	2.6
Financial debt (non-current portion)	186.1	55.3	-	241.3
Other non-current financial liabilities	1.7	1.7	-	3.4
Deferred tax liabilities	10.6	24.6	-	35.2
TOTAL NON-CURRENT LIABILITIES	198.7	83.9	-	282.6
Liabilities held for sale	-	-	-	-
Short-term provisions	0.6	3.9	-	4.6
Financial debt (current portion)	223.1	11.6	-	234.7
Other current financial liabilities	1.8	-	-	1.8
Trade payables	61.5	8.4	-	69.9
Other current liabilities	12.4	14.5	-	26.9
Current income tax liabilities	1.7	0.2	-	1.8
TOTAL CURRENT LIABILITIES	301.1	38.6	-	339.7

Note 39-5 Cash flow statement by business segment for 2013

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	686.3	216.6	70.2	184.9	-42.2	-	1,115.8
Net cash flows from investing activities, excluding tax	-304.9	-89.2	-7.5	-192.7	545.1	-103.0	-152.1
Net cash flows from financing activities, excluding tax	-254.5	-85.9	-30.9	19.5	-567.9	103.0	-816.6
Net cash flows related to taxes	-154.4	-34.0	-6.1	-9.5	9.7	-	-194.4

The contribution of Oranje-Nassau Développement to the 2013 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	166.1	18.8	184.9
Net cash flows from investing activities, excluding tax	-189.6	-3.1	-192.7
Net cash flows from financing activities, excluding tax	34.1	-14.6	19.5
Net cash flows related to taxes	-9.2	-0.3	-9.5

Note 39-6 Cash flow statement by business segment for 2012

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	684.5	203.2	49.7	159.5	-39.8	-	1,057.1
Net cash flows from investing activities, excluding tax	-377.4	-88.5	-9.0	-181.6	1,070.8	-71.5	342.9
Net cash flows from financing activities, excluding tax	-124.0	-90.5	-21.5	32.3	-1,109.4	71.5	-1,241.5
Net cash flows related to taxes	-180.0	-32.3	-5.7	-10.2	-16.4	-	-244.7

The contribution of Oranje-Nassau Développement to the 2012 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	155.2	4.3	159.5
Net cash flows from investing activities, excluding tax	-178.8	-2.7	-181.6
Net cash flows from financing activities, excluding tax	30.2	2.2	32.3
Net cash flows related to taxes	-8.1	-2.1	-10.2

NOTE 40 Off-balance-sheet commitments

As of December 31, 2013, no commitment was likely to have a significant impact on the Group's financial position, other than those mentioned below.

Note 40-1 Collateral and other security given in connection with financing

	12/31/2013	12/31/2012
(i) Pledge by Materis group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Materis group.	1,807.3	1,984.3
(ii) Pledge by Stahl group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl group.	168.7	193.8
(iii) Security given by Parcour's group entities under its bank borrowing arrangements, including the financed vehicles and the lease payments received. Pledge of certain bank accounts and trade receivables.	430.5	388.4
(iv) Joint and several guarantee and/or pledge by Mecatherm group entities of shares of the companies and of certain trade receivables as collateral for the repayment of the debt owed by the Mecatherm group. Wendel provided a first-demand guarantee of €15 million in favor of the banks (see note 5-2.5)	55.2	62.7
(v) Pledge of listed shares in connection with the Saint-Gobain investment financing structure (market value) ⁽¹⁾	923.4	1,215.7
(vi) Pledge of cash in connection with the Saint-Gobain investment financing structure ⁽¹⁾	6.4	3.4
TOTAL	3,391.5	3,848.3

(1) These items are detailed in note 5-2 "Managing liquidity risk" relative to the Saint-Gobain investment financing structure.

Note 40-2 Guarantees given as part of asset sales

Guarantees given in connection with the sale of Deutsch cover a limited number of standard warranties (ownership and validity of the securities sold, operations during the period leading up to the sale, no fraudulent activity etc.). No claim with respect to these warranties has been received to date.

Tax guarantees given in connection with the divestment of Oranje-Nassau Groep's oil & gas activities in 2009 and expiring in May 2016 were limited to a theoretical maximum of €240.0 million as of December 31, 2013. There were no guarantees of environmental risk or site remediation costs connected with this divestment.

The Editis sale agreement signed in 2008 included standard limited guarantees and warranties, relating in particular to tax and employee-related costs. As of January 2012, claims may no longer be submitted relating to these guarantees. As of the date these financial statements were finalized, no amount had been paid out under these guarantees.

No provisions have been recognized for these guarantees.

Note 40-3 Guarantees received in connection with asset acquisitions

Guarantees received in connection with the acquisition of Parcour's, Mecatherm, IHS, NOP, and Saham cover standard warranties as well as tax risks and risks of employee-related costs up to a total of €73.1 million as of December 31, 2013.

Note 40-4 Off-balance-sheet commitments given and received related to operating activities

	12/31/2013	12/31/2012
Market counter-guarantees and other commitments given		
by Bureau Veritas ⁽¹⁾	176.2	196.2
by Materis	22.6	11.6
by Stahl	0.6	0.4
by Oranje-Nassau Développement (Mecatherm)	9.4	4.0
TOTAL COMMITMENTS GIVEN	208.8	212.2
Other commitments received ⁽²⁾	382.9	377.5
TOTAL COMMITMENTS RECEIVED	382.9	377.5

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees.

(2) Commitments received were composed principally of lease payments to be received by Parcour's (Oranje-Nassau Développement) on its portfolio of lease contracts in force (€187.1 million with a term of less than one year and €195.6 million with a term of 1-5 years).

Note 40-5 Shareholder agreements and co-investment mechanisms

As of December 31, 2013, the Wendel Group was party to several agreements governing its relationships with other shareholders in its unlisted companies, including minority investors (Materis, Stahl, and IHS), majority investors (Saham), and subsidiary managers having taken advantage of programs enabling them to share in their company's performance (Materis, Stahl, Parcours, Mecatherm and NOP).

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights and rights of first refusal);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO;

Shareholder agreements with senior managers of unlisted companies containing terms relating to:

- the handling of executive departures (commitment to sell shares to Wendel in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases);
- the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period of time (2-14 years after the Wendel Group's investment, depending on the agreement).

Shareholder agreements with senior managers in unlisted companies are described in greater detail in note 4-2 relating to the participation of subsidiary managers in the performance of Group entities.

As part of the liquidity commitments under these agreements, if no liquidity event (divestment or IPO) has taken place before certain predetermined dates, the Wendel Group may be required to buy back the shares held by subsidiary managers in Materis, Stahl, Parcours, and Mecatherm. The value applied to these liquidity commitments would be market value, as determined by an appraiser, or a value calculated on the basis of a profitability multiple.

This would also be the case for Wendel managers holding shares under co-investment plans in Materis, Stahl, VGG, Parcours, Mecatherm, IHS, NOP, and Saham.

As of December 31, 2013, on the basis of the value of investments included in the calculation of Net Asset Value, the value of the *pari*

passu portion of the investment made by co-investing managers (under the same risk and return conditions as Wendel) was €123 million, and the value of the portion of the managers' investments having dilutive effects on Wendel's ownership interest was €86 million. In accordance with accounting principles relating to non-controlling interest puts and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€92 million). A €5 million payment was made in 2013 relating to commitments made to co-investing managers of operating subsidiaries. A provision had been recognized for this amount as of December 31, 2012. Co-investment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

The Stahl and Saham shareholder agreements also contain the following terms:

- in Stahl, minority financial investors (for example, second-lien and mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2015 and 2017;
- in Saham, the Wendel Group has an option to make a €150 million follow-on investment before end-December 2014 in addition to its initial €100 million investment, which would bring its holding to 27.78% of the company's capital (before implementation of an accretion mechanism benefitting the majority shareholder dependent on certain objectives being met, this accretion potentially leading Wendel Group's holding to change within the range of 24-26% of capital).

If this follow-on investment were to be carried out, the Wendel Group would benefit from:

- additional rights in Saham's governance in terms of representation on the Board of Directors, with two additional Directors and additional rights of veto, in particular on major strategic priorities and important operational decisions (with the option to exit in the case of major disagreement);
- the option of acquiring an additional 10% stake from the majority shareholder for €130 million, starting in January 2016 (with a two-year postponement option);
- liquidity rights from the tenth anniversary of the initial investment (IPO of the company, distribution, IPO or divestment of subsidiaries or put option to sell shares).

If no follow-on investment is made, the majority shareholder of Saham will have the option to buy back the whole of Wendel's investment in Saham (at a price guaranteeing a minimum IRR of 15% for Wendel) and, if no buy-back is carried out before the fifth anniversary of the investment, Wendel can ask for the liquidity process to be set in motion.

Other agreements

Subordinated (mezzanine and second-lien) lenders to Stahl who forfeited their claims as creditors during the 2010 restructuring received an earn-out right exercisable only upon the total or partial divestment of Wendel's stake in Stahl. This right is exercisable if Wendel's overall return is more than 2.5 times its 2010 re-investment, and is equivalent to the allocation of 1 to 2 bonus shares per share

held by these ex-subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, as the exercise of this right depends on Wendel's decision to divest.

Note 40-6 Leasing

Apart from the transactions described below, no finance lease is likely to have a significant impact on Wendel's financial position.

Note 40-6.1 Finance leases (contracts under which the Group retains the risks and rewards connected with ownership of the leased item)

Amount of future rents under finance leases:

In millions of euros	12/31/2013	12/31/2012
Due in more than 5 years	2.4	10.7
Due in 1 to 5 years	1.9	5.1
Due in less than 1 year and accrued interest	1.1	1.5
TOTAL	5.4	17.4

These contracts give rise to a non-current asset and a financial debt on the balance sheet, in accordance with IAS 17 "Leases".

In 2013, the amounts relating to the Materis Aluminates division are not presented (impact of €13.9 million).

Note 40-6.2 Operating leases (contracts under which the Group does not retain the risks and rewards connected with ownership of the leased item)

Amount of future rents under operating leases:

In millions of euros	12/31/2013	12/31/2012
Due in more than 5 years	97.8	68.9
Due in 1 to 5 years	260.8	286.9
Due in less than 1 year and accrued interest	121.1	125.8
TOTAL	479.7	481.6

Future rents principally include €317.4 million related to Bureau Veritas (€296.8 million in 2012), and €129.2 million related to Materis, excluding Kerneos (€166.4 million in 2012).

NOTE 41 Stock options, bonus shares and performance shares

The total expense related to stock options or other share-based compensation for fiscal year 2013 was €25.8 million vs. €21.2 million in 2012.

In millions of euros	2013	2012
Stock options at Wendel	3.1	4.5
Grant of performance shares at Wendel	1.8	1.2
Stock options at Bureau Veritas	2.5	2.2
Grant of performance shares at Bureau Veritas	18.1	14.4
Stock appreciation rights at Bureau Veritas	0.1	-0.2
Stahl	0.2	0.3
TOTAL	25.8	22.4

Grants under new stock-option plans in 2013 were as follows:

Note 41-1 Wendel

Pursuant to the authorization given by shareholders at their May 28, 2013 Annual Meeting, options giving the right to subscribe to 252,182 shares were allocated on July 1, 2013 with a strike price of €82.90 and a 10-year life. These options have the following features:

- a service condition: the options are subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; the first half vest after one year and the other half after two years;
- a performance-based condition: the full number of options granted vests if the increase in NAV over the 2013-15 period (adjusted for dividends) is greater than or equal to 10.25%. One-half vests if the increase in NAV over the 2013-14 period (adjusted for dividends) is

greater than or equal to 5%. The NAV used as the point of reference for 2013 is the NAV calculated as of May 16, 2013, or €124.1 per share.

These options have been valued using a Monte-Carlo model, based on the following principal assumptions: a 6-year average rate of return of 2.4%; volatility of 27%; and staff turnover considered to be zero. The illiquid nature of the stock options has also been taken into account. These options have been valued at €13.9 each. The expense has been spread over the options' vesting period.

Under the authorization granted by shareholders at their May 28, 2013 Meeting, 64,595 performance shares were also granted on July 1, 2013. They are subject to the same service and performance-based conditions as the options granted in 2013 (see previous paragraph). They have been valued at €40.2 per share. This value takes into account the period of illiquidity of these performance shares.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of 12/31/2012	Options granted in 2013	Options canceled in 2013	Options exercised in 2013	Number of options outstanding as of 12/31/2013	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Stock purchase options	123,107	-	-	-72,732	50,375	22.58 and 41.73	25.24	5.6 years	50,375
Stock purchase options indexed to NAV/share	1,154,197	252,182	-1,100	-196,524	1,208,755	22.58 to 82.90	66.32	7.8 years	843,390
Stock subscription options	105,880	-	-	-28,656	77,224	39.98 to 90.14	75.73	1.9 years	77,224
Stock subscription options indexed to NAV/share	778,660	-	-333,570	-22,050	423,040	18.96 to 132.96	63.38	4.6 years	216,040

Performance shares	Shares granted as of 12/31/2012	Awards during the fiscal year	Shares vested	Cancellations	Shares granted as of 12/31/2013	Grant date	Vesting date
Plan 4-1	75,754	-	-	-167	75,587	05/07/2012	05/07/2014
Plan 5-1	-	64,595	-	-	64,595	01/07/2013	01/07/2015
	75,754	64,595	-	-167	140,182		

Note 41-2 Bureau Veritas

By resolution of Bureau Veritas' Board of Directors on July 22, 2013, Bureau Veritas granted 1,240,800 stock purchase options with an exercise price of €21.01 to certain of its employees and to the corporate officer. For the options to vest, the optionee must complete three years of service, and a performance objective based on adjusted operating income must be achieved. The options have a term of eight years from the grant date.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of 12/31/2012	Options granted in 2013	Options canceled in 2013	Options exercised in 2013	Number of options outstanding as of 12/31/2013	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Bureau Veritas	5,370,140	1,240,800	- 61,200	- 814,380	5,735,360	3.79 to 21.01	14.33	5.3 years	2,229,100

Performance shares	Shares granted as of 12/31/2013	Grant date	Expiration date
	884,800	07/23/2010	07/23/2014
	1,375,760	07/18/2011	07/18/2014-2015
	94,176	12/14/2011	12/14/2014
	1,606,600	07/18/2012	07/18/2015-2016
	2,127,500	07/22/2013	07/22/2016-2017-2019
	6,088,836		

NOTE 42 Subsequent events

In January 2014, Wendel extended the maturity of its debt with a €400 million bond issue, maturing in January 2021. In addition, agreement was obtained to replace the €875 million bank credit line with margin calls maturing in 2016 and 2017, under which €425 million was drawn down, with a new, €800 million revolving line with margin calls maturing in 2020. The credit line was repaid as part of this operation.

On March 3, 2014, Wendel increased its investment in IHS Holding by taking part in a \$420 million capital increase. Wendel exercised all of its subscription rights and invested an additional \$152 million, thereby lifting its total investment in the pan-African telecom towers leader to \$428 million. With this transaction, Wendel remains IHS's largest shareholder, holding more than 35% of the capital of the company.

NOTE 43 List of principal consolidated companies as of December 31, 2013

Method of consolidation	% interest net of treasury shares	Company name	Country	Business segment
FC	100.0	Wendel	France	Management of shareholdings
FC	100.0	Coba	France	"
FC	100.0	Eufor	France	"
FC	100.0	Hirvest 1	France	"
FC	100.0	Hirvest 3	France	"
FC	100.0	Hirvest 4	France	"
FC	100.0	Oranje-Nassau Développement France	France	"
FC	100.0	Sofiservice	France	"
FC	98.6	Waldggen	France	"
FC	100.0	Winbond	France	"
FC	100.0	Wendel Japan	Japan	"
FC	99.5	Expansion 17	Luxembourg	"
FC	100.0	Froeggen	Luxembourg	"
FC	99.5	Global Performance 17	Luxembourg	"
FC	99.5	Globex Africa 1	Luxembourg	"
FC	100.0	Grauggen	Luxembourg	"
FC	100.0	Hourggen	Luxembourg	"
FC	100.0	Ireggen	Luxembourg	"
FC	100.0	Jeurggen	Luxembourg	"
FC	100.0	Karggen	Luxembourg	"
FC	97.3	Materis Investors	Luxembourg	"
FC	100.0	Mecatherm GarantCo	Luxembourg	"
FC	99.5	Oranje-Nassau Développement SA SICAR	Luxembourg	"
FC	99.5	Oranje-Nassau Développement NOP	Luxembourg	"
FC	98.1	Oranje-Nassau Mecatherm	Luxembourg	"
FC	95.8	Oranje-Nassau Parcours	Luxembourg	"
FC	98.1	Stahl Lux 2	Luxembourg	"
FC	100.0	Trief Corporation	Luxembourg	"
FC	100.0	Truth 2	Luxembourg	"
FC	100.0	Winvest Conseil	Luxembourg	"
FC	99.5	Winvest International SA SICAR	Luxembourg	"
FC	100.0	Win Securitization 2	Luxembourg	"
FC	99.5	NOP Europe	Belgium	"
FC	100.0	Wendel North America	United States	"
FC	100.0	Wendel Africa	Morocco	"
FC	100.0	Oranje-Nassau Groep	Netherlands	"
FC	100.0	Oranje-Nassau Development	Netherlands	"
FC	100.0	Legron	Netherlands	"
FC	100.0	Wendel Singapore	Singapore	"
FC	100.0	Sofisamc	Switzerland	"
FC	51.5	Bureau Veritas and its subsidiaries	France	Certification and verification
FC	75.5	Materis Parent and its subsidiaries	Luxembourg	Specialty chemicals for construction
FC	92.2	Stahl Group and its subsidiaries	Netherlands	High-performance coatings and leather-finishing products

Method of consolidation	% interest net of treasury shares	Company name	Country	Business segment
E	16.3	Saint-Gobain and its subsidiaries	France	Production, transformation, and distribution of building materials
E	38.4	IHS Holding and its subsidiaries	Mauritius	Mobile telephone infrastructure in Africa
Oranje-Nassau Développement includes:				
FC	98.1	Mecatherm and its subsidiaries	France	Industrial bakery equipment
FC	95.8	Parcours and its subsidiaries	France	Long-term vehicle leasing to corporate customers
E	28.4	exceet and its subsidiaries	Switzerland	Design of embedded systems

FC: Full consolidation. Wendel exercises exclusive control over these companies.

E: Companies accounted for by the equity method. Wendel exercises significant influence over these companies.

5.12 Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

(Year ended December 31, 2013)

To the Shareholders,

Wendel

89, rue Taitbout

75009 Paris

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying consolidated financial statements of Wendel;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 9-4 "Impairment tests of equity-method investments" to the consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held by Wendel in Saint-Gobain for impairment as at December 31, 2013, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan.

II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

In preparing its financial statements, your Company makes estimates and assumptions concerning, in particular, the value of certain assets, liabilities, income and expenses. The accounting estimates used in the preparation of the consolidated financial statements for the year ended December 31, 2013 were made in a context in which uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in Note 1-9 "Use of estimates" to the consolidated financial statements.

It is in this specific context that at December 31, 2013 the Company carried out impairment tests on goodwill, intangible assets with indefinite useful lives and equity-method investments, in accordance with the methods described in the following notes to the consolidated financial statements: Note 1-10 "Measurement rules", Note 6-1 "Goodwill impairment tests" and Note 9-4 "Impairment tests of equity-method investments".

We reviewed the methods applied to implement these impairment tests and verified that the above-mentioned notes provide appropriate disclosure. In particular, with regard to the impairment test on the Saint-Gobain shares, we reviewed the assumptions and estimates applied by the Company to determine the value in use of the investment.

Accounting principles

We reviewed the accounting treatment applied by your Company in preparing its consolidated financial statements with respect to managers' participation in Group investments. We verified that Note 1-10.18 "Accounting treatment of participation of managers in Group investments" and Note 40-5 "Shareholder agreements and co-investment mechanisms" to the consolidated financial statements provide appropriate disclosure in this regard.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neully-sur-Seine and Paris-La Défense, March 26, 2014

The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit
Étienne Boris

ERNST & YOUNG Audit
Jean Bouquot



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PARENT COMPANY FINANCIAL STATEMENTS

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6.1 Balance sheet as of December 31, 2013

Assets

In thousands of euros	Note	12/31/2013			12/31/2012
		Gross amounts	Depr./amort. or provisions	Net amounts	Net amounts
Non-current assets					
Property, plant & equipment		15,701	13,224	2,477	2,758
Non-current financial assets ⁽¹⁾					
Investments in subsidiaries and associates	1	3,532,546	63	3,532,483	3,533,019
Other long-term investments		83	50	33	33
Treasury shares	2	25,295	-	25,295	16,380
Loans and other non-current financial assets		224	-	224	178
		3,558,148	113	3,558,035	3,549,610
TOTAL		3,573,849	13,337	3,560,512	3,552,368
Current assets					
Trade receivables ⁽²⁾		9,036	78	8,958	4,491
Other receivables ⁽²⁾	3	3,341,287	499	3,340,788	3,303,426
Treasury instruments	9	176,921	-	176,921	169,313
Marketable securities	4	754,686	-	754,686	816,559
Cash		80,717	-	80,717	1,895
Prepaid expenses		1,648	-	1,648	1,659
TOTAL		4,364,295	577	4,363,718	4,297,343
Deferred expenses		6,490	954	5,536	2,301
Original issue discounts		29,811	-	29,811	45,988
TOTAL ASSETS		7,974,445	14,868	7,959,577	7,898,000

(1) Of which less than one year 1 3

(2) Of which more than one year 216 -

Liabilities and shareholders' equity

In thousands of euros	Note	12/31/2013	12/31/2012
Shareholders' equity			
Share capital		194,525	198,175
Share premiums		114,552	184,362
Legal reserve		20,224	20,224
Regulated reserves		191,820	191,820
Other reserves		2,000,000	1,500,000
Retained earnings		1,457,785	1,257,807
Net income for the year		334,261	782,962
TOTAL	5	4,313,167	4,135,350
Provisions for risks and contingencies	6	24,734	25,985
Borrowings ⁽²⁾	7	3,382,285	3,542,896
Other payables	8	200,767	193,769
TOTAL ⁽¹⁾		3,583,052	3,736,665
Issue premiums on borrowings		38,624	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,959,577	7,898,000
<i>(1) Of which less than one year</i>		772,902	448,275
<i>Of which than one year</i>		2,810,150	3,288,390
<i>(2) Of which short-term bank borrowings</i>		312	4,007

6.2 Income statement

In thousands of euros	Note	2013	2012
Income from investments in subsidiaries, associates and long-term equity portfolio	11	470,044	890,024
Other financial income and expense	12		
Income			
■ Income from loans and invested cash		74,703	108,418
■ Provisions reversed		8,043	25,252
Expenses			
■ Interest and similar expenses		199,702	215,236
■ Depreciation, amortization and provisions		19,902	22,793
NET FINANCIAL INCOME		333,186	785,665
Operating revenue	13		
Other income		10,224	5,975
Provisions reversed and expenses transferred		4,090	2,452
Operating expenses			
Purchases and external services		16,480	15,433
Taxes other than income taxes		2,985	2,097
Wages and salaries	14	12,337	11,808
Social security costs		8,200	6,957
Depreciation & amortization and deferred expenses		1,363	663
Provisions recognized		232	1,154
Miscellaneous expenses		656	678
OPERATING INCOME (LOSS)		-27,939	-30,363
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		305,247	755,302
Exceptional income			
On operating transactions		37	2,721
On capital transactions		191	-
Provisions reversed		1,590	96,719
Exceptional expenses			
On operating transactions		7,978	21,089
On capital transactions		3,428	78,078
Provisions recognized		13	145
EXCEPTIONAL ITEMS	15	-9,601	128
INCOME TAXES	16	38,615	27,532
NET INCOME (LOSS)		334,261	782,962

6.3 Cash flow statement

In thousands of euros	Note	2013	2012
Cash flows from operating activities			
Net income		334,261	782,962
Depreciation, amortization, provisions and other non-cash items		61	1,766
Gains/losses on divestments		10,127	-129
Financial income and expense		-333,186	-785,665
Taxes		-38,615	-27,532
Cash flows from operating activities before net finance costs and tax		-27,352	-28,598
Change in working capital requirement related to operating activities		-3,191	1,340
NET CASH FLOWS FROM OPERATING ACTIVITIES, EXCLUDING TAX		-30,543	-27,258
Cash flows from investing activities, excluding tax			
Acquisition of intangible assets and property, plant and equipment		-227	-413
Disposal of intangible assets and property, plant and equipment		-	-
Acquisition of equity investments	1	-129,570	-24,706
Disposal of equity investments	1	126,865	64
Changes in other financial assets and liabilities and other		-191	-60
Dividends received	11	470,044	890,024
Change in working capital requirements related to investment activities		2,248	-65
NET CASH FLOWS FROM INVESTING ACTIVITIES, EXCLUDING TAX		469,169	864,844
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares	5	4,713	2,472
Treasury share buybacks and cancellations		-105,240	-60,400
Dividends paid	5	-82,985	-63,284
New borrowings	7	442,993	397,600
Repayment of borrowings	7	-408,030	-390,050
Net change in intragroup assets and liabilities		-221,803	-1,384,376
Net finance costs		-123,515	-105,731
Other financial income/expense		-4,331	832,483
Change in working capital requirements related to financing activities		11,450	-8,390
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX		-486,748	-779,676
Income taxes	16	38,615	27,532
Change in tax assets and liabilities		13,304	-46,082
NET CASH FLOWS RELATED TO TAXES		51,919	-18,550
Effect of currency fluctuations		-	-
CHANGE IN CASH AND CASH EQUIVALENTS		3,797	39,360
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR ⁽¹⁾		721,189	681,829
CASH AND CASH EQUIVALENTS AT END OF YEAR ⁽¹⁾		724,986	721,189

(1) Cash and cash equivalents included marketable securities (excluding Wendel treasury shares), cash, and bank borrowings.

6.4 Notes to the parent company financial statements

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS DETAILED CONTENTS

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6.4.1 Highlights of the year

On April, 30, 2013, the Company issued two new bond series: (i) maturing in 2018, with a par value of €200.0 million and an issue price of 113.29%; and (ii) maturing in 2019, with a par value of €100.0 million and an issue price of 109.78%.

In May 2013, the Company canceled and repaid €250 million of its syndicated credit facility. A new syndicated credit facility of €600 million maturing in May 2018 was put in place at the same time.

At their general meeting of May 28, 2013, shareholders approved the payment of a cash dividend of €1.75 per share. The total dividend paid was €83.0 million.

The Company repurchased 1,323,347 Wendel shares for a total of €116 million, and reduced its capital by canceling 991,860 shares with a total value of €78 million.

On October 2, 2013, the Company issued new bonds, maturing in 2019, with a par value of €100 million, at an issue price of 108.83%.

During the year, Wendel repurchased part of its 2014, 2015, and 2016 bonds, with a total par value of €151.3 million.

Net receivables from subsidiaries increased by €207.5 million as a result of the following factors:

- Wendel borrowed a total amount of €822.1 million from its subsidiaries, deriving principally from proceeds from the sales of Legrand and Saint-Gobain shares by subsidiaries (€518.6 million and €68.2 million, respectively), and from Bureau Veritas, Saint-Gobain and Legrand dividends received by its subsidiaries in 2013 (€231.1 million);
- Wendel lent a total amount of €313.9 million to its subsidiaries to finance the subscription of shares in IHS (telecoms infrastructure in Nigeria, Côte d'Ivoire, and Cameroon) and Saham (insurance and customer service centers in Morocco), and the acquisition of NOP (design and manufacture of pumps in Japan);
- Wendel lent a total amount of €241.4 million to its subsidiaries, principally to finance:
 - the voluntary early repayment by Group subsidiaries of €200 million of bank debt relating to the Saint-Gobain investment, and
 - use of a €20 million liquidity line granted to the Materis group;
- Wendel repaid €470.0 million to Winbond following the dividend paid by that subsidiary in 2013.

6.4.2 Accounting principles

The balance sheet and income statement have been prepared in accordance with the accounting standards prescribed by the 1999 French chart of accounts, applying the same exceptions as in previous years.

The two exceptions to the policies set out in the French chart of accounts are as follows:

- substitution of "Net financial income" as the sub-total representing the Company's activity for "Operating income", as defined by the French chart of accounts;
- recognition of all capital transactions on assets other than "Marketable securities" in "Exceptional items". Regarding marketable securities, changes in provisions for impairment and gains and losses on disposal are recognized in "Net financial income".

The valuation methods applied remain unchanged compared to those of prior years.

The gross value of items included in non-current assets corresponds to their acquisition cost or the cost at which they were contributed to the Company, excluding ancillary costs.

6.4.2.1 Use of estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the amounts reported in the financial statements. These estimates and assumptions are based on an appreciation of the facts and circumstances existing at the balance sheet date, as well as on information available as of the date the accounts were finalized. They are based on management's past experience and various other factors deemed reasonable, such as market data and expert valuations, and are reviewed on a regular basis. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be different from the forecasts. The most significant estimates used in preparing these financial statements concern mainly i) investments in subsidiaries and associates and ii) receivables.

6.4.2.2 Investments

The initial value of investments in subsidiaries and associates is historical cost. Internal indicators of loss in value are reviewed annually for each investment. In the event of an indication of loss in value, valuations are updated. The valuation method used depends on the type of business (operating or holding company) and can be based on the ownership share of the net book value of the entity or of the net asset value after revaluation. In this case, the valuation can be based on a variety of methods, including discounted future cash flows, a multiple of sales or income, external transactions on similar companies, stock market values, etc. When the carrying value falls below net book value, an impairment loss is recognized on the difference.

6.4.2.3 Loans and receivables

Loans and receivables are valued at face value. An impairment loss is recognized if there is a probability of non-recovery. Loans and receivables related to investments are written down if the net asset value of the subsidiary concerned (or the net book value if it is deemed representative of the recoverable value) becomes negative, taking into account the future outlook for the company and the characteristics of the loans or receivables.

6.4.2.4 Original issue discounts and debt issuance costs

Original issue discounts are generally amortized on a straight-line basis over the term of the corresponding loan. When such discounts exceed 10% of the sums received, they are amortized according to the effective interest method.

Debt issuance costs are spread over the term of the loan in accordance with the preferential method recommended by CRC Regulation No. 99-02.

6.4.2.5 Interest rate derivatives

Gains and losses arising on derivative financial instruments used in the context of hedging are determined and recognized symmetrically with the recognition of income and expenses on the related hedged items.

6.4.2.6 Equity options

Premiums paid or received on options are recognized in a suspense account ("treasury instruments" or "other liabilities", respectively) until expiry of the option. Provisions are recognized on unrealized losses; however, unrealized gains are not recognized.

As an exception, for option contracts on which Wendel has a symmetrical position (purchase and sale of options with the same characteristics, see note 9), the amount of the premium received or paid is recognized. Unrealized gains and losses are neutralized and therefore have no impact on net income.

6.4.2.7 Marketable securities

Marketable securities are measured using the first-in, first-out method. A provision for impairment is recognized if the book value of the securities is greater than market value.

6.4.2.8 Provisions for pensions

Obligations related to retirement bonuses and defined-benefit pension schemes are determined at each balance sheet date taking into account the age of the Company's employees, their length of service, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method. A provision is recognized for the portion of the obligation that is not covered by plan assets.

6.4.3 Notes to the balance sheet

NOTE 1 Investments in subsidiaries and associates

In thousands of euros	% Interest		Net amounts 12/31/2012	Purchase/ subscription	Sale	Change in provisions	Net amounts 12/31/2013
	12/31/2012	12/31/2013					
French investments							
Sofiservice	100.00	100.00	354	-	-	-	354
Winbond	100.00	100.00	3,293,547	-	-	-	3,293,547
Saint-Gobain ⁽¹⁾	-	-	282	129,570	129,660	-	192
Legrand	-	-	395	-	395	-	-
Non-French investments							
Oranje-Nassau	100.00	100.00	238,320	-	-	-	238,320
Other			121	-	46	-5	70
			3,533,019	129,570	130,101	-5	3,532,483

(1) The dividend paid by Saint-Gobain in 2013 offered beneficiaries the choice of receiving the dividend in cash (€1.24 per share) or in shares (issue price: €28.12 per share). The Wendel Group subsidiaries chose to receive the dividend in shares. Wendel purchased all of the shares received, and subsequently entered into a financial contract under which all of the shares were sold on. As a result of this transaction, Wendel received the equivalent of a cash dividend of €1.24 per share on the shares owned by its subsidiaries, plus a premium of €12.5 million relating to the financial contract.

NOTE 2 Treasury shares

As of December 31, 2013, Wendel held 1,649,729 of its shares in treasury outside the context of the liquidity contract (1,587,498 as of December 31, 2012). These treasury shares are allocated as follows:

■ 1,399,312 shares are allocated to cover stock purchase options, and grants of bonus and performance shares. They are classified as

marketable securities within current assets (see note 4 "Marketable securities");

■ 250,417 shares are allocated to potential acquisition activity, and are classified as non-current financial assets (234,440 as of December 31, 2012).

In thousands of euros	% Interest		Net amounts 12/31/2012	Purchase	Sale	Transfers	Change in provisions	Net amounts 12/31/2013
	12/31/2012	12/31/2013						
Wendel shares	0.47%	0.51%	16,380	116,038	-	-107,123 ⁽¹⁾	-	25,295
			16,380	116,038	-	-107,123	-	25,295

(1) The Company allocated 316,777 treasury shares to stock option purchase plans and performance share plans for a total amount of -€29,039 thousand. This amount principally includes the impact of the capital reduction undertaken via canceling 991,860 treasury shares, as decided by the members of the Executive Board on August 28, 2013. These shares were brought into the portfolio at -€78,172 thousand. The balance of €88 thousand relates to reallocations of Wendel shares following cancellation of stock purchase options and performance options.

NOTE 3 Other receivables

In thousands of euros	12/31/2013			12/31/2012		
	Gross amounts	Provisions	Net amounts	Gross amounts	Provisions	Net amounts
Tax and employee social security receivables	17,099	-499	16,600	15,666	-499	15,167
Loans and advances connected with investments ⁽¹⁾	3,314,648	-	3,314,648	3,273,914	-	3,273,914
Other ⁽²⁾	9,540	-	9,540	14,345	-	14,345
	3,341,287	-499	3,340,788	3,303,925	-499	3,303,426
Of which related companies	3,317,368			3,281,145		
Of which accrued revenue	26,185			29,209		

(1) These receivables relate principally to advances to holding companies that hold or finance the Group's stake in Saint-Gobain. As of December 31, 2013, based on a valuation of Saint-Gobain at €45.3 per share, calculated by the present value of future cash flows, these loans were not written down.

(2) Includes €9,467 thousand in accrued interest on interest rate derivatives (see note 9).

NOTE 4 Marketable securities

In thousands of euros	12/31/2013		12/31/2012	
	Net book value	Market value	Net book value	Market value
Wendel shares (excluding liquidity contract) ⁽¹⁾				
Shares allocated to stock-option plans ⁽²⁾	89,127	130,131	77,789	96,194
Shares allocated to performance share plans ⁽³⁾	10,711	14,487	4,188	5,705
	99,838	144,618	81,977	101,899
Money-market mutual funds and deposits	314,310	314,309	373,437	373,437
Short-term bonds	-	-	11,196	11,196
Diversified funds, equities or bonds	54,828	65,475	71,140	77,865
Funds managed by financial institutions	258,468	258,468	251,325	251,325
Liquidity contract ⁽⁴⁾				
Wendel shares	10,266	10,335	11,288	11,297
Mutual funds	16,976	16,976	16,196	16,196
	654,848	665,563	734,582	741,316
	754,686	810,181	816,559	843,215

(1) Number of Wendel shares held as of December 31, 2013: 1,399,312.

Number of Wendel shares held as of December 31, 2012: 1,353,058.

(2) Shares held for the exercise of stock options granted under stock-option plans. The net book value of these shares is the lower of the strike price for the purchase options granted, and their stock market value. The negative difference arising between the book value and the exercise price of the purchase options is provisioned in proportion to the rights acquired within "Provisions for risks and contingencies". As of December 31, 2013, this provision totaled €6,340 thousand.

(3) In accordance with accounting standards, the loss related to the allocation of performance shares is provisioned in proportion to the extent to which they have vested. As of December 31, 2013, this loss totaled €4,751 thousand and was recognized in "Provisions for risks and contingencies".

(4) Number of Wendel shares held as of December 31, 2013: 100,000.

Number of Wendel shares held as of December 31, 2012: 150,000.

NOTE 5 Change in shareholders' equity

Number of shares	In thousands of euros	Share capital (par value €4)	Share premiums	Legal reserve	Regulated reserves	Other reserves and retained earnings	Net income for the year	Total shareholders' equity
50,560,975	Balance as of 12/31/2011 before appropriation	202,244	252,476	20,223	191,820	2,161,658	683,205	3,511,626
	Appropriation of 2011 net income ⁽¹⁾			1		683,204	-683,205	-
	Dividend					-87,055		-87,055
	Issuance of shares							
35,417	■ under the Company savings plan	142	1,362					1,504
26,262	■ through options exercised	105	863					968
	Capital reduction							
-68,041	■ Executive Board decision 03/30/2012	-272	-4,446					-4,718
-1,010,972	■ Executive Board decision 11/21/2012	-4,044	-65,893					-69,937
	2012 net income						782,962	782,962
49,543,641	Balance as of 12/31/2012 before appropriation	198,175	184,362	20,224	191,820	2,757,807	782,962	4,135,350
	Appropriation of 2012 net income ⁽²⁾					782,962	-782,962	-
	Dividend					-82,985		-82,985
	Issuance of shares							
28,854	■ under the Company savings plan	115	1,798					1,913
50,706	■ through options exercised	203	2,597					2,800
	Capital reduction							
-991,860	■ Executive Board decision 08/28/2013	-3,968	-74,205					-78,172
	2013 net income						334,261	334,261
48,631,341	Balance as of 12/31/2013 before appropriation	194,525	114,552	20,224	191,820	3,457,785	334,261	4,313,167

(1) The amount appropriated to retained earnings, as approved by shareholders at their June 4, 2012 Annual Meeting, was increased by €2,851 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date, and because of the shares canceled by decision of the Executive Board on March 30, 2012.

(2) The amount appropriated to retained earnings, as approved by shareholders at their June 4, 2013 Annual Meeting, was increased by €3,730 thousand because no dividends were paid on the Wendel shares the Company held in treasury on the dividend payment date.

NOTE 6 Provisions for risks and contingencies

In thousands of euros	12/31/2012	Allocations for the year	Reversals during the year		12/31/2013
			used	unused	
Provision for pensions and post-employment benefits	926	232	-	-	1,158
Provision for allocation of bonus shares and purchase options	10,719	3,725	3,352	-	11,092
Provision for tax disputes	1,583	-	1,056	527	-
Other risks and contingencies	12,757	-	-	273	12,484
	25,985	3,957	4,408	800	24,734
Operating income		232	-	-	
Net financial income (expense)		3,725	3,352	273	
Exceptional items		-	1,056	527	
		3,957	4,408	800	

The principal disputes, claims and risks identified by Wendel are as follows:

- In November 2012, the Court of Justice of the European Union upheld the September 13, 2010 judgment of the General Court of the European Union on the appeal by Éditions Odile Jacob, which annulled the European Commission's 2004 decision authorizing Lagardère to sell the publishing company Editis to Wendel. This authorization was granted in the context of commitments made by Lagardère to obtain the European Commission's approval for the Lagardère/VUP transaction.

In May 2011, the European Commission granted a new authorization to Wendel, as acquirer of Editis, with effect as of the date of the acquisition. In September 2011, Éditions Odile Jacob filed an appeal against this decision before the General Court of the European Union. The case remains pending.

Éditions Odile Jacob also brought an action against Wendel and other parties in October 2010 before the Paris Commercial Court, seeking the annulment of Wendel's acquisition of Editis in 2004 and its subsequent sale of Editis in 2008. In December 2011, the Paris Commercial Court issued a stay of proceedings, pending the EU decisions. Editions Odile Jacob has contested the stay of proceedings. Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to these disputes.

- The European Commission notified Wendel in 2012 of a pending competition investigation regarding a company in which the Group was a shareholder and which was divested several years ago. As of the date the financial statements were finalized, Wendel had no information about the timing or potential next actions of this investigation. Accordingly, no provision has been recognized for this litigation.

- In its ruling of December 17, 2013, the Commercial Court dismissed the claims for compensation of a former management-level employee for the losses he was alleging to have suffered as a result of the unwinding of a mechanism under which Wendel executives benefited from the Group's performance. The Court also ordered this former manager to pay a token €1 in damages to compensate for the harm to Wendel's image. Two other legal proceedings, initiated by former managers against various defendants, including Wendel, are currently ongoing regarding the same issue. The total damages claimed are in the region of €28 million. In addition, the former manager whose claims were dismissed by the Commercial Court, and whose employment at Wendel was terminated in June 2009, has lodged a claim with the labor conciliation board (*Conseil des Prud'hommes*) for almost €5 million. Wendel has entered a counter-claim for €1 million. The decision is expected on March 31, 2014. The Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them.

- In 2012, Wendel and certain Group holding companies received proposed tax adjustments from the tax authority. These proposed adjustments have been almost entirely accepted by Wendel or abandoned by the authority, with the corresponding charge, which was in any case not material, being recognized in 2012. A disagreement remains, however, between Wendel and the tax authority regarding VAT and the calculation of late payment interest, for a total amount less than €1 million. None of the adjustments was either directly or indirectly related to Wendel's divestment of Solfur; the tax authority's examination of the terms of this transaction did not lead to any further action on its part.

NOTE 7 Financial debt

In thousands of euros	12/31/2013	12/31/2012
4.875% 2014 bonds ⁽¹⁾	476,590	591,940
4.875% 2015 bonds ⁽¹⁾	368,500	400,000
4.875% 2016 bonds ⁽¹⁾	649,650	654,150
4.375% 2017 bonds	692,000	692,000
6.75% 2018 bonds ⁽²⁾	500,000	300,000
5.875% 2019 bonds ⁽²⁾	600,000	400,000
Syndicated credit facility (Euribor + margin) ⁽³⁾	0	250,000
Accrued interest	73,736	62,356
	3,360,476	3,350,446
Borrowings connected with investments in subsidiaries and associates		
Sofiservice	8,447	8,454
Oranje-Nassau	12,934	179,797
Other	116	174
	21,497	188,425
Other borrowings	0	18
Short-term bank borrowings	312	4,007
	3,382,285	3,542,896
Of which: less than one year	498,399	192,450
1 to 5 years	2,210,150	2,588,090
more than 5 years	600,000	700,000
accruals	73,736	62,356

(1) In the course of managing its financial position, the company repurchased a portion of its bonds maturing in 2014, 2015, and 2016, for €115,350 thousand, €31,500 thousand, and €4,500 thousand, respectively.

(2) In April 2013, Wendel successfully issued bonds maturing in 2018 and 2019 with par values of €200,000 thousand at 113.29% (i.e. €226,584 thousand received excluding commissions), and €100,000 thousand at 109.78% (i.e. €109,779 thousand received excluding commissions), respectively. In October 2013, Wendel issued a new bond series, maturing in 2019 with a par value of €100,000 thousand at 108.83% (i.e. €108,830 thousand received excluding commissions).

(3) In May 2013, the company fully canceled and repaid the €250,000 thousand drawn on its syndicated credit facility. The company put in place a new syndicated credit facility of €600,000 thousand maturing in May 2018.

NOTE 8 Other liabilities

In thousands of euros	Note	12/31/2013	12/31/2012
Trade payables ⁽¹⁾		2,815	2,919
Tax and employee social security liabilities		11,191	8,924
Treasury instruments			
Equity derivatives	9	176,921	169,313
Accrued interest on interest rate derivatives	9	6,587	11,474
Other		3,253	1,139
		200,767	193,769
<i>Of which related companies</i>		85	345
<i>Of which accrued expenses</i>		17,882	21,568

(1) The breakdown of trade payables by maturity (Article L.441-6-1 of the French Commercial Code) was as follows:

	As of 12/31/2013	As of 12/31/2012
• payment within 30 days:	452	793
• payment in more than 30 days	568	86
• invoices not yet received:	1,759	2,041
• credit note to be issued:	36	-

NOTE 9 Financial instruments

In thousands of euros	12/31/013		12/31/2012	
	Assets	Liabilities	Assets	Liabilities
Equity derivatives				
Premiums	176,921	176,921	169,313	169,313
Provisions for risks & contingencies	-	-	-	-
■ of which symmetric positions	176,921	176,921	169,313	169,313
Interest rate derivatives				
Premiums	-	-	-	-
Accrued interest not yet due	9,468	6,587	14,299	11,474
■ of which symmetric positions	2,742	2,742	7,576	7,576
	186,389	183,508	183,612	180,787

Equity derivatives

These comprise 6,089,778 Saint-Gobain put options bought from a Group company, and 6,089,778 put options issued to banks. The position is symmetrical for Wendel. During the fiscal year, the Company extended the maturity of these puts by 24 months; they now expire in September and December 2015 and in March 2016. Their fair value is €144.0 million.

Interest rate derivatives

Wendel bonds

Wendel has entered into interest rate swaps on some of its bonds, with the following features:

Notional amount In thousands of euros		Maturity	Assets Fair value 12/31/2013	Liabilities Fair value 12/31/2013
100,000	Pay 3.98% against 4.21%	May 2016	585	-
300,000	3.40% if < 1.70%; pay 12-month Euribor +0.93% between 1.70% and 2.60%; and 3.53% if > 2.60%. Against 3.49%	August 2017	473	-
			1,060	-

In accordance with accounting principles, the positive fair value of these swaps has not been recognized in the balance sheet.

Other

The interest rate swaps, entered into by Wendel, are symmetrical and therefore have no impact on Wendel's net income. The positions indicated are aggregations of several similar contracts. The characteristics are therefore weighted averages, and are as follows:

Wendel/bank position

Notional amount In thousands of euros		Maturity	Assets Fair value 12/31/2013	Liabilities Fair value 12/31/2013
800,000	Pay 1.73% against Euribor	January 2014	-	655
400,000	Pay 1.06% against Euribor	January 2016	-	5,381
400,000	Pay 1.02% against Euribor	February 2016	-	4,829
	Other	January 2014	-	11
			-	10,877

Wendel/subsidiary position

Notional amount In thousands of euros		Maturity	Assets Fair value 12/31/2013	Liabilities Fair value 12/31/2013
800,000	Receive 1.73% against Euribor	January 2014	655	-
400,000	Receive 1.06% against Euribor	January 2016	5,381	-
400,000	Receive 1.02% against Euribor	February 2016	4,829	-
	Other	January 2014	11	-
			10,877	-

In accordance with accounting principles, the fair values of these swaps, the positions for which are symmetrical, have not been recognized in the balance sheet.

NOTE 10 Off-balance-sheet commitments

The Eeditis sale agreement signed in 2008 included standard limited guarantees and warranties, relating in particular to tax and employee-related costs. As of January 2012, claims may no longer be

submitted relating to these guarantees. As of the date these financial statements were finalized, no amount had been paid out or provisioned with respect to these guarantees.

6.4.4 Notes to the income statement**NOTE 11** Income from investments in subsidiaries, associates and the long-term equity portfolio

Dividends from: In thousands of euros	2013	2012
Oranje-Nassau	-	480,000
Winbond	470,000	410,000
Other	44	24
	470,044	890,024
<i>Of which interim dividends</i>	470,000	-

NOTE 12 Other financial income and expense

Income In thousands of euros	2013	2012
Other interest and similar income	74,703	108,418
Provisions reversed ⁽¹⁾	3,674	25,252
Amortization related to bond issue premiums ⁽²⁾	4,369	-
	82,746	133,670
<i>Of which related companies</i>	50,506	87,520

Expenses		
In thousands of euros	2013	2012
Interest on bonds	165,742	140,345
Other interest and similar expenses	33,960	74,891
Provisions recognized ⁽³⁾	3,725	3,171
Amortization related to original issue discounts on bonds	16,177	19,622
	219,604	238,029

(1) Comprising principally a provision reversal of €3,352 thousand relating to stock option plans and the granting of performance shares.

(2) In accordance with accounting rules, the difference between the par value and the issue price of the 2018 and 2019 bonds issued during the fiscal year was recognized as deferred income. This income is spread over the life of the bond using the same calculation as for amortizing original issue discounts recorded within assets on the balance sheet.

(3) Including a risk provision of €3,724 thousand relating to the granting of performance shares.

NOTE 13 Operating revenue

	2013	2012
In thousands of euros		
Property rental	164	161
Services invoiced to subsidiaries	9,683	5,488
Other income	377	326
Expenses transferred	4,090	2,400
Provisions reversed	-	52
	14,314	8,427

NOTE 14 Compensation and staff numbers

See note 18 for the compensation allocated by the Company to the members of the Executive and Supervisory Boards.

Average staff numbers	2013	2012
Management	52	50
Non-management	14	15
	66	65

NOTE 15 Exceptional items

In thousands of euros	Exceptional income			Exceptional expenses			Total 2013
	On operating transactions	Capital gains on disposals	Provisions reversed	On operating transactions	Capital losses on disposals	Provisions recognized	
Property, plant & equipment	-	-	-	-	-	-	-
Non-current financial assets							
■ Saint-Gobain shares ⁽³⁾	-	-	-	-	3,414	-	-3,414
■ Legrand shares	-	191	-	-	-	-	191
■ Other securities	34	-	-	-	14	-	20
Other exceptional transactions							
■ Provision for impairment of securities	-	-	-	-	-	-	-
■ Provision for write-down of receivables	-	-	-	-	-	-	-
■ Other	3	-	1,590 ⁽¹⁾	7,978 ⁽²⁾	-	13	-6,398
	37	191	1,590	7,978	3,428	13	-9,601

(1) This amount principally relates to the reversal of a provision for tax disputes for €1,582 thousand.

(2) This amount mainly comprises a charge of €6,680 thousand resulting from repurchases of the 2014, 2015, and 2016 bond series.

(3) This amount relates to the difference between the purchase and resale prices of Saint-Gobain shares under the financial contract entered into by Wendel (see note 1).

NOTE 16 Income tax

Income taxes broke down as follows:

In thousands of euros	
Taxable base at a rate of	33.33%
On 2013 income before exceptional items	-113,358
On 2013 exceptional items	-10,003
	-123,361
Addbacks/deductions related to tax consolidation	91,307
	-32,054
Deduction of losses carried forward	-
Taxable bases of the tax consolidation group	-32,054
Corresponding tax	-
+ contributions of 3.3%	-
- deductions in respect of tax credits	-
- impact of tax consolidation	38,615
INCOME TAX RECOGNIZED IN THE INCOME STATEMENT	38,615

The company has opted for tax consolidation status, as provided for in Articles 223 A-U of the French Tax Code. According to the tax consolidation agreements between Wendel and the other companies in the tax group, each company contributes to the tax of the group by payment to Wendel of the amount it would have paid had it been taxed on a stand-alone basis (i.e. without tax consolidation). This leads

to a difference for Wendel between current tax payable and the tax that would have been due in the absence of tax consolidation. In 2013, the members of the Wendel tax consolidation group were: the parent company Wendel, Sofiservice, Coba, Winbond, Oranje-Nassau Développement, Eufor, Hirvest 1, Hirvest 3, Hirvest 4, Mecatherm, and Parcours.

NOTE 17 Liquidity and debt situation

As of December 31, 2013, Wendel's gross debt was composed of €3,287 million in Wendel bonds with maturities ranging from 2014 to 2019 (see details in note 7 "Financial debt").

In January 2014 (post close), Wendel placed a new €400 million bond issue maturing in 2021 with a coupon of 3.75%.

The €250 million outstanding under the previous syndicated loan (maturity 2013/14) at the start of the fiscal year was repaid in May 2013 when it was replaced by a new syndicated loan of €600 million, maturing in May 2018. This new syndicated loan was undrawn as of end-2013.

Following the 2021 bond issue in January 2014, the average financing maturity is 3.7 years.

Wendel's liquidity risk for the 12 months following the 2013 close is low, given the high level of cash enabling it to meet its repayment dates, in particular that of the bonds maturing in November 2014.

Bond indentures

The bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

Wendel's new syndicated credit (undrawn as of December 31, 2013) – Documentation and covenants

The new syndicated credit facility is subject to financial covenants based primarily on the market value of the Wendel Group's assets and on the amount of net debt.

This net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions (in particular the holding and financing structure for the

Saint-Gobain investment). As of December 31, 2013 the net debt taken into account corresponds to Wendel bonds and the syndicated credit less available cash (pledged cash being lodged in the holding and financing structure for the Saint-Gobain investment).

Net debt of the Saint-Gobain, Bureau Veritas, Materis, Stahl, Parcours, exceet, Mecatherm, IHS, Saham, and NOP groups, as well as the debt related to the acquisition of Saint-Gobain shares (less any cash pledged), is deducted from the gross revalued assets of these companies inasmuch as it is without recourse to Wendel.

The covenants of the new syndicated credit facility remain unchanged and are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and the financial holding companies,

to

(ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow),

must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of December 31, 2013 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

NOTE 18 Related parties

Related parties are Wendel-Participations, and the members of the Supervisory Board and the Executive Board:

Members of the Supervisory Board and Executive Board

Compensation paid by the Wendel Group to the members of the Executive Board in respect of 2013 amounted to €3,810.7 thousand.

The value of options and performance shares allocated to the members of the Executive Board in 2013 totaled €2,435.0 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2013 totaled €762.0 thousand, including €655.8 thousand in Wendel director's fees and compensation paid to the Chairman of the Supervisory Board, €56.5 thousand in directors' fees paid to certain members of the Supervisory Board by Wendel-Participations for serving

on its Board, and €27.5 thousand paid by Wendel's subsidiaries to certain members of the Supervisory Board for serving on their Boards.

The Company has committed to pay Frédéric Lemoine, Chairman of the Executive Board, in the event of his departure, a maximum of twice his most recent yearly fixed salary and variable pay on achieved objectives, provided performance conditions have been met.

The Company's commitments to Bernard Gautier, member of the Executive Board, in the event of his departure, are as follows:

- end-of-contract severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board;
- end-of-appointment severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board, subject to performance conditions.

Wendel-Participations

Wendel-Participations is owned by approximately 1,050 Wendel family individuals and legal entities. Wendel-Participations owns 35.7% of Wendel's share capital.

There are no other economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "WENDEL Investissement" brand;
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

NOTE 19 Subsequent events

In January 2014, Wendel extended the maturity of its debt with a €400 million bond issue, maturing in January 2021.

Securities portfolio as of December 31, 2013

In thousands of euros	Number of shares owned	% interest	Gross carrying value
Investments in subsidiaries and associates			
Subsidiaries (over 50% owned)			
a) French			
Sofiservice	8,500	100.0%	354
Winbond	3,039,070,667	100.0%	3,293,547
b) Non-French			
Oranje-Nassau	1,943,117	100.0%	238,320
Other subsidiaries and associates			
Saint-Gobain	5,984	0.0%	192
French equities	-	-	133
			3,532,546
Other long-term equity investments			
Other French equities	-	-	83
			83

Subsidiaries and associates as of December 31, 2013

In thousands of euros	Share capital	Other shareholders' equity (incl. net income or loss)	% of capital held	Gross carrying value of shares held	Net carrying value of shares held	Loans and advances granted	Guarantees given	2012 sales	2012 net income	Dividends received during the year
Detailed information (on subsidiaries and associates whose net carrying value is greater than 1% of the share capital of Wendel)										
French										
Winbond	1,519,535	1,393,748	100.0%	3,293,547	3,293,547	68,158	-	-	461,952	470,000
Non-French										
Oranje-Nassau ⁽¹⁾	8,744	697,128	100.0%	238,320	238,320	-	-	-	1,312	-
Overall summary										
French subsidiaries				487	424					
Non-French subsidiaries				-	-					
French associates				192	192					
Non-French associates				-	-					

(1) Consolidated figures.

Five-year financial summary

Nature of disclosures	Fiscal year 2009	Fiscal year 2010	Fiscal year 2011	Fiscal year 2012	Fiscal year 2013
1. Capital at year-end					
Share capital ⁽¹⁾	201,745	202,007	202,244	198,175	194,525
Number of ordinary shares in issue	50,436,175	50,501,779	50,560,975	49,543,641	48,631,341
Maximum number of shares that could be issued:					
■ through the exercise of options	1,428,423	1,337,883	1,300,342	884,540	500,264
2. Results of operation ⁽¹⁾					
Revenues (excluding taxes)	3,902	6,028	5,656	5,975	10,224
Income from investments in subsidiaries, associates and long-term equity portfolio	8	164,516	480,015	890,024	470,044
Income before tax, depreciation, amortization and provisions	-120,386	43,372	376,013	655,762	307,523
Income taxes ⁽⁴⁾	-69	-8,116	-2,993	-27,532	-38,615
Net income	-1,106,853	680,247	683,205	782,962	334,261
Dividends ⁽²⁾	50,436	63,127	65,729	86,701	89,968 ⁽³⁾
of which interim dividends	-	-	-	-	-
3. Net income per share (in euros)					
Income after tax but before depreciation, amortization and provisions	-2.39	1.02	7.50	13.79	7.12
Net income	-21.95	13.47	13.51	15.80	6.87
Net dividends	1.00	1.25	1.30	1.75	1.85 ⁽³⁾
of which interim dividends	-	-	-	-	-
4. Employee data					
Average number of employees	70	65	65	65	66
Total payroll ⁽¹⁾	14,273	14,222	12,159	11,808	12,337
Staff benefits paid during the year (social security, social welfare, etc.) ⁽¹⁾	6,761	6,606	6,041	6,957	8,200

(1) In thousands of euros.

(2) Including treasury shares.

(3) Ordinary dividend of €1.85 (subject to approval by shareholders at their June 6, 2014 Annual Meeting).

(4) The negative amounts represent income for the Company.

6.5 Statutory Auditors' report on the financial statements

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to the shareholders.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Wendel

(Year ended December 31, 2013)

Statutory Auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2013, on:

- the audit of the accompanying financial statements of Wendel;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

In preparing its financial statements, your Company makes estimates and assumptions concerning, in particular, investments in subsidiaries and associates, and receivables. The accounting estimates used in the preparation of the financial statements for the year ended December 31, 2013 were made in a context in which the uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in the Note "Accounting principles – Use of estimates" to the financial statements.

Regarding "Investments in subsidiaries and associates" and "Other receivables", we verified that the accounting methods described in the notes to the financial statements were appropriate and, where applicable, we reviewed the assumptions and estimates applied by the Company to determine their valuation at the end of the year.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de*

commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we inform you that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Neuilly-sur-Seine and Paris-La Défense, March 26, 2014

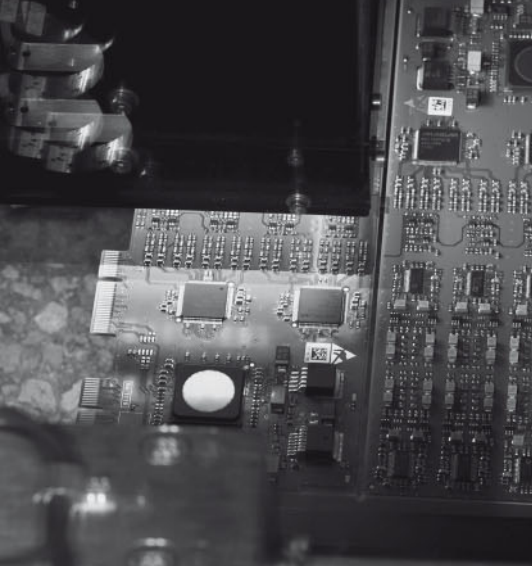
The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit

Étienne Boris

ERNST & YOUNG Audit

Jean Bouquot



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7.1 Information on the Company

7.1.1 General information

Company name

Wendel

Registered office

89, rue Taitbout, 75009 Paris (France)

Telephone: +33 (0)1 42 85 30 00; fax: +33 (0)1 42 80 68 67

Website: www.wendelgroup.com

Official registration

The Company is registered in the Paris Company Register ("*Registre du commerce et des sociétés*") under number 572 174 035; its APE code is 7010Z.

Date founded and duration

The Company was formed on December 4, 1871 for a period of 99 years, subsequently extended to July 1, 2064, barring a new extension or early dissolution.

Legal structure and applicable legislation

Wendel is a *société anonyme* with an Executive Board and a Supervisory Board, as provided for under French law. The Company is subject to all French legal provisions and in particular to the French Commercial Code.

Fiscal year

The fiscal year runs for 12 months, beginning on January 1 of each year.

Access to legal documents and regulated information

Documents relating to the Company may be viewed at the registered office. Ongoing or periodic regulated information may be viewed (in French) on the Company's website, at www.wendelgroup.com, under the heading "*Information réglementée*".

7.2 Principal by-laws

Wendel's by-laws may be viewed (in French) on the Company's website, at www.wendelgroup.com, under the heading "*Information réglementée*".

7.2.1 Purpose of the Company

Pursuant to Article 3 of the by-laws, the Company has the following purpose, in all countries, directly or indirectly:

- any equity holdings in industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise; any disposals, exchanges or other operations concerning these shares, ownership rights or equity interests;
- the purchase, rental and operation of any equipment;
- the acquisition, sale and commercial use of any processes, patents or patent licenses;
- the acquisition, operation, sale or exchange of any real estate or real estate rights;
- and generally, any commercial, industrial, financial, investment and real estate operations directly or indirectly related to the abovementioned activities or to all similar or connected activities.

7.2.2 Appropriation of net income

Article 27 of the by-laws provides for the following:

1. at least 5% of net profit for each year, less any losses carried forward from prior years, is credited to the legal reserve until such time as the legal reserve represents one-tenth of share capital, as well as any amount credited to reserves pursuant to applicable legislation.

Distributable earnings include net income for the year plus any unappropriated retained earnings carried forward from prior years.

On the recommendation of the Executive Board, shareholders may decide in their Annual Meeting to deduct from this amount:

- the amounts they consider should be allocated to any special reserve account,
 - the sum required to serve a revenue on shares based on the amount of paid-up, non-repaid capital within the limit of 5% per year,
 - the amounts they consider should be allocated to the general reserve or to share capital repayment;
2. any balance remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings;
 3. on the condition that all earnings available for distribution have been allocated in the form of dividends and on the recommendation of the Executive Board, shareholders at their Ordinary Meeting may allocate any amounts transferred from the share premium account;
 4. as an exception to the provisions of the present article, funds may be allocated to the special employee profit sharing reserve under the terms and conditions set by law;

5. dividends are paid in the form and at the times determined by shareholders at their Ordinary Meeting or by the Executive Board with the authorization of shareholders at their Ordinary Meeting in accordance with applicable legislation. The Executive Board may decide to distribute an interim dividend before the approval of the financial statements for the year in accordance with applicable legislation.

On the recommendations of the Executive Board, the shareholders, convened in their Annual Meeting to approve the year's financial statements, may offer each shareholder the choice to receive payment of all or a part of the distributed dividend (or interim dividend) in cash or in shares, under the terms and conditions defined by applicable legislation.

In accordance with current legislation, dividends not claimed within five years from the date on which they were to be paid are forfeited and the amounts paid over to the State;

6. the shareholders at their Ordinary Meeting may also decide to distribute earnings, reserves or share premium amounts in kind, in particular by distributing marketable securities from among the assets on the balance sheet of the Company, with or without a cash option. The shareholders may decide that the rights comprising fractional shares shall not be negotiable or transferable, notwithstanding the provisions of Article 11.III of the by-laws. In the event marketable securities from among the assets on the balance sheet of the Company are distributed, the Company may decide that should the amount of a shareholder's dividend not correspond to a whole number of securities, the shareholder shall receive the whole number of shares immediately below plus a cash payment for the balance.

7.2.3 Executive Board membership

See section 2.1.1 "The Executive Board and its operations".

7.2.4 Supervisory Board membership

See section 2.1.2 "The Supervisory Board and its operations".

7.2.5 Ownership thresholds that must be reported to the Company

In accordance with Article L.233-7 of the French Commercial Code and Article 28 of the by-laws, any individual or corporate shareholder, acting alone or in concert with other shareholders, who comes to own a number of shares or voting rights representing more than 2% of the share capital or voting rights, or any multiple thereof, is required to disclose to the Company the number of shares and voting rights held within four trading days of crossing this threshold.

The same disclosure requirements apply when the number of shares or voting rights held is reduced to below the 2% threshold or any multiple thereof.

Failure to comply with the above requirements is sanctioned, as prescribed by law, by the deprivation of voting rights for those shares exceeding the fraction that should have been disclosed, for all Shareholders' Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. This sanction is applicable at the request (recorded in the minutes of the Shareholders' Meeting) of one or more shareholders holding at least 2% of the number of shares or voting rights.

7.3 How to take part in Shareholders' Meetings

All shareholders have the right to participate in Shareholders' Meetings under the conditions set down by the law.

Article 25 of the by-laws provides for the following:

1. Invitation to attend Shareholders' Meetings

Shareholders' Meetings are convened and held as prescribed by law.

They are held at the Company's registered office, or at another location, as indicated in the invitation to the meeting.

2. Participation in Shareholders' Meetings

Any shareholder whose shares are registered under the conditions and at a date set by the applicable legal and regulatory provisions has the right to participate in the Shareholders' Meetings on proof of his or her qualification and identity.

All shareholders have the right to participate in Shareholders' Meetings personally or by proxy, or to vote by mail.

As proof of shareholders' right to participate in the Company's Shareholders' Meetings, shares must be recorded in their name or in the name of the financial intermediary that holds them on their behalf no later than midnight Paris time before the third business day prior to the Meeting:

- for holders of registered shares: in the registered securities accounts held by the Company;
- for holders of bearer shares: in the bearer securities accounts of the authorized financial intermediary pursuant to the regulations in force.

In accordance with applicable law, the Executive Board may organize videoconferencing to allow shareholders to participate and vote or use other telecommunications systems to identify them. Shareholders who participate in Shareholders' Meetings through videoconferencing or another system are deemed present for the purposes of calculating the quorum and the majority.

If an electronic voting form is provided, shareholders who use it by the required deadline are considered to be present or represented shareholders. The electronic voting form may be entered and signed directly on the Company's website through any procedure approved by the Executive Board.

Any proxies or votes submitted using this electronic means prior to the Shareholders' Meeting, as well as the corresponding acknowledgements of receipt, are considered to be irrevocable and enforceable, it being specified that in the event of the sale of shares prior to the date and time set by legal and regulatory provisions in force, the Company shall accordingly invalidate or amend, as applicable, the proxies or votes cast prior to that date and that time.

3. Voting rights and acquisition of double voting rights

Voting rights attached to the shares are proportionate to the percentage of capital they represent.

Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

In the event of a capital increase through the capitalization of reserves, distributable net income or share premium amounts, double voting rights may be granted at issue on the registered shares thus distributed to shareholders in proportion to their existing shares that benefited from this right.

Shares converted to bearer shares or transferred to another owner lose their double voting rights. However, registered shares that are transferred by way of an inheritance, the liquidation of a marital estate or a gift to a spouse or a direct relative do not lose their double voting rights and are considered as having remained the property of the same shareholder for the purpose of determining the two-year minimum holding period. The same terms apply in the event of a transfer resulting from the merger or demerger of a corporate shareholder.

Identifiable bearer shares

Article 9 of the by-laws allows shares to be held in registered or bearer form at the shareholder's discretion.

The Company has the right to request identification of the holders of shares carrying current or future voting rights at its shareholders' meetings and the number of shares so held, in accordance with legislation in force.

Modification of shareholder rights

In the absence of specific provisions in the by-laws, any change in the rights attached to shares is subject to legislation in force.

7.4 Information on share capital

7.4.1 Principal shareholders

As of December 31, 2013, the share capital was composed of 48,631,341 shares with a par value of €4 each, benefiting from 73,585,854 theoretical voting rights and 71,836,125 exercisable voting rights. Double voting rights are granted to fully paid-up shares which

have been registered in the same shareholder's name for at least two years, regardless of the shareholder's country of citizenship. As of that date, 24,954,213 shares had double voting rights.

To the Company's knowledge, the main shareholders as of December 31, 2013 were as follows:

	% of share capital
Wendel-Participations and related parties ⁽¹⁾	35.7%
Institutional investors outside France	24.8%
Individual shareholders	23.7%
Institutional investors in France	8%
Treasury shares	3.6%
Employees and executives	2%
Other	2.1%

(1) Pursuant to Article L.233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.

To the Company's knowledge:

- no shareholder, other than Wendel-Participations, owns more than 5% of the Company's shares;
- Supervisory and Executive Board members hold or represent 1.84% of the share capital and 1.29% of the exercisable voting rights.

There are no securities or other rights representing liabilities of the Company, convertible bonds, exchangeable bonds and/or bonds

redeemable in shares that give or could give access to the capital except for stock options (subscription or purchase) and future performance share plans.

There are no shares that do not represent capital, such as founder shares or voting rights certificates.

As of December 31, 2013, total exercisable stock subscription option grants represented 1.03% of the share capital.

7.4.2 Controlling legal entities or individuals

Wendel-Participations

Presentation

Wendel-Participations is a holding company that holds Wendel shares. Wendel-Participations is owned by approximately 1,050 Wendel family individuals and legal entities. The purpose of Wendel-Participations is to:

- invest and manage its own funds and acquire participating interests;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities, rights to intangible or tangible property, and engage in any type of short-, medium- or long-term capital transactions;
- participate in any guarantee, placement or other syndicates;
- create new companies;
- preserve the assets and other interests of the Wendel family;
- and generally, in France, and in countries outside France, undertake any commercial, industrial, financial, investment or real estate operations directly or indirectly related, in whole or in part, to the above-mentioned activities.

Wendel's control structure

As of December 31, 2013, Wendel-Participations (and related parties) had a controlling interest in Wendel with 35.74% of its shares and 47.24% of its voting rights.

The following measures ensure that this control is appropriately exercised:

- management and oversight are separated through a two-tiered structure, including an Executive Board and a Supervisory Board;
- at least one-third of Supervisory Board members are independent;

- the chairmen of the Supervisory Board committees are independent Board members.

Economic and financial ties with Wendel

There are no significant economic or financial relations between Wendel-Participations and Wendel, other than the dividends received and the following agreements (section 8.1 of the registration document):

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "Wendel Investissement" brand, amended in October 2013, as mentioned in the Statutory Auditors' report on related-party agreements and commitments;
- agreements with Wendel-Participations covering administrative assistance and leasing of premises, mentioned in the Statutory Auditors' report on related party agreements and commitments.

7.4.3 Significant changes in share ownership and voting rights in the last three years

	Situation as of December 31, 2013		Situation as of December 31, 2012		Situation as of December 31, 2011	
	Capital	Voting rights	Capital	Voting rights	Capital	Voting rights
Wendel-Participations ⁽¹⁾	35.7%	48.4%	35.1%	47.7%	34.4%	47.1%
First Eagle ⁽²⁾	3.6%	4.5%	3.5%	3.9%	3.3%	3.9%
Treasury shares (registered shares)	3.4%	-	3.2%	-	3.9%	-
Group savings plan	0.8%	0.8%	0.7%	0.8%	0.7%	0.8%
Other shareholders (institutional and individual)	56.4%	46.3%	57.5%	47.6%	57.8%	48.2%

Voting rights are calculated based on the exercisable voting rights as of that date.

(1) Pursuant to Article L.233-10 of the French Commercial Code, the figures include Wendel-Participations and its Chairman.

(2) Formerly Arnhold & Bleichroeder.

In January 2014, a study was performed, as is done every year, to identify the shareholders of Wendel as of December 31, 2013.

There was relatively little change during the year in Wendel's shareholder structure, with an increase in French institutional investors (8.0% vs. 7.2% as of December 31, 2012) and a decrease in foreign

institutional investors (24.8% vs. 25.1% as of December 31, 2012). The number of individual shareholders decreased to 36,200 vs. 37,000 in the previous year, but their share of capital fell only very slightly to 23.7% vs. 23.8% in the previous year.

7.4.4 Changes in share capital in the last three years

Date of change in capital	Type of transaction	Change in number of shares	Number of shares comprising the capital	Par value	Change in share capital (in euros)	Amount of share capital (in euros)	Change in share premiums (in euros)	Amount of share premiums
Situation as of December 31, 2010			50,501,779	€4		202,007,116		249,779,823
	Exercises of options	30,941	50,532,720	€4	123,764	202,130,880	973,439	250,753,262
	Issue of shares reserved for employees	28,255	50,560,975	€4	113,020	202,243,900	1,745,311	252,498,573
	Appropriation to legal reserve as authorized by the Executive Board on June 30, 2011		50,560,975	€4		202,243,900	-22,878	252,475,695
Situation as of December 31, 2011			50,560,975	€4		202,243,900		252,475,695
	Exercises of options	26,262	50,587,237	€4	105,048	202,348,948	862,627	253,338,322
	Issue of shares reserved for employees	35,417	50,622,654	€4	141,668	202,490,616	1,362,492	254,700,814
	Cancellation of shares	-1,079,013	49,543,641	€4	-4,316,052	198,174,564	-70,339,391	184,361,423
Situation as of December 31, 2012			49,543,641	€4		198,174,564		184,361,423
	Exercises of options	50,706	49,594,347	€4	202,824	198,377,388	2,596,684	186,958,107
	Issue of shares reserved for employees	28,854	49,623,201	€4	115,416	198,492,804	1,798,181	188,756,288
	Cancellation of shares	-991,860	48,631,341	€4	-3,967,440	194,525,364	-74,204,428	114,551,661
Situation as of December 31, 2013			48,631,341	€4		194,525,364		114,551,861

7.4.5 Ownership threshold disclosures

On April 11, 2013, First Eagle Investment Management LLC reported that as a result of acquiring double voting rights, it had moved above the 4% threshold of Wendel's voting rights on April 7, 2013 and now held 4.21% of these rights.

7.4.6 Pledging of issuer's shares

To the best of the Company's knowledge, 250,021 registered Wendel shares (in either pure or administered form) were pledged as collateral as of December 31, 2013.

7.5 Principal new investments and acquisitions of controlling interests

Wendel's investment activities generate a certain turnover in its portfolio. Over the past three years, its principal investments and divestments have been as follows:

In 2011, Wendel sold 13.4 million puts on Saint-Gobain, generating proceeds of €168.8 million, sold 35.7 million Legrand shares for €961.5 million, sold 3.1 million Saint-Gobain shares received as 2010 dividends for €144 million, acquired 95% of the capital of Parcours for €107 million, acquired Mecatherm for €112 million, purchased a 28.4% equity interest in Frankfurt-listed exeeet for €27.8 million, acquired 1.9 million Saint-Gobain shares for €63.1 million, reinvested €4.4 million in VGG, and signed a firm agreement with TE Connectivity to sell Deutsch.

In 2012, Wendel sold Deutsch to the industrial group TE Connectivity for an enterprise value of around \$2.1 billion, generating net proceeds of €960 million. Wendel and its joint shareholders reinvested €25 million of equity in Materis. Wendel and its subsidiary Oranje-Nassau Développement signed a framework agreement with IHS Holding to obtain a significant stake in the latter's capital.

In 2013, Wendel increased its investment in IHS to a total of \$276 million, giving it a stake of more than 35% in the company, sold its remaining interest in Legrand for €520 million, generating a capital gain of about €370 million, sold 1.9 million Saint-Gobain shares for €68 million, invested €100 million for a 13.33% stake in Saham, entered exclusive negotiations with Astorg to sell Kerneos for

€610 million, with a €60 million reinvestment by Wendel in subordinated debt, and acquired Nippon Oil Pump in Japan for €24 million.

The Company's 2013 activities are detailed in section 1 and in the changes in consolidation scope detailed in the notes to the consolidated financial statements.

Press releases on Wendel's transactions are posted on its website, at www.wendelgroup.com, under the heading "Press Portal".

On March 3, 2014, Wendel announced that it had increased its total investment in IHS to \$428 million, maintaining its position as IHS's largest shareholder with more than 35% of the capital of the company.

On April 16, 2014, as a follow-on to the capital increase carried out on March 3, 2014, IHS completed a second tranche of this transaction for an additional \$130 million. As previously, Wendel participated in this second tranche by exercising all of its subscription rights, thereby investing an additional \$47 million.

On March 27, 2014, Wendel announced the finalization of the sale of Kerneos and the opening of exclusive negotiations to sell ParexGroup for an enterprise value of €880 million (see section 9.3 "Significant changes in financial condition or business status").

As of the publication of this registration document, no other investment plan is sufficiently far advanced for Wendel's management to have made any firm commitments.

7.6 Financial authorizations

7.6.1 Existing financial authorizations and use thereof

As of December 31, 2013, the following financial authorizations were in effect:

Authorization	Date of Shareholders' Meeting (resolution no.)	Period and expiration date	Authorized amount or % of capital	Amount used as of 12/31/2012
A. Issue of shares or other securities giving access to the capital				
■ With maintenance of preferential subscription rights	05/28/2013 16 th resolution	14 months 07/28/2014	€100 million	-
■ With cancellation of preferential subscription rights	05/28/2013 17 th resolution	14 months 07/28/2014	€40 million	-
■ Under greenshoe option	05/28/2013 18 th resolution	14 months 07/28/2014	15% of the initial issue	-
■ As consideration for securities (contributions in kind)	05/28/2013 19 th resolution	14 months 07/28/2014	10%	-
■ As consideration for a public exchange offer	05/28/2013 19 th resolution	14 months 07/28/2014	€100 million	-
■ Incorporation of reserves	05/28/2013 20 th resolution	14 months 07/28/2014	€80 million	-
■ Overall ceiling authorized	05/28/2013 21 st resolution	14 months 07/28/2014	€400 million	-
B. Share buybacks and share cancellations				
■ Share buybacks	05/28/2013 14 th resolution	14 months 07/28/2014	10%	858,685 shares
■ Cancellation of shares	05/28/2013 15 th resolution	26 months 07/28/2015	10% per 24-month period	Cancellation of 991,860 shares, i.e. 2% of capital
C. Employee share ownership				
■ Group savings plan	05/28/2013 22 nd resolution	14 months 07/28/2014	€250,000	€115,416
■ Stock options (subscription and/or purchase)	05/28/2013 23 rd resolution	14 months 07/28/2014	0.9% of the share capital at the grant date, i.e., 445,967 shares (common ceiling for options and performance shares)	252,182 shares, i.e., 0.45% of capital
■ Performance shares	05/28/2013 24 th resolution	14 months 07/28/2014	0.3% of the share capital at the grant date (this ceiling is applied to the above common ceiling)	64,595 shares, i.e., 0.15% of capital

7.6.2 Financial authorizations proposed at the Shareholders' Meeting of June 6, 2014

Authorization	Date of Shareholders' Meeting (resolution no.)	Period and expiration date	Authorized amount or % of capital
A. Issue of shares or other securities giving access to the capital			
■ With maintenance of preferential subscription rights	06/06/2014 13 th resolution	14 months 08/06/2015	€100 million
■ With cancellation of preferential subscription rights	06/06/2014 14 th , 15 th and 16 th resolutions	14 months 08/06/2015	€40 million
■ Under greenshoe option	06/06/2014 17 th resolution	14 months 08/06/2015	15% of the initial issue
■ As consideration for securities (contributions in kind/exchange offers)	06/06/2014 18 th resolution	14 months 08/06/2015	10% of share capital at the time of issue/€100 million
■ Capitalization of reserves	06/06/2014 19 th resolution	14 months 08/06/2015	€80 million
■ Overall ceiling authorized	06/06/2014 20 th resolution	14 months 08/06/2015	€400 million
B. Share buyback program			
■ Share buybacks	06/06/2014 9 th resolution	14 months 08/06/2015	10% of the capital. Max. price: €200 per share
■ Cancellation of shares	05/28/2013 15 th resolution	26 months 07/28/2015	10% of capital per 24-month period
C. Employee share ownership			
■ Group savings plan	06/06/2014 21 st resolution	14 months 08/06/2015	€250,000
■ Stock options (subscription and/or purchase)	06/06/2014 22 nd resolution	14 months 08/06/2015	0.9% of capital (common ceiling for options and performance shares)
■ Performance shares	06/06/2014 23 rd resolution	14 months 08/06/2015	0.3% of capital (this ceiling is applied to the above common ceiling)

The resolutions submitted to shareholders for approval at the June 6, 2014 Shareholders' Meeting will cancel the unused amounts of, and replace, the resolutions with the same purpose that were adopted at the May 28, 2013 Shareholders' Meeting.

7.7 Share buybacks

7.7.1 Legal framework

At their meeting of June 4, 2012 (8th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a period of 14 months.

At their meeting of May 28, 2013 (14th resolution), shareholders authorized a program allowing the Company to buy back its own shares, limited to the number of shares representing 10% of the share capital at the time of the buyback, for a period of 14 months.

The maximum repurchase prices under these authorizations are €150 and €160, respectively.

The Executive Board is thus authorized to repurchase the number of shares representing a maximum of 10% of the share capital. For information, at the dates the authorizations were granted, these maximums were 5,050,201 and 4,955,145 shares, respectively.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program are as follows:

- to deliver shares (as an exchange, payment or other consideration) in the context of acquisitions, mergers, spin-offs or asset contributions;
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;

- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof under a liquidity contract in compliance with the Code of Conduct of the *Autorité des Marchés Financiers*;
- to implement a stock purchase option plan as defined in Articles L.225-177 *et seq.* of the French Commercial Code;
- to allocate performance shares pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq.* and L.3331-1 *et seq.* of the French Labor Code;
- to cancel of all or part of the shares purchased.

This program also allows the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders via a press release.

At their Meeting of May 28, 2013 (15th resolution), shareholders authorized the Executive Board, for a period of 26 months, with prior approval of the Supervisory Board, to reduce the share capital of the Company by no more than 10% per 24-month period through the cancellation of shares repurchased in the various share buyback programs authorized by shareholders.

7.7.2 Liquidity contract

On October 4, 2005, Wendel entered into a liquidity contract with Oddo Corporate Finance, with a view to making a market and ensuring regular price quotations of its shares, and made €5,000,000 and 80,000 shares available to Oddo.

On September 8, 2011, Wendel contributed an additional €10,000,000, bringing the resources available under the liquidity contract to €15,000,000 and 80,000 shares.

Under the liquidity contract, between January 1 and December 31, 2013, Oddo Corporate Finance:

- purchased for the account of Wendel 2,148,327 shares for a total value of €190,256,203.69 and an average unit value of €88.56;
- sold for the account of Wendel 2,198,327 shares for a total value of €194,721,548.23 and an average unit value of €88.58.

7.7.3 Implementation of stock-option and performance share plans

Between January 1, and December 31, 2013, Wendel directly acquired 1,323,347 of its own shares, 316,777 of which were allocated to cover stock-option and performance share plans. The remaining balance was allocated to the objective of carrying out acquisitions.

These shares were acquired for a total gross value of €116,038,440.59 and an average unit price of €87.69.

The shares specifically allocated to cover stock-option or performance share plans were acquired for a gross value of €29,039,883.36 and an average unit price of €91.67.

7.7.4 Delivery of shares in the context of acquisitions, mergers, spin-offs or asset contributions

Between January 1, 2013 and December 31, 2013, Wendel directly acquired 249,884 of its own shares for delivery in the context of acquisitions, mergers, spin-offs or asset contributions. These shares were acquired for a gross value of €25,263,859.98 and an average unit price of €101.10.

7.7.5 Cancellation of shares

On August 28, 2013, after obtaining the authorization of the Supervisory Board, Wendel cancelled 991,860 shares, for a gross value of €78,171,867.55 and an average unit price of €78.81.

7.7.6 Summary of transactions and shares held by the Company as of December 31, 2013

The Company has not repurchased or sold shares for any purposes authorized under the program other than those detailed in section 7.7.3 above.

Wendel did not make use of any derivative instruments under this share buyback program.

In the 24 months prior to December 31, 2012, Wendel canceled 2,070,873 shares (March 2012, November 2012 and August 2013).

As of December 31, 2013, the Company held 1,749,729 of its own shares, or 3.6% of the capital.

Summary of the Company's transactions on its own shares from January 1 to December 31, 2013

	Cumulative gross amounts in 2013	
	Purchases	Sales/Transfers
Number of shares	3,471,674	2,467,583
Average maximum maturity	-	-
Average transaction price	€88.23	€81.48
Average exercise price	-	-
Amounts	€306,294,644.28	€201,054,532.97

Open positions as of December 31, 2013

Open long positions			Open short positions		
Calls purchased	Puts issued (written)	Forward purchases	Calls issued (written)	Puts purchased	Forward sales
-	-	-	-	-	-
-	-	-	-	-	-

7.7.7 Description of the program proposed to shareholders at their June 6, 2014 Annual Meeting

The ninth resolution proposed at the June 6, 2014 Shareholders' Meeting asks shareholders to approve a new share buyback program, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, to Title IV of Book II of the General Regulation of the AMF and to European Commission regulation 2273/2003, dated December 22, 2003.

Under this program, shares can be bought for any of the following purposes:

- to deliver shares (as an exchange, payment or other consideration) in the context of acquisitions, mergers, spin-offs, or asset contributions;
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the *Autorité des Marchés Financiers*;
- to implement stock purchase option plans as defined in Articles L.225-177 *et seq.* of the French Commercial Code;
- to allocate performance shares pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code;
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly Articles L.3321-1 *et seq.* and L.3331-1 *et seq.* of the French Labor Code;
- to cancel all or part of the shares purchased.

These programs are also intended to allow the Company to pursue any other purpose that has been or may be authorized by legislation or regulations in force. In such an event, the Company would inform shareholders via a press release.

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed 10% of the share capital at the time of the buyback. For information, as of December 31, 2013, this authorization represented 4,863,134 shares, or a maximum theoretical investment of €972,626,800 based on the maximum buyback price of €200 per share.

Pursuant to Article L.225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10%. As of December 31, 2013, the number of Wendel shares held by the Company was 1,749,729. In light of the shares already held in treasury, the Company would be able to repurchase 3,113,405 shares, or 6.4% of the share capital, for a maximum amount of €622,681,000, based on the maximum unit purchase price of €200. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization would be valid for a period of 14 months from the June 6, 2014, Shareholders' Meeting, *i.e.* until August 6, 2015.

7.8 Transactions on Company securities by corporate officers

Transactions on Wendel securities reported by executives in 2013

Date of AMF filing	Executive	Financial instruments	Type of transaction	Transaction date	Unit price (in euros)	Gross transaction amount (in euros)	Market	AMF disclosure number
01/17/2013	Individual linked to Ernest-Antoine Seillière	Shares	Sale	01/02/2013	54.05	4,636,300.9	NYSE Euronext Paris	213D0259
01/17/2013	Individual linked to Ernest-Antoine Seillière	Shares	Sale	01/02/2013	62.28	1,557,000	NYSE Euronext Paris	213D0260
01/24/2013	Frédéric Lemoine	Shares	Exercise of stock options	01/10/2013	22.58	169,350	NYSE Euronext Paris	213D0335
01/24/2013	Frédéric Lemoine	Shares	Sale	01/07/2013	78.75	186,401.25	NYSE Euronext Paris	213D0336
04/08/2013	Frédéric Lemoine	Shares	Sale	04/02/2013	83.3808	257,896.83	NYSE Euronext Paris	213D1500
04/08/2013	Frédéric Lemoine	Shares	Exercise of stock options	04/05/2013	22.58	225,800	NYSE Euronext Paris	213D1501
05/07/2013	Frédéric Lemoine	Shares	Sale	04/22/2013	77.3749	191,967.14	NYSE Euronext Paris	213D1702
05/07/2013	Frédéric Lemoine	Shares	Exercise of stock options	04/25/2013	22.58	169,350	NYSE Euronext Paris	213D1701
06/20/2013	Frédéric Lemoine	Shares	Sale	06/17/2013	84.4795	125,789.98	NYSE Euronext Paris	2013DD252331
06/20/2013	Frédéric Lemoine	Shares	Exercise of stock options	06/20/2013	22.58	112,900	NYSE Euronext Paris	2013DD252335
07/12/2013	Frédéric Lemoine	Shares	Sale	07/08/2013	82.1648	123,986.65	NYSE Euronext Paris	2013DD255598
07/12/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/11/2013	22.58	112,900	NYSE Euronext Paris	2013DD255599
07/18/2013	Frédéric Lemoine	Shares	Subscription	07/15/2013	66.32	331,600	NYSE Euronext Paris	2013DD256470
07/18/2013	Bernard Gautier	Shares	Subscription	07/15/2013	66.32	41,118.4	NYSE Euronext Paris	2013DD256467
07/19/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/16/2013	22.58	112,900	NYSE Euronext Paris	2013DD256581
07/19/2013	Frédéric Lemoine	Shares	Sale	07/16/2013	83.8679	419,339.5	NYSE Euronext Paris	2013DD256582
07/19/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/17/2013	22.58	112,900	NYSE Euronext Paris	2013DD256584
07/19/2013	Frédéric Lemoine	Shares	Sale	07/17/2013	83.1565	415,782.5	NYSE Euronext Paris	2013DD256585
07/19/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/18/2013	22.58	112,900	NYSE Euronext Paris	2013DD256586
07/19/2013	Frédéric Lemoine	Shares	Sale	07/18/2013	84.0793	420,396.5	NYSE Euronext Paris	2013DD256588
07/19/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/19/2013	22.58	112,900	NYSE Euronext Paris	2013DD256589
07/19/2013	Frédéric Lemoine	Shares	Sale	07/19/2013	84.71	423,550	NYSE Euronext Paris	2013DD256590

Date of AMF filing	Executive	Financial instruments	Type of transaction	Transaction date	Unit price (in euros)	Gross transaction amount (in euros)	Market	AMF disclosure number
07/26/2013	Frédéric Lemoine	Shares	Sale	07/22/2013	85.1576	425,788	NYSE Euronext Paris	2013DD257572
07/26/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/22/2013	22.58	112,900	NYSE Euronext Paris	2013DD257564
07/26/2013	Frédéric Lemoine	Shares	Sale	07/23/2013	85.1963	425,981.5	NYSE Euronext Paris	2013DD257580
07/26/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/23/2013	22.58	112,900	NYSE Euronext Paris	2013DD257576
07/26/2013	Frédéric Lemoine	Shares	Sale	07/24/2013	86.1938	430,969	NYSE Euronext Paris	2013DD257589
07/26/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/24/2013	22.58	112,900	NYSE Euronext Paris	2013DD257586
07/26/2013	Frédéric Lemoine	Shares	Sale	07/25/2013	86.3863	431,931.5	NYSE Euronext Paris	2013DD257598
07/26/2013	Frédéric Lemoine	Shares	Exercise of stock options	07/25/2013	22.58	112,900	NYSE Euronext Paris	2013DD257593
09/09/2013	Bernard Gautier	Shares	Exercise of stock options	09/02/2013	22.58	211,439.12	NYSE Euronext Paris	2013DD263090
09/09/2013	Bernard Gautier	Shares	Sale	09/02/2013	92.1639	724,961.23	NYSE Euronext Paris	2013DD263088
09/09/2013	BJPG Participations, legal entity related to Bernard Gautier	Shares	Sale	09/03/2013	92.7467	1,651,354.99	NYSE Euronext Paris	2013DD263097
09/06/2013	Frédéric Lemoine	Shares	Sale	09/03/2013	92.5927	374,907.72	NYSE Euronext Paris	2013DD263013
09/09/2013	BJPG Participations, legal entity related to Bernard Gautier	Shares	Sale	09/04/2013	92.1892	2,599,274.99	NYSE Euronext Paris	2013DD263098
09/06/2013	Frédéric Lemoine	Shares	Exercise of stock options	09/04/2013	22.58	338,700	NYSE Euronext Paris	2013DD263018
09/09/2013	BJPG Participations, legal entity related to Bernard Gautier	Shares	Sale	09/05/2013	93.3145	1,913,413.82	NYSE Euronext Paris	2013DD263099
09/09/2013	Bernard Gautier	Shares	Exercise of stock options	09/05/2013	22.58	124,280.32	NYSE Euronext Paris	2013DD263091
09/09/2013	BJPG Participations, legal entity related to Bernard Gautier	Shares	Sale	09/06/2013	93.9175	528,661.61	NYSE Euronext Paris	2013DD263100
09/09/2013	Bernard Gautier	Shares	Exercise of stock options	09/06/2013	22.58	1,470,680.56	NYSE Euronext Paris	2013DD263092
09/06/2013	Frédéric Lemoine	Shares	Exercise of stock options	09/06/2013	22.58	338,700	NYSE Euronext Paris	2013DD263017
10/25/2013	Didier Cherpitel	Shares	Sale	10/11/2013	100.1	100,100	NYSE Euronext Paris	2013DD269866
11/18/2013	Nicolas Celier	Shares	Acquisition	11/13/2013	102	51,000	NYSE Euronext Paris	2013DD274105
11/18/2013	Nicolas Celier	Shares	Acquisition	11/12/2013	103.2	51,290.4	NYSE Euronext Paris	2013DD274104
11/22/2013	Nicolas Celier	Shares	Acquisition	11/18/2013	102.4	51,200	NYSE Euronext Paris	2013DD275164

7.9 Shareholder agreements

7.9.1 Commitments concerning Wendel shares

In accordance with the law of August 1, 2003, the Company has been informed of the following share retention commitments between Wendel-Participations and SPIM and certain individual shareholders:

- commitments to hold shares for a period of six years pursuant to Article 885 I bis of the French Tax Code, dated December 14, 2007, December 1, 2008, December 1, 2010, December 5, 2011, December 19, 2012 and December 3, 2013 relating to 36.49%, 38.06%, 36%, 36.74%, 39.12% and 38.58% of the share capital, respectively, at those dates;
- commitments to hold shares for a period of two years pursuant to Article 787 B of the French Tax Code, dated December 5, 2011, December 19, 2012 and December 3, 2013 relating to 36.71%, 36.91% and 37.48% of the share capital, respectively, at those dates.

In addition to a commitment to retain shares for a certain amount of time, these commitments also grant a right of first refusal to Wendel-Participations and SPIM. The shareholders involved in these obligations are not considered to be acting in concert.

As required by Articles 885 I bis and 787 B of the French Tax Code and L.233-11 of the French Commercial Code, these agreements have been reported to the AMF.

Other retention commitments concerning Wendel shares are set out in section 2.1.6.6.

7.9.2 Shareholder agreements entered into by the Wendel Group: unlisted companies

As of December 31, 2013, the Wendel Group was party to several agreements governing its relationships with other shareholders in its unlisted companies. These shareholders are either minority institutional investors (Materis, Stahl and IHS), majority institutional investors (Saham) or senior managers of these companies having taken advantage of programs enabling them to share in their company's performance (Materis, Stahl, Parcours, Mecatherm and NOP).

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, preemptive rights and rights of first refusal);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO.

In addition, shareholder agreements with senior managers in unlisted companies contain clauses related to:

- the handling of executive departures (commitment to sell shares to Wendel in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases);
- the right to liquidate their co-investment in successive tranches, in the absence of a sale or IPO beyond a certain period of time (2-14 years after the Wendel Group's investment, depending on the agreement).

These shareholders agreements with senior managers in unlisted companies are described in greater detail in note 4-2 to the consolidated financial statements on the participation of managers in Group investments.

As part of the liquidity commitments under these agreements, if no liquidity event (divestment or IPO) has taken place before certain predetermined dates, the Wendel Group may be required to buy back the shares held by subsidiary managers in Materis, Stahl, Parcours, and Mecatherm. The value applied to these liquidity commitments would be market value, as determined by an appraiser, or a value calculated on the basis of a profitability multiple.

This would also be the case for Wendel managers holding shares under co-investment plans in Materis, Stahl, VGG, Parcours, Mecatherm, IHS, NOP, and Saham.

As of December 31, 2013, on the basis of the value of investments included in the calculation of Net Asset Value, the value of the *pari passu* portion of the investment made by co-investing managers (under the same risk and return conditions as Wendel) was €123 million, and the value of the portion of the managers' investments having dilutive effects on Wendel's ownership interest was €86 million. In accordance with accounting principles relating to non-controlling interest puts and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€92 million). A €5 million payment was made in 2013 relating to commitments made to co-investing managers of operating subsidiaries. A provision had been recognized for this amount as of December 31, 2012. Co-investment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

The Stahl and Saham shareholder agreements also contain the following terms:

- in Stahl, minority financial investors (for example, second-lien and mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2015 and 2017;
- in Saham, the Wendel Group has an option to make a €150 million follow-on investment before end-December 2014 in addition to its initial €100 million investment, which would bring its holding to 27.78% of the company's capital (before implementation of an accretion mechanism benefitting the majority shareholder dependent on certain objectives being met, this accretion potentially leading Wendel Group's holding to change within the range of 24-26% of capital).

If this follow-on investment were to be carried out, the Wendel Group would benefit from:

- additional rights in Saham's governance in terms of representation on the Board of Directors, with two additional Directors and additional rights of veto, in particular on major strategic priorities and important operational decisions (with the option to exit in the case of major disagreement);
- the option of acquiring an additional 10% stake from the majority shareholder for €130 million, starting in January 2016 (with a two-year postponement option);
- liquidity rights from the tenth anniversary of the initial investment (IPO of the company, distribution, IPO or divestment of subsidiaries or put option to sellshares).

If no follow-on investment is made, the majority shareholder of Saham will have the option to buy back the whole of Wendel's investment in Saham (at a price guaranteeing a minimum IRR of 15% for Wendel) and, if no buy-back is carried out before the fifth anniversary of the investment, Wendel can ask for the liquidity process to be set in motion.

7.9.3 Shareholder agreements entered into by the Wendel Group: listed companies

7.9.3.2 exceet Group SE (formerly Helikos SE)

In an agreement entered into in July 2011, Oranje-Nassau Participaties BV, a Wendel subsidiary, the individual founding shareholders of Helikos SE, VMCap and the principal executives of exceet formalized their relationship as shareholders of exceet Group SE acting in concert.

This agreement has a term of five years, but can be terminated earlier under certain circumstances, in particular if the stake held by VMCap or Wendel should fall below 5% of the capital. It provides for the following:

- VMCap, Wendel and management shall have seats on exceet's Board of Directors and standing committees, with the representation of VMCap and Wendel being adjusted in proportion to their stake in the company);
- VMCap and Wendel shall act in concert before strategic decisions are made by the Board of Directors or at shareholders' meetings; and
- sale by the shareholders of their stakes in exceet is subject to various restrictions, in particular lock-up commitments and rights of first refusal between Wendel and VMCap on certain transfers of listed, "public" shares.

For more details on this agreement, please refer to the Proxy Statement dated June 7, 2011 available on the company's website (www.exceet.ch).

7.9.3.3 Joint statement by Wendel and Saint-Gobain

In a statement published on May 26, 2011, Wendel and Saint-Gobain expressed their satisfaction that the agreements signed in March 2008 had allowed Saint-Gobain to develop under favorable conditions. The representation of Wendel on Saint-Gobain's Board of Directors, the creation of a Strategy Committee and the resulting high-quality discussions have helped to establish a constructive dialogue and efficient governance and are likely to create favorable conditions for Saint-Gobain's development over the long term. Wendel, as leading shareholder, and Saint-Gobain, through the agreement of its Board of Directors, therefore wish to confirm clear governance principles in a spirit of continuity while marking a new stage in the strategic cooperation and regular dialogue between the two groups.

Wendel and Saint-Gobain reiterate their commitment to the following principles:

- support for the strategy approved by the Board of Directors and implemented by Executive Management;
- respect for Saint-Gobain's independence and equal treatment for all shareholders;
- stability of the shareholder base, Wendel's contribution to Saint-Gobain's projects and its long-term commitment to Saint-Gobain.

Wendel and Saint-Gobain affirm their determination to implement the business model defined by Saint-Gobain's Board of Directors which serves a clear ambition: to become the leading player in sustainable housing, by offering solutions that make buildings energy-efficient and more environmentally-friendly while improving comfort and quality of life for all, and by maintaining its exemplary approach to all aspects (economic, environmental, social and societal) of sustainable development.

Saint-Gobain's business model is built on three main pillars: Construction Products, Building Distribution and Innovative Materials. Each of these businesses provides Saint-Gobain with specific advantages which together will help drive growth, notably through targeted acquisitions.

As well as an extensive global footprint including in emerging countries, the Construction Products sector offers Saint-Gobain leading-edge technical expertise, particularly in terms of energy efficiency. This can be used to support the development of other Saint-Gobain businesses throughout the world. The sector's construction products and solutions also allow Saint-Gobain to meet the fast-growing needs of emerging countries resulting from demographic and economic change and rapid urbanization, and to provide mature economies with sustainable habitat solutions.

Thanks to its close-up knowledge of customers and market trends, the Building Distribution sector contributes to the entire Saint-Gobain group. Growth in this sector is driven by new store concepts and new countries.

The third pillar of the model is the Innovative Materials sector, which includes Flat Glass and High-Performance Materials. This sector facilitates access to innovation, as well as to emerging countries. It acts as a technological leader for the entire Group, thanks to a diverse portfolio of materials, patents and processes which have applications in a wide variety of sectors and will also be used in building homes for tomorrow.

On November 15, 2010, the Group set the following objectives through to 2015:

- organic growth in excess of the Saint-Gobain group's historical average organic growth rate, accompanied by a targeted acquisitions policy;
- increase in the Saint-Gobain group's profitability to above its historical average;
- completion of the strategic refocus on Habitat and withdrawal from Packaging (Verallia);
- stronger positions for the Saint-Gobain group in high value-added solutions;
- faster-paced development for the Saint-Gobain group in Asia and emerging countries.

The implementation of this strategy will be pursued while respecting the need for strict financial discipline and a clear policy of shareholder returns.

In terms of the governance of the Saint-Gobain group, Wendel currently holds three out of sixteen seats on Saint-Gobain's Board of Directors, a representation that will remain unchanged going forward. If Wendel were to hold less than 10% of Saint-Gobain's voting rights, it would be entitled to only one seat on the Board. A director representing Wendel has also been appointed to each of Saint-Gobain's Board committees where Wendel plays an important role and this representation would therefore remain unchanged.

Wendel and the Saint-Gobain group's Executive Management will consult with each other in due time, notably as regards any draft resolution to be put to the vote of shareholders' meetings. Neither of the two groups will publish a press release nor publicly adopt a position concerning the other party without having previously informed the other party of its intention to do so.

Wendel confirms that it has no plans to increase its shareholding, either directly or indirectly, alone or in concert, beyond 21.5% of Saint-Gobain's capital. This provision will not apply (i) if the number of Saint-Gobain shares is reduced or if Saint-Gobain buys back its own shares, with Wendel's previously held number of shares remaining unchanged, or (ii) if a stock dividend is paid leading to an accretion of Wendel's interest. These provisions regarding changes in Wendel's shareholding will no longer apply if any other shareholder acting alone or in concert crosses the threshold of 11% of Saint-Gobain's capital, or if a tender offer is launched for Saint-Gobain.

Finally, Wendel agrees not to join a tender offer if the terms of the offer have not been approved by Saint-Gobain's Board of Directors and to abstain from any action that may provoke, encourage or help any such offer to succeed as well as from publicly recommending such an offer, it being specified that Wendel shall nevertheless remain free to tender all or some of its shares if such an offer were to occur.

Wendel shares Saint-Gobain's desire to promote a stable, high-quality shareholder base. Consequently, should Wendel consider transferring shares representing at least 5% of Saint-Gobain's capital, on one or more occasions, to a limited number of buyers, it shall inform Saint-Gobain's Executive Management of its intention. Saint-Gobain's Executive Management would then have one week to submit an acquisition proposal for the shares concerned, by a third party or by Saint-Gobain, remaining valid for a reasonable period of time. Following discussions between the Chairman of each party, Wendel may accept Saint-Gobain's proposal or pursue another offer with financial and key strategic characteristics that it considers in good faith are better aligned with its own interests. Saint-Gobain may ask Wendel to arrange a prior meeting with any such buyer(s) that may have been identified. In any case, the Executive Management of Saint-Gobain and Wendel will use their best efforts to make the transaction a success, in a spirit of cooperation and partnership. In the event of a tender offer for Saint-Gobain, this right of first offer will not apply to any Saint-Gobain shares tendered by Wendel to an offer declared valid by the market authorities.

The items described above provide a favorable basis for the development of the long-term partnership between Saint-Gobain and its leading shareholder, Wendel. It is understood that in the unlikely event that Wendel should notice a disagreement with the majority of Saint-Gobain's Board of Directors on an issue considered of importance, Wendel and Saint-Gobain would use their best efforts to jointly define, within a period of one month, an amicable solution that allows Wendel to continue fulfilling its role on the Board. If Wendel requested that a resolution not approved by the Board be put to the vote of a shareholders' meeting of Saint-Gobain, this would obviously constitute a disagreement on an issue considered to be of importance. If the disagreement persisted, Wendel and Saint-Gobain would be discharged from all of their commitments stated herein and the directors representing Wendel would be led to leave the Board at the end of the following shareholders' meeting. The aforementioned commitments are valid for a period of ten years from the end of the shareholders' meeting of June 9, 2011.

This statement can be found on Wendel's website under the heading "Press portal".

7.10 Factors likely to have an impact in the event of a takeover offer

Pursuant to Article L.225-100-3 of the French Commercial Code, to the best of the Company's knowledge, the items that might have an impact in the event of a takeover bid are as follows:

- the 35.74% of the Company's shares and 47.24% of its voting rights held by Wendel-Participations and its related parties of as of December 31, 2013;
- agreements authorizing the Company to use the "Wendel" name and the "Wendel Investissement" brand. These agreements contain a cancellation clause in the event that Wendel-Participations' stake in the Company should fall below 33.34% of the shares for 120 consecutive days (see section 8.1 "Statutory Auditors' report on related party agreements and commitments");
- the granting of double voting rights to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder (see section 7.3);
- change-of-control clauses in bond indentures and certain loan agreements of Wendel and its subsidiaries (see "Managing Liquidity Risk" in note 5 to the consolidated financial statements);
- right of first refusal: the share-retention commitments of certain shareholders grant a right of first refusal to Wendel-Participations or SPIM (see section 7.9.1 above);
- authorizations granted to the Executive Board to increase share capital and buy back the Company's shares;
- prior authorization from the Supervisory Board required to amend the by-laws;
- termination payments for Executive Board members: the departure of the members of the Executive Board in the event of a change in control of the Company would result in termination payments, as decided at the meetings of the Supervisory Board of May 6, 2009 and February 11, 2010, and confirmed in its meeting of March 27, 2013 (section 2.1.7.7).



SHAREHOLDERS' MEETING OF JUNE 6, 2014

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8.1 Statutory Auditors' special report on related party agreements and commitments

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

General Meeting of Shareholders to approve the financial statements for the year ended December 31, 2013

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with Article R. 225-58 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-58 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the General Meeting of Shareholders.

We performed the procedures which we considered necessary to comply with professional guidance issued by the national auditing body (*Compagnie nationale des Commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the General Meeting of Shareholders

Agreements and commitments authorized during the year

In accordance with Article L. 225-88 of the French Commercial Code (*Code de commerce*), we have been advised of certain related party agreements and commitments which received prior authorization from your Supervisory Board.

A. With Mr Frédéric Lemoine, Chairman of the Executive Board, and Mr Bernard Gautier, member of the Executive Board of your Company

1. Principles governing the co-investment by Wendel's management team relating to acquisitions made by Wendel between April 2013 and April 2017

Nature, purpose and conditions

On August 28, 2013, the Supervisory Board authorized, for investments made by Wendel in new companies acquired between April 2013 and April 2017 (hereafter the "Millésime"), the following revised co-investment principles:

- 35% of the amount co-invested (instead of the 70% used in the system governing co-investments made between 2011 and 2012) gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the Millésime (previously 7%), on the condition that Wendel's return is at least 10% p.a. (previously 7%) (carried interest deal by deal);
- 35% of the amount co-invested gives the right to 3.5% of the capital gain realized on all of the investments of the Millésime (new principle), on the condition that Wendel's return, calculated for all of these investments as a whole, is at least 7% p.a. (pooled carried interest); if Wendel has not fully divested each of the investments of the Millésime, or listed them on a stock exchange, the pooled capital gain will be allocated equally in 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);
- the remaining 30% is co-invested *pari passu* with Wendel, 15% on a deal-by-deal basis (30% in the previous system) and 15% on a pooled basis (new principle);
- the co-investors having freely made the commitment to participate in the 2013-2017 co-investment program are required to invest in all of the investments of the Millésime with respect to the pooled portion (carried interest and *pari passu*); failing which, the co-investor concerned will lose all of his/her rights, except for cases of force majeure, where the co-investor will simply be diluted *pro rata* for the unsubscribed portion;
- those co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis (carried interest and *pari passu*), without obligation.

The share of the Executive Board's co-investment is equal to one-third of the total co-investment, comprising 60% from the Chairman of the Executive Board and 40% from Mr Bernard Gautier.

As a result of implementing these new principles, two new joint stock companies have been created in Luxembourg (Expansion 17 SA and Global Performance 17 SA), and have applied for approval as venture capital investment funds (sociétés d'investissement en capital à risque – SICAR) from Luxembourg's financial regulator.

The other co-investment rules have not changed:

- the amount co-invested cannot exceed 0.5% of Wendel's investment;
- liquidity events include complete divestiture, change in control, divestiture of more than 50% of the financial instruments held by the Group or the stock market flotation of the company concerned;
- one-third of the amount invested is distributed to the co-investors for investments on a deal-by-deal basis, failing any total divestiture or stock market flotation, eight, ten and twelve years after the initial investment;
- rights to carried interest will vest gradually over a period of four years in five 20% tranches, including 20% at the investment date. This period begins following the first investment for Global Performance 17 SA. In the event of a departure during this period, the members of the management team undertake to sell on demand (and in some instances, are entitled to sell) their unvested rights at their original value (and in some instances, their fully vested rights) under predefined financial conditions.

In compliance with these principles, management and certain executives co-invested alongside Wendel in the Moroccan company Saham and in the Japanese company Nippon Oil Pump, in November and December 2013 respectively.

2. Co-investment made by members of the Executive Board in Saham

Nature, purpose and conditions

On November 28, 2013, Wendel invested €100 million in Saham. In accordance with the new rules on co-investments, as outlined above, a proposal was made to management and certain executives to co-invest 0.5% of the amounts invested by Wendel.

Within this context, and upon the prior authorization of the Supervisory Board on November 19, 2013, Mr Frédéric Lemoine and Mr Bernard Gautier respectively invested €103,766 and €69,159 in Saham through Expansion 17 SA and Global Performance 17 SA in November 2013.

3. Co-investment made by members of the Executive Board in Nippon Oil Pump

Nature, purpose and conditions

On December 20, 2013, Wendel acquired Nippon Oil Pump in Japan for the euro equivalent of JPY 3.2 billion (subject to adjustments). In accordance with the new rules on co-investments, as outlined above, a proposal was made to management and certain executives to co-invest 0.5% of the amounts invested by Wendel.

Within this context, and upon the prior authorization of the Supervisory Board on December 4, 2013, Mr Frédéric Lemoine and Mr Bernard Gautier respectively invested €23,310 and €15,636 (subject to adjustments) in Nippon Oil Pump through Expansion 17 SA and Global Performance 17 SA in December 2013.

4. Additional co-investments made by members of the Executive Board in IHS

Nature, purpose and conditions

On July 24, 2013, Wendel reinvested the euro equivalent of \$100 million in the IHS group in addition to the initial investment of the euro equivalent of \$176 million in April 2013. In accordance with the co investment rules applicable to Oranje Nassau Développement SA Sicar, a proposal was made to management and certain executives to co-invest 0.5% of the amounts invested by Wendel.

Within this context, and upon the prior authorization of the Supervisory Board on July 4, 2013, Mr Frédéric Lemoine and Mr Bernard Gautier respectively invested €76,890 and €51,150 in the IHS compartment of Oranje Nassau Développement SA Sicar in July 2013.

Furthermore, on December 4, 2013, the Supervisory Board authorized Wendel to reinvest, on one or several occasions, the euro equivalent of \$275 million in the IHS group in addition to its previous investments. The Supervisory Board authorized the members of the Executive Board to invest one-third of the additional 0.5% co-investment in the IHS group, of which 60% invested by the Chairman of the Executive Board and 40% by the other member of the Board.

In this context, the euro equivalent of \$152.2 million was reinvested by Wendel on March 3, 2014 and Mr Frédéric Lemoine and Mr Bernard Gautier respectively invested €110,880 and €73,920 in the IHS compartment of Oranje Nassau Développement SA Sicar on February 21, 2014.

5. Additional co-investments made by members of the Executive Board in Mecatherm

Nature, purpose and conditions

In September 2012, Wendel granted Mecatherm a €5 million liquidity line which Mecatherm was unable to repay within the twelve months. In accordance with the co-investment rules applicable to Oranje Nassau Développement SA Sicar, a proposal was made to management and certain executives to co-invest 0.5% of the amounts invested by Wendel.

Within this context, and upon the prior authorization of the Supervisory Board on December 4, 2013, Mr Frédéric Lemoine and Mr Bernard Gautier respectively invested €4,956 and €3,300 in the Mecatherm compartment of Oranje Nassau Développement SA Sicar in December 2013.

B. With Mr Bernard Gautier, member of the Executive Board of your Company

Nature, purpose and conditions

Fixed and variable compensation of a member of the Executive Board

At its meeting on March 27, 2013, upon the recommendation of the Chairman of the Executive Board, the Supervisory Board decided to increase Mr Bernard Gautier's fixed compensation from €700,000 to €800,000 for 2013.

At the same meeting, the Supervisory Board decided to increase the maximum amount of variable compensation attributable to Mr Bernard Gautier to 100% of his fixed compensation based on four quantitative and two qualitative targets. Quantitative and qualitative targets correspond to 70% and 30%, respectively, of the maximum variable compensation.

Taking into account the achievement rate of these targets and based on audited figures, on February 13, 2014 and March 26, 2014, the Supervisory Board authorized the Company to pay Mr Bernard Gautier variable compensation in respect of 2013 equal to 87.93% of his fixed compensation. As a result, Mr Bernard Gautier's variable compensation for 2013 amounted to €703,440.

C. With Wendel Participations, shareholder of your Company

Use of the Wendel brand for international operations

Nature, purpose and conditions

As part of its international expansion, in North America, Germany, Africa, Southeast Asia, China and Japan, Wendel wanted to use its brand in these regions. Accordingly, on October 25, 2013, Wendel-Participations, owner of the brand, and Wendel amended their license agreement entered into on May 15, 2002 to define the rules for using the Wendel brand outside France. No other amendments were made to the brand license agreement.

This agreement was previously authorized by the Supervisory Board on October 24, 2013.

Agreements and commitments already approved by the General Meeting of Shareholders

Agreements and commitments approved in prior years

In accordance with Article R. 225-57 of the French Commercial Code (*Code de commerce*), we have been advised that the implementation of the following agreements and commitments which were approved by the General Meeting of Shareholders in prior years continued during the year.

A. With Mr Frédéric Lemoine, Chairman of the Executive Board, Mr Bernard Gautier, member of the Executive Board and Mr Ernest-Antoine Seillière, member of the Supervisory Board of your Company until May 28, 2013

Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel between 2006 and 2008 (and to later reinvestments made by Wendel in these companies)

Nature, purpose and conditions

In 2006 and 2007 Wendel implemented a co-investment system designed to associate Wendel's management team in your Group's performance. As a result, the management team members invested personally alongside your Group in Winvest International SA SICAR, which held your Group's investments in the non-listed companies Materis, Stahl and Van Gansewinkel Groep (VGG) at December 31, 2013.

The general principles applicable to these co-investments are as follows:

- (i) the co-investors invest alongside your Group, at Wendel's request, a maximum overall amount of 0.5% of the total amounts invested by Wendel;
- (ii) co-investors are entitled to 10% of the capital gain (for 0.5% of the total investment), provided that Wendel has achieved a minimum annual return of 7% and a cumulative 40% on its investment; if Wendel does not achieve both of these thresholds, members of the management team will lose the amounts they have invested; the minimum return of 7% per year criterion will be assessed based on original value of the investments and investment dates;
- (iii) rights to co-investment benefits will vest gradually over a period of four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date); however, the members of the management team have committed, in the event of departure, to sell on demand their unvested shares at their original value;
- (iv) the capital gain will be realized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

In this context, in 2010 the members of the Management Committee entered into, with your Group, agreements to sell and agreements to buy that are to be exercised:

- either at the occurrence of a liquidity event affecting Materis, Stahl, or VGG, a liquidity event being defined as complete divestiture of the company concerned, a change in control, divestiture or repayment of more than 50% of the financial instruments held by your Group in the company concerned, the stock market flotation of the company concerned, or the end of the ten-year period as from the initial investment (December 31, 2016); or
- in the event of the departure from your Group of the management team member concerned.

In the event of the occurrence of a liquidity event, your Group has undertaken to buy from the members of the management team their shares in Winvest International SA SICAR representative of the company concerned, at a price such that the latter receive 10% of the capital gain made on this company, subject to your Group having obtained a minimum return of 7% per annum and 40% of its investment. Otherwise, the members of the management team have undertaken to sell to your Group, for the token sum of €1, their shares in Winvest International SA SICAR representative of the company concerned.

In the event of the departure of a member of the management team:

- the person concerned has undertaken to sell to your Group:
 - (i) his unvested shares in Winvest International SA SICAR at their original value, whatever the reasons for this person's departure from your Group, and
 - (ii) his vested shares in Winvest International SA SICAR, at their market value in the event of gross misconduct resulting in dismissal or removal from office or non-renewal of his term of office; for €1 with an additional price at market value in the case of a liquidity event when the departure is due to dismissal or removal from office for serious misconduct; and at the original value or the market value, whichever is higher, in the event of death;
- your Group has undertaken to purchase from the person concerned:
 - (i) his unvested shares in Winvest International SA SICAR at their original value in the event of dismissal or removal from office or non-renewal of his term of office, except in the event of serious or gross misconduct, or in the event of death, and
 - (ii) his vested shares in Winvest International SA SICAR, at their market value in the event of dismissal or removal from office or non-renewal of his term of office, except in the event of serious or gross misconduct, and at their original value or market value, whichever is higher, in the event of death.

B. With Mr Frédéric Lemoine, Chairman of the Executive Board, and Mr Bernard Gautier, member of the Executive Board of your Company

Framework agreement on co-investments by Wendel's management team relating to acquisitions made by Wendel between 2011 and 2012 (and to later reinvestments made by Wendel in these companies)

Nature, purpose and conditions

In 2011, Wendel integrated a pari passu principle into its co-investment system resulting in a change in the co-investment principles applicable to Wendel's management team for acquisitions carried out by Wendel in 2011 and 2012. The management team members invested personally alongside your Group in Oranje-Nassau Développement SA Sicar, which held your Group's investments in the non-listed companies Parcours, Mecatherm and IHS at December 31, 2013.

The general principles applicable to these co-investments are as follows:

- (i) the co-investors invest alongside your Group, at Wendel's request, a maximum overall amount of 0.5% of the total amounts invested by Wendel;
- (ii) 30% of the amount invested by the management teams is invested under the same conditions as Wendel (pari passu co-investment);
- (iii) the remaining 70%, i.e., a co-investment of 0.35% of the total invested by Wendel, gives entitlement, in the case of events defined in paragraphs (v) and (vi) below, to 7% of the capital gains (leveraged co-investment), on condition that Wendel has obtained a minimum yield of 7% per year and a cumulative 40% on its investment; failing this, the co-investors will lose the 70% invested;
- (iv) rights to leveraged co-investment benefits are vested gradually over four years in five tranches of 20% per year (20% at the investment date, then 20% at each anniversary date);
- (v) the potential capital gain is realized in the event of total divestment, change of control, sale of over 50% of the shares owned by your Group or the stock market flotation of the company concerned; depending on the situation, the liquidity granted to the co-investors may be total or in proportion to the shareholding transferred;
- (vi) the potential capital gain is realized in the event of total divestment, change of control, sale of over 50% of the shares owned by your Group or the stock market flotation of the company concerned; depending on the situation, the liquidity granted to the co-investors may be total or in proportion to the shareholding transferred;

(vii) at the end of an eight-year period as from the performance of the initial investment by your Group and failing any total divestment or stock market flotation, the potential capital gain is also realized on one-third of the amounts invested by the co-investors; the same holds true after ten years, then twelve years, if no total divestment or stock market flotation has taken place in the meanwhile; in these cases, the co-investment is valued at the end of each period by an internationally-recognized independent expert.

In the event of departure of a member of the management team, the commitments made and received by the co-investors and your Group are identical to those under the framework agreement on the co-investments made by the management team relating to acquisitions made by Wendel between 2006 and 2008 (and to the subsequent re-investments made by Wendel in these companies) as described hereabove.

C. With Wendel Participations, shareholder of your Company

1. Service agreement for administrative assistance

Nature, purpose and conditions

On September 2, 2003, your Company entered into a service agreement for administrative assistance with Wendel-Participations: your Company invoiced €13,000 before tax in respect of 2013.

2. Agreement to rent premises

Nature, purpose and conditions

On September 2, 2003, your Company entered into a commitment to rent premises: your Company invoiced €43,733.28 before tax in respect of 2013.

3. Agreement on the use of the "Wendel" name and license to use the brand "WENDEL Investissement"

Nature, purpose and conditions

On May 15, 2002, your Company entered into two agreements with SLPS and Wendel-Participations. These agreements authorized the Company to use the family name "Wendel" as its corporate and commercial name, and grant an exclusive license to the Company to use the brand "WENDEL Investissement".

These agreements were entered into without consideration and for an indefinite period, with the stipulation that they may be revoked if the direct or indirect interest of the family holding companies in the capital of the Company remains less than 33.34% for 120 consecutive days. If this right of revocation is not exercised within 60 days after the expiration of the said 120-day period, the right to use the name and the exclusive license to use the brand shall become final and irrevocable.

Neuilly-sur-Seine et Paris-La Défense, April 7, 2014

The Statutory Auditors
French original signed by

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean Bouquot

8.2 Statutory Auditors' report on the issue of shares and other securities with or without cancellation of preferential subscription rights

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Wendel and in compliance with articles L.228-92, L.225-135 et seq. of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed authorizations allowing the Executive Board to issue shares and other securities, which are submitted to you for approval.

(Extraordinary Shareholders' Meeting of June 6, 2014 – Thirteenth, fourteenth, fifteenth, sixteenth, seventeenth, eighteenth and twentieth resolutions)

Based on the Executive Board's report, shareholders are requested to:

- delegate authority to the Executive Board, with the possibility of subdelegation in accordance with the law, subject to the prior authorization of the Supervisory Board in accordance with article 15-V b) of the by-laws, for a period of 14 months, to decide whether to proceed with the following transactions and to set the final conditions of these issues, and proposes, if applicable, to cancel your preferential subscription rights:
 - the issue of shares in the Company or securities giving access to shares in the Company or, in accordance with article L.228-93 of the French Commercial Code (*Code de commerce*), in any company in which the Company directly or indirectly owns more than half of the capital, without cancellation of preferential subscription rights (thirteenth resolution),
 - the issue of shares in the Company or securities giving access to shares in the Company or, in accordance with article L.228-93 of the French Commercial Code (*Code de commerce*), in any company in which the Company directly or indirectly owns more than half of the capital or granting entitlement to the allocation of debt securities, with cancellation of preferential subscription rights. This issue may be made either through a public offer, within the limit of 20% of the share capital per year, in accordance

with paragraph II of article L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (fourteenth and fifteenth resolutions),

- the issue of shares in the Company or securities giving access to shares in the Company, resulting from the issue by subsidiaries (article L.228-93 of the French Commercial Code (*Code de commerce*) of the Company of securities giving access to shares in the Company (fourteenth and fifteenth resolutions),
- the issue of shares in the Company or securities giving access to shares in the Company, where a public exchange offer (article L.225-148 of the French Commercial Code (*Code de commerce*) is launched by your Company (eighteenth resolution),
- authorize the Executive Board, under the sixteenth resolution and within the context of the authorization presented in the fourteenth and fifteenth resolutions, to set the issue price within the legal annual limit of 10% of the share capital;
- delegate authority to the Executive Board if applicable, with the possibility of subdelegation in accordance with the law, subject to the prior authorization of the Supervisory Board in accordance with article 15-V b) of the by-laws, for a period of 14 months, to set the terms and conditions of the issue of shares in the company or of securities giving access to shares in the Company, in order to pay for the contributions in kind made to the Company and consisting of equity securities or securities giving access to the capital (eighteenth resolution), within the limit of 10% of the capital.

The nominal amount of the capital increases that can be implemented immediately or at a later date may not exceed €100,000,000 under the thirteenth resolution, €100,000,000 under the eighteenth resolution, €40,000,000 under the fourteenth and the fifteenth resolutions, it being specified that these amounts will be charged against the overall maximum amount of €400,000,000 set by the thirteenth, fourteenth, seventeenth, eighteenth and nineteenth resolutions.

If you adopt the seventeenth resolution, these maximum amounts take into account the additional number of securities issued under the authorizations presented in the thirteenth, fourteenth and fifteenth resolutions, in accordance with article L.225 135-1 of the French Commercial Code (*Code de commerce*).

It is the Executive Board's responsibility to prepare a report in accordance with articles R.225-113 et seq. of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements, on the proposed cancellation of preferential subscription rights, and on the other information relating to these operations provided in the Executive Board's report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. Those standards require that we perform procedures to verify the content of the Executive Board's report relating to these transactions and the methods used to set the share issue price.

Subject to a subsequent examination of the issuance conditions once they have been decided, we have no matters to report as regards the methods used to set the issue price as provided in the Executive

Board's report with respect to the fourteenth, fifteenth and sixteenth resolutions.

Moreover, as the methods used to set the issue price of the capital securities to be issued in accordance with the thirteenth and eighteenth resolutions are not specified in this report, we do not express an opinion on the choice of factors used to calculate the issue price.

As the final conditions in which the issues would be performed have not yet been set, we do not express an opinion on these conditions and, consequently, on the cancellation of preferential subscription rights proposed in the fourteenth, sixteenth and eighteenth resolutions.

In accordance with article R.225-116 of the French Commercial Code (*Code de commerce*), we will issue a supplementary report, if necessary, when the Executive Board has exercised these authorizations for issues of securities giving access to the capital or granting entitlement to the allocation of debt securities and for issues with cancellation of preferential subscription rights.

Neuilly-sur-Seine and Paris-La Défense, April 7, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean Bouquot

8.3 Statutory Auditors' report on the authorization to award existing shares or shares to be issued to corporate officers and employees

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Extraordinary Shareholders' Meeting of June 6, 2014 – Twenty third resolution)

To the Shareholders,

In our capacity as Statutory Auditors of Wendel, and in compliance with article L.225 197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization sought by the Executive Board to award existing shares or shares to be issued in favor of employees or corporate officers to the Company described in paragraph II of article 225-197-1 of the French Commercial Code (*Code de commerce*) or to employees and corporate officers of the Company and of the companies or groups of companies that are related to it within the meaning of article L.225-197-2 of the French

Commercial Code (*Code de commerce*), which is submitted to you for approval.

Based on the Executive Board's report, shareholders are requested to authorize the Executive Board, for a period of 14 months, to award free shares or shares to be issued.

It is the Executive Board's responsibility to prepare a report on the proposed operation. It is our responsibility to report to you on the information provided to you on the proposed operation.

We performed the procedures we deemed necessary in accordance with the professional standards applicable in France to such engagements. These procedures consisted primarily in verifying that the methods proposed and the information in the Executive Board's report comply with the applicable legal provisions.

We have no matters to report as regards the information in the Executive Board's report concerning the proposed authorization to award existing shares or shares to be issued.

Neuilly-sur-Seine and Paris-La Défense, April 7, 2014

The Statutory Auditors

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Etienne Boris

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Jean Bouquot

8.4 Statutory Auditors' report on the authorization to award stock subscription and/or purchase options to corporate officers and employees

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Extraordinary Shareholders' Meeting of June 6, 2014 – Twenty second resolution)

To the Shareholders,

In our capacity as Statutory Auditors of Wendel, and in compliance with articles L.225 177 and R.225-144 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization to award stock subscription and/or purchase options to those who will be appointed from among the corporate officers referred to in article L.225-185 of the French Commercial Code and employees of the Company and of the companies or groups of companies that are related to it within the meaning of article L.225-180 of the French Commercial Code, which is submitted to you for approval.

Based on the Executive Board's report, shareholders are requested to authorize the Executive Board, for a period of 14 months, to award stock subscription and/or purchase options.

It is the Executive Board's responsibility to prepare a report on the reasons for awarding stock subscription and/or purchase options and on the proposed methods for setting the subscription and/or purchase price. It is our responsibility to express an opinion on these methods.

We performed the procedures we deemed necessary in accordance with the professional standards applicable in France to such engagements. These procedures included verifying that the methods proposed for setting the subscription and/or purchase price are specified in the Executive Board's report and that they comply with the applicable legal and regulatory provisions.

We have no matters to report as regards the proposed methods for setting the subscription and/or purchase price.

Neuilly-sur-Seine and Paris-La Défense, April 7, 2014

The Statutory Auditors

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean Bouquot

8.5 Statutory Auditors' report on the authorization to award existing shares or shares to be issued to corporate officers and employees

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Extraordinary Shareholders' Meeting of June 6, 2014 – Twenty-third resolution)

To the Shareholders,

In our capacity as Statutory Auditors of Wendel, and in compliance with article L.225 197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the authorization sought by the Executive Board to award existing shares or shares to be issued in favor of employees or corporate officers to the Company described in paragraph II of article 225-197-1 of the French Commercial Code (*Code de commerce*) or to employees and corporate officers of the Company and of the companies or groups of companies that are related to it within the meaning of article L.225-197-2 of the French

Commercial Code (*Code de commerce*), which is submitted to you for approval.

Based on the Executive Board's report, shareholders are requested to authorize the Executive Board, for a period of 14 months, to award free shares or shares to be issued.

It is the Executive Board's responsibility to prepare a report on the proposed operation. It is our responsibility to report to you on the information provided to you on the proposed operation.

We performed the procedures we deemed necessary in accordance with the professional standards applicable in France to such engagements. These procedures consisted primarily in verifying that the methods proposed and the information in the Executive Board's report comply with the applicable legal provisions.

We have no matters to report as regards the information in the Executive Board's report concerning the proposed authorization to award existing shares or shares to be issued.

Neuilly-sur-Seine and Paris-La Défense, April 7, 2014

The Statutory Auditors

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Jean Bouquot

8.6 Supplementary report from the Executive Board on the capital increase reserved for employee members of the Group savings plan in 2013

Using the power delegated to it by the shareholders at their Combined Shareholders' Meeting on May 28, 2013 by virtue of the twenty-second resolution, and after obtaining the approval of the Supervisory Board on that same date, the Executive Board decided on July 1, 2013 to carry out a capital increase reserved for members of the Wendel Group savings plan, in favor of whom the shareholders' preferential subscription rights were canceled at the same meeting.

The purpose of this report, prepared in accordance with Article R.225-116 of the French Commercial Code, is to describe the final terms and conditions of the capital increase carried out with the approval of the shareholders.

I. Final terms and conditions of the capital increase

Size of the reserved capital increase

On July 1, 2013, the Executive Board decided to set the maximum par value of the reserved capital increase at €200,000, or 50,000 shares with a par value of €4 per share.

On July 25, 2013, the Executive Board recognized that 28,854 shares had been subscribed by the close of the subscription period, increasing the Company's share capital by €207,436, of which €115,416 consists of shares issued for the Group savings plan and €92,020 of shares issued as a result of stock option exercises. The Company's share capital therefore currently stands at €198,358,000, divided into 49,589,500 shares, all of the same class, with a par value of €4 per share.

Subscription price

On July 1, 2013, the Executive Board set the discount at 20% of the reference price, noting that:

- the reference price, calculated based on the average closing share price for the 20 trading days prior to July 1, 2013, was €82.90;
- the subscription price, set at 80% of the reference price, was €66.32.

Each new share having a par value of €4 was therefore issued with a share premium of €62.32.

On August 21, 2013, the Executive Board noted that the final amount of the capital increase for members of the Group savings plan, including the share premium, was €1,913,597.28.

Beneficiaries

The beneficiaries of the offer are the members of the Wendel Group savings plan, employees and corporate officers with at least three months of service with the Company as of the closing date of the subscription period.

Cancellation of preferential subscription rights

At the Combined Shareholders' Meeting of May 28, 2013, the shareholders' preferential subscription rights were canceled in favor of the beneficiaries of the capital increase.

Rights attached to shares

The new shares were issued with ownership rights taking effect at once and were immediately treated in the same way as existing shares.

Maximum subscription rights

Each beneficiary has the right to subscribe to new shares in accordance with the terms and conditions of the Wendel Group savings plan and any amendments thereto.

Matching contribution

For 2013, the matching contribution is 200% of the subscriber's voluntary contribution, up to a limit of 120 Wendel shares. The amount of 120 shares represents the largest whole number of shares that may be subscribed without the employers' contribution exceeding the legal limit of €5,332 per savings plan member.

Adjustments to the reserved capital increase

If the total number of shares requested had exceeded the maximum number of shares offered in connection with the reserved capital increase, share requests would have been reduced. Reductions would have been made as follows:

- no reduction to share requests eligible for the matching contribution;
- share requests made in connection with the reinvestment of dividends from Company shares held in the Wendel Group savings plan would have been fulfilled before other requests;
- all other share requests would have been fulfilled in proportion to the remaining quantity of shares requested by each subscriber.

Since the total number of shares requested was less than the maximum number of shares offered in connection with the reserved capital increase, the share capital was increased only by the number of subscribed shares.

Subscription period

The subscription period ran from July 4 to July 15, 2013, inclusive.

The subscription period could have ended at any time before July 15, 2013 if all beneficiaries had either returned their subscription form or notified the Company that they had chosen to waive their right to subscribe to the shares offered.

Listing of new shares

Admission to trading of the Company's new shares on Eurolist by Euronext was requested as soon as possible after the capital increase.

II. Impact of the capital increase

The Company issued 28,854 new shares.

In accordance with Article R.225-115 of the French Commercial Code, the Executive Board hereby reports on the impact of this issue on the

August 21, 2013

Frédéric Lemoine

Chairman of the Executive Board

situation of holders of equity shares in the Company and holders of securities giving access to the Company's capital. The impact of the issue was assessed based on the latest parent company financial statements dated June 30, 2013.

Impact on book value as of June 30, 2013

After taking into account the 28,854 shares subscribed to in connection with the capital increase covered in this report, book value per share declined by €0.01 based on a total of 49,580,818 shares issued, representing the Company's share capital, and by €0.01 based on a total of 49,953,465 shares issued or that could potentially be issued.

Theoretical impact on the share's current stock market value based on the average share price for the 20 trading days prior to July 1, 2013

After taking into account the 28,854 shares subscribed to in connection with the capital increase covered in this report, the share's market price declined by €0.05 per share based on a total of 49,580,818 shares issued, representing the Company's share capital, and by €0.05 per share based on a total of 49,953,465 shares issued or that could potentially be issued.

Bernard Gautier

Member of the Executive Board

8.7 Statutory Auditors' supplementary report on the increase in capital with cancellation of preferential subscription rights reserved for members of a company savings scheme

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with article R. 225-116 of the French Commercial Code (*Code de commerce*) and further to our special report dated April 5, 2013, we hereby report to you on the increase in capital with cancellation of preferential subscription rights reserved for the members of a company savings scheme set up within the group, authorized by your Extraordinary Shareholders' Meeting of May 28, 2013.

This increase in capital was submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code, and articles L. 3332-18 *et seq.* of the French Labor Code (*Code du travail*).

The Shareholders' Meeting delegated authority to the Executive Board to decide on such an operation within a period of fourteen months and for a maximum amount of €250,000. Exercising this delegation, the Executive Board decided, at its meeting on July 1, 2013, to proceed with an increase in capital for up to a maximum nominal amount of €200,000, i.e., 50,000 shares with a par value of €4 per share. At its meeting of August 21, 2013, the Executive Board noted the completion of the capital increase of €115,416, through the issue of 28,854 shares with a par value of €4 per share and a share premium of €62.32 per share.

It is the responsibility of the Executive Board to prepare an additional report in accordance with articles R. 225-115 and R. 225-116 of the French Commercial Code. Our role is to report on the fairness of the financial information taken from the interim balance sheet, on the proposed cancellation of preferential subscription rights and on other information relating to the share issue provided in the report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying:

- the fairness of the financial information taken from the company's interim balance sheet at June 30, 2013 prepared under the responsibility of the Executive Board using the same methods and following the same presentation as the previous year's financial statements. We conducted interviews with members of management responsible for accounting and financial matters, verified that the financial information was calculated in accordance with the same accounting principles and the same valuation and presentation methods used for the preparation of the previous full-year's financial statements, and applied analytical procedures;
- the compliance with the terms of the operation as authorized by the Shareholders' Meeting;
- the information provided in the Executive Board's supplementary report of August 21, 2013 on the choice of constituent elements used to determine the issue price and on its final amount.

We have no matters to report as to:

- the fairness of the financial information taken from the interim balance sheet and included in the Executive Board's supplementary report;
- the compliance with the terms of the operation as authorized by your Extraordinary Shareholders' Meeting of May 28, 2013 and the information provided to the shareholders;
- the choice of constituent elements used to determine the issue price and its final amount;
- the presentation of the effect of the issuance on the situation of the shareholders, as expressed in relation to shareholders' equity, and on the market value of the share;
- the proposed cancellation of the preferential subscription rights, upon which you have voted.

Neuilly-sur-Seine and Paris-La Défense, August 30, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit

Etienne Boris

ERNST & YOUNG Audit

Jean Bouquot

8.8 Observations from the Supervisory Board for the Shareholders

To the Shareholders,

Your Supervisory Board performed checks and oversight of the Executive Board throughout 2013, with the active support of our committees and in accordance with our duties set forth in the Company's by-laws. We renewed the Executive Board's term of office for a further four years, until April 2017.

Wendel had a good year in 2013 despite the turbulent economic climate. We would like to thank the Executive Board and all Wendel employees for their dedication.

The financial statements for the year ended December 31, 2013 show consolidated sales of €6,431.8 million, up 1.5% from the prior year, and net income, Group share, of €333.7 million, up 50.9% from the prior year. Wendel's net asset value stood at €135.2 per share as of December 31, 2013, a 16.4% increase from December 31, 2012.

These results reflect the effective strategy implemented by the Executive Board. We approve the Executive Board's proposal to set the 2013 dividend at €1.85 per share, a 5.7% increase from 2012.

In terms of governance, you are asked to approve the renewal of two independent Supervisory Board members' terms: Dominique Hériard Dubreuil, Vice-Chairman of the Supervisory Board, and Guylaine Saucier, Chairman of the Audit Committee. We thank them for their valuable contributions and efforts in these important roles on our Board.

Because Nicolas Celier does not wish to renew his term of office due to his age, you are asked to approve the appointment of a new Supervisory Board member: family shareholder Christian van Zeller d'Oosthove. We thank Mr. Celier for his eight years of service, during which his extensive experience in industry helped support Wendel's growth. We are pleased to welcome Mr. van Zeller d'Oosthove to our Board; he brings in-depth knowledge of key regions such as North Africa, Central Europe, and other emerging countries where he has lived and worked in investment, consulting, and organizational roles in both finance and industry.

We also recommend that you approve all the resolutions submitted to you by the Executive Board at the Annual Meeting.

8.9 Report of the Executive Board on the resolutions submitted to the shareholders at their Annual Meeting on June 6, 2014

8.9.1 Overview of resolutions

Ordinary General Meeting

2013 financial statements, allocation of income and related party agreements

The purpose of the **first** and **second resolutions** is to approve Wendel's financial statements as of December 31, 2013.

The parent company financial statements show net income of €334,260,548.94; the consolidated financial statements report net

income, Group share, of €333,717,000. These performances reflect Wendel's strength and the continued reinforcement of its financial structure.

The **third resolution** proposes to allocate net income for the year ended December 31, 2013 and distribute a dividend of €1.85 per share, an increase from the dividends paid for the past three years.

	2010	2011 ⁽¹⁾	2012
Dividend	€1.25	€1.30	€1.75

(1) Excluding the special distribution of one Legrand share for every 50 Wendel shares.

The ex-dividend date is set for June 10, 2014, and the dividend will be paid on June 13, 2014.

Under current regulations, in accordance with Article 243 bis of the French Tax Code, the entire dividend paid to individuals resident in France for tax purposes is subject to a progressive income tax rate, after applying the 40% exclusion for allowed for under Article 158-3 2° of the French Tax Code.

A mandatory flat-rate withholding tax of 21% will be applied to the gross dividend amount, in addition to a 15.5% social security withholding tax, and will be applied to the income tax owed for the year in which the dividend is paid.

The **fourth resolution** proposes to approve the Statutory Auditors' special report on the related party agreements entered into in 2013 and early 2014. The report describes the Company's co-investment principles for 2013-17, as well as the co-investments made by Executive Board members in Saham and Nippon Oil Pump and their additional co-investments in Mecatherm and IHS. The report also discusses changes in Bernard Gautier's fixed and variable compensation, since he is both a salaried employee of the Company and a member of its Executive Board (see section 8.9.2).

Supervisory Board: renewal of the terms of two independent members and appointment of one new member

The **fifth** and **sixth resolutions** propose to renew the terms of Dominique Hériard Dubreuil and Guylaine Saucier for a further four years.

Ms. Hériard Dubreuil and Ms. Saucier are two of the Supervisory Board's five independent members and two of its four female members.

The **seventh resolution** proposes to appoint a new Supervisory Board member, Christian van Zeller d'Oosthove, a Wendel family shareholder, for a four-year term.

He would bring to the Board extensive expertise in finance and strategy – especially in emerging markets in North Africa.

Information about these candidates is provided in section 2.1.2.2 of the Company's 2013 registration document.

If these renewals and appointment are approved, the Supervisory Board will have 11 members, including five independent members and four women.

Appointment of an alternate Statutory Auditor

The **eighth resolution** proposes to appoint Jean-Christophe Georghiou from PricewaterhouseCoopers Audit as an alternate Statutory Auditor for a six-year term. He would replace the current alternate Statutory Auditor, whose term ends at the end of this Meeting. Mr. Georghiou's term would expire at the end of the Ordinary Shareholders' Meeting called in 2020 to approve the financial statements for the fiscal year ending December 31, 2019.

Share buyback program

The **ninth resolution** would renew the authorization granted to the Company to buy back its own shares as provided for by law. The maximum repurchase price has been set at €200 and the authorization would be valid for 14 months.

The share buyback program can only be used for the purposes defined by law and determined in this resolution. Your Company may use this program to buy back and cancel shares (under the authorization granted at the Annual Shareholders' Meeting of May 28, 2013), carry out acquisitions, stimulate the market for the Company's shares or cover stock purchase options or performance shares. In 2013, Wendel directly repurchased 1,323,347 of its own shares for use in the Company's stock option plans, performance share grants, and acquisitions.

In all cases, the shares acquired by the Company may not exceed 10% of its capital, or (on an indicative basis) 3,113,405 shares as of December 31, 2013, taking into account shares already held. This authorization may not be used during a takeover bid.

Non-binding vote on compensation for executive corporate officers

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted as set forth in Article L.225-37 of the French Commercial Code, the **tenth** and **eleventh resolutions** ask shareholders to cast a non-binding vote on the compensation owed or granted to Executive Board Chairman Frédéric Lemoine and Executive Board member Bernard Gautier for the 2013 fiscal year.

Their compensation is detailed below in the second part of this report.

Extraordinary General Meeting

Procedure for designating Supervisory Board members representing employees

The **twelfth resolution** asks shareholders to approve an amendment to the Company's by-laws to set forth the conditions for designating one

or more Supervisory Board members representing employees, in accordance with France's new job protection act of June 14, 2013.

Because the Company meets the criteria set forth in the new act (more than 5,000 employees in France and more than 10,000 worldwide, when considering Wendel's entire scope of consolidation) and its Supervisory Board currently has 11 members, one Supervisory Board member representing employees must be designated and take on this role within six months after the Annual Shareholders' Meeting.

The Company proposes that the Works Council designate this member. The Works Council was consulted on the planned designation method as required by law, and approved the method on February 21, 2014.

Renewal of financial authorizations

These authorizations propose to renew, for a period of 14 months, existing authorizations of the same nature that are due to expire. The maximum aggregate par value of the capital increases is set at €400 million.

The authorizations relate to the issue of shares or securities giving immediate or future access to the capital of the Company, with the maintenance or cancellation of preferential subscription rights in favor of shareholders, depending on the opportunities arising on the financial markets and the interests of the Company and its shareholders. They would give the Company flexibility and the ability to act quickly by allowing the Executive Board, with the prior approval of the Supervisory Board, to carry out market transactions as needed to implement the Group's strategy.

The amounts for which these financial authorizations are requested have not been changed, to reflect current best practices, recommendations from voting agencies and the opinions expressed by certain shareholders.

The Executive Board did not use any of these authorizations in 2013.

The **thirteenth resolution** would authorize the Executive Board to increase the share capital, with preferential subscription rights maintained, by up to a maximum par value of €100 million.

The **fourteenth resolution** would authorize the Executive Board to increase capital, while canceling preferential subscription rights for shareholders but with the possibility of granting the latter a priority period, up to a maximum par value of €40 million and at a price that is at least equal to the weighted average share price for the three trading days prior to the price-setting, to which a discount of up to 5% may be applied.

The **fifteenth resolution** would authorize the Executive Board to issue securities, with cancellation of preferential subscription rights, for private placements up to a maximum of 20% of the capital per year and using the price setting method set forth by law.

The **sixteenth resolution** would authorize the Executive Board to increase capital, with cancellation of preferential subscription rights and up to a maximum of 10% of the capital per year, through a private placement or public offering, at a price at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a discount of up to 10% may be applied. The par value of any such share issues would be included in the €40 million maximum amount set in the fourteenth resolution.

The **seventeenth resolution** would authorize the Executive Board to increase the size of issues by up to 15% of the initial issue, with maintenance or cancellation of preferential subscription rights, in the event of excess demand. Any such increases must remain within the overall limit set for the Board.

The **eighteenth resolution** would authorize the Executive Board to increase the share capital, with cancellation of preferential subscription rights, in consideration for contributions in kind consisting of shares, up to a maximum of 10% of the capital, or in connection with a public exchange offer, up to a maximum par value of €100 million. This authorization would enable the Company to acquire equity investments in unlisted or listed companies and fund these acquisitions with shares rather than cash.

The **nineteenth resolution** would authorize the Executive Board to increase the capital of the Company through the capitalization of reserves, profits or premiums, up to a maximum par value of €80 million. This capital increase may be carried out through the allocation of bonus shares to shareholders and/or an increase in the par value of existing shares.

The **twentieth resolution** would set the maximum aggregate par value of capital increases resulting from the thirteenth to nineteenth resolutions at €400 million.

Employee savings and employee share ownership

Wendel implements its employee share ownership policy with the aim of limiting the dilutive effect for shareholders.

Group savings plan

The **twenty-first resolution** would authorize the Executive Board, for a period of 14 months, to increase the Company's capital, with the prior approval of the Supervisory Board, in favor of the Group's employees and corporate officers and under the Group savings plan, up to a maximum par value of €250,000, as in previous years.

In accordance with the legislation in force, the issue price of shares may not be higher than the average closing share price for the 20 trading days prior to the Executive Board's decision, nor lower than this average reduced by a maximum discount of 20%.

The Executive Board used the authorization granted by shareholders at their May 28, 2013 meeting. Employee share ownership through the Group savings plan was 0.8% of the capital as of December 31, 2013.

Grant of stock subscription and/or purchase options and performance shares

The exercise of options to purchase or subscribe to shares and the vesting of performance shares is subject to service and performance conditions and, for Executive Board members, to an obligation to hold the shares issued upon the exercise of stock options or the performance shares acquired.

Performance conditions for the Executive Board members will be set by the Supervisory Board; performance conditions for the beneficiary employees, if applicable, will be set by the Executive Board.

In accordance with recommendation 23.2.4 of the Afep-Medef Code as amended in June 2013, the twenty-second and twenty-third resolutions propose to set the maximum percentage of stock options and performance shares that can be granted to Executive Board members at 40% of the total granted, within a limit of 0.9% of the capital.

The **twenty-second resolution** would authorize the Executive Board, for a period of 14 months, to grant stock subscription and/or purchase options, for up to a maximum of 0.9% of the capital, to employees and corporate officers of the Wendel Group. The price would be set in accordance with legal and regulatory provisions, with no discount.

The **twenty-third resolution** would authorize the Executive Board, for a period of 14 months, to grant performance shares to employees and corporate officers, up to a maximum of 0.3% of the capital. Any such performance shares would be included in the aggregate maximum amount of 0.9% set in the twenty-second resolution. The performance shares shall vest at the end of a two-year period, to be followed by a two-year minimum holding period.

Powers

The **twenty-fourth resolution** would grant the necessary powers to accomplish legal formalities.

8.9.2 Non-binding shareholder vote on compensation owed or granted to Executive Board members for 2013

In accordance with recommendation 24.3 of the Afep-Medef Code as amended in June 2013, which the Company has adopted as set forth in Article L.225-37 of the French Commercial Code, the following aspects of the compensation owed or granted to Executive Board members for the fiscal year under review must be submitted to a vote of shareholders:

- fixed compensation;
- variable compensation for the year, including any multi-year variable portion, together with the objectives contributing to the determination of that variable compensation;
- exceptional compensation;
- stock options, performance shares, and any other form of long-term compensation;
- hiring bonuses and termination benefits;
- supplementary pension plans;
- any other benefits.

At the June 6, 2014 Annual Meeting, shareholders will be asked to cast a non-binding vote on the following compensation owed or granted to Executive Board members for the 2013 fiscal year.

2013 compensation owed or granted to Executive Board Chairman Frédéric Lemoine, to be submitted to a non-binding shareholder vote

Form of compensation	Amount	Comments
Gross fixed compensation Director's fees	€1,200,000 €254,270 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on March 27, 2013.
Gross variable compensation for the year	€1,055,160	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation could reach 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, cash usage, debt levels, and the increase in NAV. On March 26, 2014, the Supervisory Board – upon the recommendation of the Governance Committee and after the Audit Committee had verified the relevant financial items – set Mr. Lemoine's variable compensation at 87.93% of his fixed compensation, or €1,055,160.
Stock options and performance shares	53,518 stock options valued at €743,900 and 17,838 performance shares valued at €717,088	Under the authorization granted by shareholders at the May 28, 2013 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 4, 2013 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition: Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2013-14 period; all vest if NAV increases by at least 10.25% over the 2013-15 period. The NAV used as the point of reference is that calculated on May 16, 2013, or €124.10 per share.
Other benefits	€35,719	Collective performance bonus plan, matching contributions under the Group savings plan, and unemployment benefits
Termination benefits	None owed or paid	If Mr. Lemoine's term as Executive Board Chairman were to be terminated, he would be entitled to a termination benefit of up to two years' total compensation, based on his last total fixed and target variable compensation. This benefit is subject to two performance conditions: (i) 50% of the benefit would be paid only if he received for two of the three fiscal years prior to departure, including the year in progress, variable compensation equal to at least 50% of his target variable compensation as approved by the Supervisory Board for those three fiscal years; and (ii) 50% of the benefit would be paid only if NAV per share at the end of his term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 12 months (Reference NAV). If the Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference. If Actual NAV is lower than 60% of the Reference NAV, this portion of the termination benefit would be zero (see section 2.1.7.8).

Mr. Lemoine is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

2013 compensation owed or granted to Executive Board member Bernard Gautier, to be submitted to a non-binding shareholder vote

Form of compensation	Amount	Comments
Gross fixed compensation Director's fees	€800,000 €160,447 of this amount	The Supervisory Board approved this compensation, which includes Director's fees, on March 27, 2013 on the recommendation of the Executive Board Chairman.
Gross variable compensation for the year	€703,440	If all the quantitative (70%) and qualitative (30%) objectives are achieved, the variable compensation could reach 100% of fixed compensation. The quantitative objectives are operating income of Wendel companies, cash usage, debt levels, and the increase in NAV. On March 26, 2014, the Supervisory Board – upon the recommendation of the Executive Board Chairman and Governance Committee and after the Audit Committee had verified the relevant financial elements – set Mr. Gautier's variable compensation at 87.93% of his fixed compensation, or €703,440.
Stock options and performance shares	35,677 stock options valued at €495,910 and 11,892 performance shares valued at €478,058	Under the authorization granted by shareholders at the May 28, 2013 Annual Meeting and upon the recommendation of the Governance Committee, the Supervisory Board decided on July 4, 2013 to grant stock options and performance shares to Executive Board members. Subject to and without prejudice to the presence condition, vesting of the stock options and performance shares is subject to the following performance condition: Half of the performance shares or stock options vest if NAV increases by at least 5% over the 2013-14 period; all vest if NAV increases by at least 10.25% over the 2013-15 period. The NAV used as the point of reference is that calculated on May 16, 2013, or €124.10 per share.
Other benefits	€25,021	Collective performance bonus plan, matching contributions under the Group savings plan, and profit-sharing premium
Termination benefits	None owed or paid	If Bernard Gautier's employment contract were to be terminated, he would be entitled to a termination benefit equal to one year's fixed compensation and target variable compensation (using the average yearly compensation for the last three fiscal years for which the financial statements have been approved). If this amount exceeds the maximum termination benefit allowed under the collective bargaining agreement, the excess amount would be paid only if Mr. Gautier has been paid, for two of the three years prior to termination, variable compensation equal to at least 50% of his target variable compensation for those three fiscal years. If Mr. Gautier's term as Executive Board member were to be terminated, he would be entitled to a termination benefit equal to one year's fixed compensation and target variable compensation (using the average yearly compensation for the last three fiscal years for which the financial statements have been approved). This benefit is subject to two performance conditions: (i) 50% of the benefit would be paid only if he received, for two of the three fiscal years prior to departure for which the financial statements have been approved, variable compensation equal to at least 50% of his target variable compensation as approved by the Supervisory Board for those three fiscal years; and (ii) 50% of the benefit would be paid only if NAV per share at the end of his term of office (Actual NAV) is greater than or equal to 90% of the average NAV per share for the preceding 6 months (Reference NAV). If the Actual NAV is between 90% and 60% of the Reference NAV, the corresponding portion of the benefit would be reduced by 2.5 times the difference. If Actual NAV is lower than 60% of the Reference NAV, this portion of the termination benefit would be zero. Mr. Gautier's total termination benefits may not exceed two years' gross fixed and target variable compensation (see section 2.1.7.8).

Mr. Gautier is not entitled to any of the following benefits: multi-year variable compensation, exceptional compensation, a non-compete clause payment, or a supplementary pension plan.

8.10 Agenda and draft resolutions

Resolutions pertaining to the Ordinary Meeting

- 1 Approval of the 2013 parent company financial statements;
- 2 Approval of the 2013 consolidated financial statements;
- 3 Net income allocation, dividend approval and payment;
- 4 Approval of related party agreements;
- 5 Renewal of the appointment of a member of the Supervisory Board;
- 6 Renewal of the appointment of a member of the Supervisory Board;
- 7 Appointment of a member of the Supervisory Board;
- 8 Appointment of an alternate Statutory Auditor;
- 9 Authorization granted to the Executive Board to purchase the Company's shares;
- 10 Non-binding vote on compensation owed or granted to Executive Board Chairman Frédéric Lemoine;
- 11 Non-binding vote on compensation owed or granted to Executive Board member Bernard Gautier;

Resolutions pertaining to the Extraordinary Meeting

- 12 Amendment to Article 12 of the Company's by-laws to set forth the conditions for designating one or more Supervisory Board members representing employees, as required by France's job protection act of June 14, 2013;
- 13 Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the capital with preferential subscription rights maintained;
- 14 Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the capital with preferential subscription rights canceled;

- 15 Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the Company's capital with preferential subscription rights canceled, under a private placement as set forth in Article L.411-2 II of the French Monetary and Financial Code;
- 16 Authorization for the Executive Board to set the issue price, using the method set forth by shareholders at their Annual Meeting, for shares or securities with preferential subscription rights canceled, up to a yearly limit of 10% of the Company's share capital;
- 17 Delegation of power to the Executive Board to increase the number of shares to be issued in the event of excess demand, with preferential subscription rights maintained or canceled;
- 18 Delegation of power to the Executive Board to increase capital in consideration for contributions of shares, with preferential subscription rights canceled;
- 19 Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums;
- 20 Maximum aggregate amount of capital increases;
- 21 Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled, through the issue of shares or securities giving access to the capital reserved for members of the Group savings plan;
- 22 Authorization granted to the Executive Board to grant stock subscription and/or purchase options to corporate officers and employees, with preferential subscription rights canceled;
- 23 Authorization granted to the Executive Board to grant performance shares, either existing or to be issued, to corporate officers and employees, with preferential subscription rights canceled for any shares to be issued;

Resolution pertaining to the Ordinary Meeting

- 24 Powers for legal formalities.

A Resolutions pertaining to the Ordinary Meeting

First resolution

Approval of the 2013 parent company financial statements

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings,

- having heard the management report of the Executive Board on the activity and situation of the Company in 2013 and the observations of the Supervisory Board,
- having heard the report of the Statutory Auditors on the parent company financial statements,

hereby approve the parent company financial statements for the fiscal year beginning on January 1, 2013 and ending on December 31, 2013, as presented by the Executive Board, with net income of €334,260,548.94 as well as the transactions presented in these statements or described in these reports.

Second resolution

Approval of the 2013 consolidated financial statements

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings,

- having heard the management report of the Executive Board on the activity and situation of the Company in 2013 and the observations of the Supervisory Board,
- having heard the report of the Statutory Auditors on the consolidated financial statements,

hereby approve the consolidated financial statements for the fiscal year beginning on January 1, 2013 and ending on December 31, 2013, as presented by the Executive Board, with net income, Group share, of €333,717,000, as well as the transactions presented in these statements or described in these reports.

Third resolution

Net income allocation, dividend approval and payment

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board, as approved by the Supervisory Board,

1. decide:
 - to allocate the 2013 net income totaling €334,260,548.94
 - plus retained earnings of €1,457,784,534.29
 comprising income available for distribution of €1,792,045,083.23 in the following manner:
 - to shareholders, the amount of €89,967,980.85 to pay a net dividend of €1.85 per share
 - to other reserves, the amount of €250,000,000
 - to retained earnings, the remaining amount of €1,452,077,102.38
2. decide that the ex-dividend date shall be June 10, 2014, and that the dividend shall be paid on June 13, 2014;
3. decide that the dividend that cannot be paid to Wendel treasury shares shall be allocated to retained earnings and that the amounts required to pay the dividend described above on shares resulting from the exercise of stock subscription or purchase options before the ex-dividend date shall be deducted from retained earnings;
4. acknowledge the Executive Board's presentation of distributions allocated in the three previous fiscal years:

Fiscal year	Dividends distributed	Net dividend per share
2010	61,154,460	€1.25
2011 ⁽¹⁾	62,890,215	€1.30
2012	82,985,060	€1.75

(1) Excluding the special distribution of one Legrand share for every 50 Wendel shares held.

Under current regulations, in accordance with Article 243 bis of the French Tax Code, the entire dividend paid to individuals resident in France for tax purposes is subject to a progressive income tax rate, after applying the 40% exclusion for allowed for under Article 158-3 2° of the French Tax Code.

A mandatory flat-rate withholding tax of 21% will be applied to the gross dividend amount, in addition to a 15.5% social security withholding tax, and will be deducted from the income tax owed for the year in which the dividend is paid.

Fourth resolution

Approval of related party agreements

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the special report of the Statutory Auditors on the agreements described in Articles L.225-38 *et seq.* and L.225-86 *et seq.* of the French Commercial Code, approve the agreements entered into during the fiscal year ended December 31, 2013 and in early 2014 described in this report. These agreements deal with the co-investment principles for 2013-17, Executive Board members' co-investments in Saham and Nippon Oil Pump and their additional co-investments in IHS and Mecatherm, and Bernard Gautier's fixed and variable compensation.

Fifth resolution

Renewal of the appointment of Dominique Hériard Dubreuil as a member of the Supervisory Board

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Dominique Hériard Dubreuil as a member of the Supervisory Board expires at the end of this Shareholders' Meeting and renew this appointment for a four-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2018 to approve the financial statements for the fiscal year ending December 31, 2017.

Sixth resolution

Renewal of the appointment of Guylaine Saucier as a member of the Supervisory Board

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Guylaine Saucier as a member of the Supervisory Board expires at the end of this Shareholders' Meeting and renew this appointment for a four-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2018 to approve the financial statements for the fiscal year ending December 31, 2017.

Seventh resolution

Appointment of Christian van Zeller d'Oosthove as a member of the Supervisory Board

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, decide to appoint, as of this date, Christian van Zeller d'Oosthove as a member of the Supervisory Board for a four-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2018 to approve the financial statements for the fiscal year ending December 31, 2017.

Eighth resolution

Appointment of Jean-Christophe Georghiou as alternate Statutory Auditor

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby appoint Jean-Christophe Georghiou as alternate Statutory Auditor for a six-year term expiring at the end of the Ordinary Shareholders' Meeting called in 2020 to approve the financial statements for the fiscal year ending December 31, 2019.

Ninth resolution

Authorization granted to the Executive Board to purchase the Company's shares at a maximum price of €200

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board approved by the Supervisory Board, in application of Article 15-V b) of the by-laws,

- having heard the report of the Executive Board,
 - and pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, the General Regulation of the *Autorité des Marchés Financiers*, and European Commission regulation no. 2273/2003,
1. authorize the Executive Board, with the power of sub-delegation as provided for by law, to buy back shares in the Company within the following limits:
 - the number of shares purchased by the Company during the buyback program shall not exceed 10% of the number of shares comprising the capital, at any time, with this percentage applying to capital adjusted for transactions that may impact it subsequent to this Shareholders' Meeting, or, on an indicative basis using the capital at December 31, 2013, 4,863,134 shares,
 - the number of shares held by the Company at any time shall not exceed 10% of the Company's share capital at the date under consideration;
 2. decide that the Company's shares, within the limits defined above, may be purchased for the following purposes:
 - to deliver shares (in exchange, for payment or for some other purpose) within the framework of acquisitions, mergers, spin-offs, or buyouts,
 - to deliver shares on the occasion of the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date,

- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof under a liquidity contract in compliance with the code of good conduct recognized by the *Autorité des Marchés Financiers*,
 - to implement purchase-type stock option plans as defined in Articles L.225-177 *et seq.* of the French Commercial Code,
 - to award performance shares within the framework of Articles L.225-197-1 *et seq.* of the French Commercial Code,
 - to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, in particular Articles L.3321-1 *et seq.* and L.3331-1 *et seq.* of the French Labor Code,
 - to cancel of all or part of the shares purchased,

this program shall also allow the Company to pursue any other purpose that has been or shall be authorized by legislation or regulations in force. In such an event, the Company shall inform its shareholders by issuing a press release;
3. decide that the acquisition, sale or transfer of shares may, subject to applicable legal and regulatory restrictions, be made at any time, except during a public offering, and by any means, on the stock market or through private transactions including the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be conducted in this way), through public offers to purchase, sell or exchange shares, or through the use of options or other derivatives traded in a regulated stock market or in private transactions, or by the delivery of shares subsequent to the issue of securities giving access to the Company's capital by conversion, exchange, reimbursement, exercise of warrants or otherwise, either directly or indirectly through an investment service provider;
 4. set the maximum purchase price at €200 per share, representing, on an indicative basis, a total maximum share buyback amount of €972,626,800, based on 4,863,134 shares and corresponding to 10% of the capital as of December 31, 2013, and give full power to the Executive Board to adjust this purchase price, in the event of transactions on the Company's capital, to take into account the impact of these transactions on the value of the shares;
 5. give full power to the Executive Board to decide and apply this authorization, to specify, where necessary, the terms and procedures, to carry out the share buyback program, and in particular to trade in the stock market, enter into any agreements, facilitate the recording of purchases and sales in stock market registers, make any disclosures including to the *Autorité des Marchés Financiers*, carry out any formalities, and, generally, do what is required for the application of this authorization;
 6. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any unused amounts, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Tenth resolution

Non-binding vote on compensation owed or granted to Executive Board Chairman Frédéric Lemoine

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings and having heard the report of the Executive Board, vote in favor of the compensation owed or granted to Executive Board Chairman Frédéric Lemoine for the fiscal year ended December 31, 2013, as detailed in the Executive Board's report on the Meeting resolutions (section 8.9.2 of the Company's 2013 registration document).

Eleventh resolution

Non-binding vote on compensation owed or granted to Executive Board member Bernard Gautier

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings and having heard the report of the Executive Board, vote in favor of the compensation owed or granted to Executive Board member Bernard Gautier for the fiscal year ended December 31, 2013, as detailed in the Executive Board's report on the Meeting resolutions (section 8.9.2 of the Company's 2013 registration document).

B Resolutions pertaining to the Extraordinary Meeting

Twelfth resolution

Amendment to Article 12 of the Company's by-laws to set forth the conditions for designating one or more Supervisory Board members representing employees, as required by France's job protection act of June 14, 2013

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings and having heard the report of the Executive Board and the favorable opinion issued by the Works Council, agree to amend Article 12, "Composition of the Supervisory Board", of the Company's by-laws to set forth the conditions for designating one or more Supervisory Board members representing employees. The amendment introduces a new paragraph, Paragraph III, as follows:

Article 12. Composition of the Supervisory Board

"III. The Supervisory Board shall include one member representing the Company's employees, as required by Article L.225-79-2 of the French Commercial Code. The Company's Works Council shall designate this member for a four-year term.

If the number of Supervisory Board members increases to more than 12, the Works Council shall designate a second Supervisory Board member representing employees within six months after the new member is appointed by the Supervisory Board (on an interim basis) or by shareholders at their Annual Shareholders' Meeting. If the number of Supervisory Board members falls to 12 or fewer, the term of the second Supervisory Board member representing employees shall nevertheless continue until the end of his or her four-year term.

In the event that the Company no longer meets the criteria for compliance with Article L.225-79-2 of the French Commercial Code, the term(s) of the Supervisory Board member(s) representing employees shall end at the close of the Supervisory Board meeting during which it formally recognizes that such compliance is no longer required.

As an exception to the terms of this Article, the Supervisory Board member(s) representing employees shall not be required to own a minimum number of shares in the Company."

The former Paragraph III now becomes Paragraph IV, the former Paragraph IV now becomes Paragraph V, and the former Paragraph V now becomes Paragraph VI.

Thirteenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights maintained, for a maximum par value of €100 million

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
 - and pursuant to Articles L.225-129-2, L.225-129-4, L.225-129-5, L.225-132 and L.225-134 and Articles L.228-91 to L.228-93 of the French Commercial Code,
1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, with preferential subscription rights maintained, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in Article L.228-93 of the French Commercial Code, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offsetting uncontested and liquid debts payable by the Company;
 2. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall not exceed €100 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that this amount shall be included in the maximum aggregate par value set in paragraph 1 of the twentieth resolution of this Shareholders' Meeting;
 3. decide that to these amounts shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;

4. decide that the issue or issues shall be reserved, on a preferential basis, to shareholders, who may subscribe as of right in proportion to the number of shares they own;
 - take note that the Executive Board may grant shareholders the right to subscribe for excess securities in addition to the number of securities they are entitled to subscribe for as of right, in proportion to their subscription rights and, in any case, not exceeding the number requested,
 - take note that if all the shares issued are not taken up through subscriptions as of right and, if applicable, subscriptions for excess shares, the Executive Board may use, as provided for by law and in the order that it shall determine, one or more of the powers below:
 - restrict the increase of capital to the subscription amount, subject to this amount attaining at least three-quarters of the increase decided,
 - distribute as it sees fit all or a portion of the securities not taken up,
 - offer to the public all or a portion of the securities not taken up;
5. take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
6. decide that the issues of equity warrants in the Company may be carried out by subscription offer, but also by free allocation to the owners of existing shares, it being specified that the Executive Board shall have the power to decide that allocation rights comprising fractional shares shall not be negotiable and that the corresponding securities shall be sold;
7. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
 - determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
 - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
 - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
 - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
8. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Fourteenth resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled but with the possibility of granting a priority period for shareholders, for a maximum par value of €40 million

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
 - and pursuant to Articles L.225-129-2, L.225-129-4 and L.225-129-5 and Articles L.225-134, L.225-135, L.225-136 and L.228-91 to L.228-93 of the French Commercial Code:
1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions and as part of a public offering, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in Article L.228-93 of the French Commercial Code or giving entitlement to the allocation of debt securities, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash

or by offsetting uncontested and liquid debts payable by the Company;

2. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue shares or securities giving access to the capital of the Company subsequent to the issue, by companies described in Article L.228-93 of the French Commercial Code;
 3. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall not exceed €40 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that this amount shall be included in the maximum aggregate par value set in paragraph 1 of the twentieth resolution of this Shareholders' Meeting;
 4. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
 5. decide to cancel the preferential subscription rights of shareholders to securities issued under this authorization, it being understood that the Executive Board may grant to shareholders, for a period of time and according to terms and conditions that it shall set in accordance with applicable legal and regulatory provisions, for the entire share issue through public offering, a priority period to subscribe for the abovementioned securities, in proportion to the number of shares held by each shareholder, as of right and possibly not as of right, without giving rise to the creation of negotiable rights;
 6. decide that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L.225-134 of the French Commercial Code, in the order that it deems appropriate;
 7. take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued under this resolution or by companies in which the Company directly or indirectly holds more than half of the share capital, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;
 8. take note that, pursuant to Article L.225-136 of the French Commercial Code:
 - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date (which at the time of writing is the weighted average share price of the three trading days prior to the date on which the subscription price is set, discounted by 5%) ,
 - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company,
- increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;
9. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
 - decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
 - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; if applicable, these securities may be accompanied by warrants giving access to the allocation, acquisition or subscription of bonds or other securities representing debt; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,
 - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
 - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
 10. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Fifteenth resolution

Delegation of power to the Executive Board to increase share capital through the issue of shares or securities giving access to the Company's capital with preferential subscription rights canceled, under a private placement as set forth in Article L.411-2 II of the French Monetary and Financial Code

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
 - and pursuant to Articles L.225-129-2, L.225-129-4 and L.225-129-5 and Articles L.225-134, L.225-135, L.225-136 and L.228-91 to L.228-93 of the French Commercial Code and Article L.411-2, Paragraph II of the French Monetary and Financial Code:
1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, as part of offerings allowed under Article L.411-2, Paragraph II, of the French Monetary and Financial Code and within the limits set by law and regulations, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in Article L.228-93 of the French Commercial Code or giving entitlement to the allocation of debt securities, it being specified that these securities may be denominated in euros or another currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash or by offsetting uncontested and liquid debts payable by the Company;
 2. decide that the par value of any capital increases carried out under this authorization cannot exceed 20% of the Company's share capital at the time of the issue over a 12-month period, and shall be included in the maximum aggregate par value set in paragraph 4 of the fourteenth resolution of this Shareholders' Meeting;
 3. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
 4. decide to cancel the shareholders' preferential subscription right to shares or securities issued by virtue of this resolution;
 5. decide that if the issue of shares or securities giving access to the Company's capital is not fully subscribed, the Executive Board can take some or all of the measures allowed under Article L.225-134 of the French Commercial Code, in the order that it deems appropriate;
 6. take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares

of the Company that may be issued under this resolution or by companies described in Article L.228-93 of the French Commercial Code, the waiver by the shareholders of their preferential subscription rights to the new shares to which these securities give access;

7. take note that, pursuant to Article L.225-136 of the French Commercial Code:
 - the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date (which under current regulations is the weighted average share price of the three trading days prior to the date on which the share subscription price is set, discounted by 5%),
 - the issue price of securities giving access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;
8. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
 - decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital,
 - establish the list of parties that can purchase shares under the issue,
 - in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (with or without a maturity date), the redemption price (fixed or variable, with or without premium), repayment terms based notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and repayment terms and conditions; if applicable, these securities may be accompanied by warrants giving access to the allocation, acquisition or subscription of bonds or other securities representing debt; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities,

- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
 - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
9. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Sixteenth resolution

Authorization for the Executive Board to set the issue price, using the method set forth at the Annual Shareholders' Meeting, for shares or securities, with preferential subscription rights canceled, through a private placement or public offering, up to a yearly limit of 10% of the Company's share capital

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
 - and pursuant to Article L.225-136 of the French Commercial Code,
1. authorize the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, in the event of the issue, for consideration or otherwise, of shares in the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the Company's share capital or the share capital of a company meeting the criteria in Article L.228-93 of the French Commercial Code or giving entitlement to the allocation of debt securities, without preferential subscription rights, under the conditions (notably in terms of amounts) set forth in the fourteenth and fifteenth resolutions of this Shareholders' Meeting, to depart from the price-setting method set forth in those resolutions and set the issue price as follows:
- for a share issue, the issue price shall be at least equal to the average Wendel share closing price over the 20-day period preceding the issue, to which a 10% discount may be applied;
 - for an issue of other securities, the issue price shall be set such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined above;
2. decide that the par value of any capital increases carried out under this authorization cannot exceed 10% of the Company's share capital at the time of the issue over a 12-month period, and shall be

included in the maximum aggregate par value set in paragraph 4 of the fourteenth resolution of this Shareholders' Meeting;

3. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Seventeenth resolution

Delegation of power to the Executive Board to increase the number of shares to be issued in the event of excess demand, by up to 15% of the initial issue, with preferential subscription rights maintained or canceled

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
 - and pursuant to Article L.225-135-1 of the French Commercial Code,
1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, and within the share capital limit and the limit specified in the resolution authorizing the issue, for each of the issues decided by virtue of the thirteenth, fourteenth, fifteenth, and sixteenth resolutions of this Shareholders' Meeting, in the event of excess demand, the power to increase the number of securities to be issued at the same price as that set for the initial issue and within the periods and up to the limits provided by applicable regulations on the issue date (currently within 30 days of the closing date of the subscription and by up to 15% of the initial issue);
2. decide that the par value of any capital increases carried out shall be included in the maximum aggregate par value set in paragraph 1 of the twentieth resolution of this Shareholders' Meeting;
3. decide that this authorization shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Eighteenth resolution

Delegation of power to the Executive Board to increase share capital, in consideration for contributions of shares of up to €100 million, with preferential subscription rights canceled

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
 - and pursuant to Articles L.225-129 *et seq.*, L.225-147, L.225-148 and L.228-91 *et seq.* of the French Commercial Code,
1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws,

the power to issue, on one or more occasions, shares or securities giving access to the Company's share capital, on the basis of the report from the contributions auditor (*commissaire aux apports*), up to a maximum of 10% of the share capital at the time of issue, in consideration for contributions in kind made to the Company and comprising shares or securities giving access to the capital, when the provisions of Article L.225-148 of the French Commercial Code are not applicable;

2. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to issue, on one or more occasions, shares or securities giving access to the Company's share capital, in consideration for shares tendered in a public exchange offer initiated by the Company, in France or outside France, in compliance with local regulations, on the shares of another company whose shares are traded on a regulated market, in accordance with Article L.225-148 of the French Commercial Code, for up to €100 million or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies;
3. decide to cancel, in favor of the holders of the shares tendered, the preferential subscription rights of shareholders to the shares and securities issued in consideration for the contributions in kind;
4. decide that the par value of any capital increases carried out immediately or at a later date under the above authorizations shall be included in the maximum aggregate par value set in paragraph 1 of the twentieth resolution of this Shareholders' Meeting;
5. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
6. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
 - approve the valuation of contributions and set the exchange ratio as well as, if applicable, the amount of the cash consideration,
 - approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the special benefits,
 - recognize the number of securities tendered to the exchange,
 - recognize the number of securities to be issued,
 - determine the dates and terms of issues, notably the price and the effective date ownership rights take effect on shares or other securities to be issued and giving access to the share capital of the Company,
 - recognize the difference between the issue price of new shares and their par value in shareholders' equity on the balance sheet, under share premiums, to which all shareholders shall have rights,
 - charge, if applicable, all costs and fees related to the authorized transaction against share premiums and deduct from this amount the sums required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
 - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;
7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Nineteenth resolution

Delegation of power to the Executive Board to increase share capital through the capitalization of reserves, profits or premiums, by up to €80 million

The shareholders, voting under the quorum and majority required for Ordinary General Meetings of shareholders,

- having heard the report of the Executive Board,
 - and pursuant to Articles L.225-129-2, L.225-129-4 and L.225-130 of the French Commercial Code,
1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to increase share capital, on one or more occasions, in the proportions and at the times that it shall determine, up to a maximum par value of €80 million, through the successive or simultaneous capitalization of all or part of the reserves, profits or premiums (from issues, mergers or contributions) or other amounts, realized by the issue and allocation of bonus shares, by an increase in the par value of shares or by the joint use of both these methods;
 2. decide that the par value of any capital increases carried out immediately or at a later date under this authorization shall be included in the maximum aggregate par value set in paragraph 1 of the twentieth resolution of this Shareholders' Meeting;
 3. decide, in the event of the distribution of bonus shares:
 - that the rights representing fractional shares shall not be negotiable and that the corresponding securities shall be sold,
 - the proceeds of the sale shall be allocated to the rights holders in accordance with applicable laws and regulations, to carry out any adjustments intended to take into account the impact of transactions on the Company's share capital and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital;
 4. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
 - set the amount and nature of the sums to be incorporated into the capital,
 - set the number of shares to be issued or the amount by which the par value of shares comprising the share capital shall be increased,
 - set the date from which ownership rights on new shares or the increase in par value shall take effect,
 - appropriate from one or more available reserve accounts the amounts required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,

- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;

5. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twentieth resolution

Maximum aggregate amount of capital increases

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,
 - and pursuant to Article L.225-129-2 of the French Commercial Code,
1. decide to set at €400 million the maximum aggregate par value of capital increases that may be carried out by virtue of the delegations of power to the Executive Board resulting from the thirteenth, fourteenth, seventeenth, eighteenth, and nineteenth resolutions of this Shareholders' Meeting;
 2. decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital;
 3. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-first resolution

Delegation of power to the Executive Board to increase share capital, with preferential subscription rights canceled, through the issue of shares or securities giving access to the capital, reserved for members of the Group savings plan, up to a maximum par value of €250,000

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
 - having heard the special report of the Statutory Auditors,
 - and pursuant to Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and Articles L.3332-1 *et seq.* of the French Labor Code,
1. delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, the power to increase share capital, on one or more occasions, through the issue of shares or securities giving access to the capital, reserved for members of one or more Company savings plans implemented within the Group;

2. decide to set at €250,000 the maximum aggregate par value of capital increases that may be carried out by virtue of this resolution;
3. decide to cancel, in favor of members of one or more Company savings plans implemented within the Group, shareholders' preferential subscription right to shares or securities issued under this resolution;
4. decide that the subscription price of new shares, set by the Executive Board in accordance with Article L.3332-19 of the French Labor Code, shall not be higher than the average closing share price for the 20 trading days prior to the date of the decision setting the opening date of the subscription, nor more than 20% lower than this average;
5. authorize the Executive Board to allocate, free of consideration, to the members of one or more Company savings plans implemented within the Group, in addition to the shares or securities giving access to the capital that must be subscribed for in cash, shares or securities giving access to share capital already issued, in full or partial substitution for the discount set by the Executive Board and/or as a matching contribution, it being understood that the resulting benefit from this allocation may not exceed the applicable legal or regulatory limits defined in Articles L.3332-19 *et seq.* and L.3332-11 of the French Labor Code;
6. give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:
 - determine the companies or corporate groups whose employees may subscribe or receive the shares or securities allocated by virtue of this resolution,
 - decide that shares or securities may be subscribed or acquired directly by the beneficiaries, members of a Company savings plan implemented within the Group or through mutual funds or other structures or entities authorized by applicable legal or regulatory provisions,
 - determine the amount to be issued or sold, set the issue price in accordance with the terms and limits set by the legislation in force, the terms of payment, set the dates, terms and conditions of the issues to be carried out under this authorization,
 - set the date from which ownership rights on the new shares shall take effect, set the period within which payment must be made within the maximum period set by the legal and regulatory provisions in force, as well as, if applicable, the required length of service for beneficiaries to participate in the transaction and benefit from the Company's contribution,
 - in the event of the allocation of bonus shares or securities giving access to the capital, set the number of the shares or securities giving access to capital to be issued, the number to be allocated to each beneficiary, and set the dates, time periods, terms and conditions of the allocation of these shares or securities giving access to the capital within the legal and regulatory limits in force and, notably, choose to allocate these shares or securities giving access to the capital in full or partial substitution for the discount decided by the Executive Board, or to apply the value of these shares or securities to the total of the matching contribution, or to combine the two possibilities,
 - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
 - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
7. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-second resolution

Authorization granted to the Executive Board to grant stock subscription options to corporate officers and employees, with preferential subscription rights canceled, and/or stock purchase options, up to a maximum of 0.9% of the share capital, with up to 40% of this maximum amount available to Executive Board members, and with the 0.9% limit being an aggregate total for the twenty-second and twenty-third resolutions

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
 - having heard the special report of the Statutory Auditors,
 - and pursuant to Articles L.225-177 *et seq.* of the French Commercial Code,
1. authorize the Executive Board to grant, on one or more occasions, stock subscription options, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, and/or stock purchase options in the Company, in favor of individuals it shall designate – or cause to be designated – from among the corporate officers described in Article L.225-185 of the French Commercial Code and employees of the Company or of companies or corporate groups related to it as defined by Article L.225-180 of the French Commercial Code;

2. decide that the number of shares available for acquisition through the exercise of options granted under this authorization shall not exceed 0.9% of the existing share capital on the date the options are granted, it being specified that the number of performance shares awarded under the twenty-third resolution of this Shareholders' Meeting shall be deducted from this aggregate maximum amount;
3. decide that the total number of shares available for acquisition by Executive Board members through the exercise of options granted under this authorization plus the total number of performance shares available for granting to Executive Board members under the twenty-third resolution cannot exceed 40% of the 0.9%-of-capital aggregate maximum set in the preceding paragraph;
4. decide that the Executive Board may amend its initial choice between stock subscription or stock purchase options, before the start of the period during which options may be exercised; should the Executive Board switch its choice to stock subscription options, it must first obtain the prior approval of the Supervisory Board, in application of Article 15-V b) of the by-laws;
5. decide that this authorization shall entail, in favor of the beneficiaries of stock subscription options, the express waiver by the shareholders of their preferential subscription rights to the shares issued as a result of the exercise of these options;
6. take note that in the event that options are granted to the corporate officers described in Article L.225-185 of the French Commercial Code, the Supervisory Board shall subject the grant or exercise of these options to performance conditions and must set a minimum number of shares resulting from the exercise of options that they are obliged to hold in registered form until termination of their appointment;
7. decide that the options to be granted under this authorization shall be subject to disclosure in the form of a special report of the Executive Board to the Shareholders, in accordance with legal and regulatory provisions in force;
8. give full power to the Executive Board to implement this authorization, in particular to:
 - set the terms and conditions by which the options shall be granted and draw up the list or categories of option beneficiaries,
 - determine the dates of each allocation,
 - determine the subscription price of new shares and the purchase price of existing shares, it being specified that this share subscription or purchase price shall be set in accordance with the legal and regulatory provisions in force on the date that the options are granted and shall not be lower than the average closing share price for the 20 trading days prior to the date of the price-setting,
 - take the necessary steps to protect the interests of beneficiaries with regard to any financial transactions that may be carried out before the exercise of the options,
 - set the terms and conditions of the exercise of the options and notably (i) the period or periods during which the options granted may be exercised, it being specified that the period during which these options may be exercised shall not exceed ten years from their grant date and (ii), if applicable, individual and/or collective performance conditions for employees,
 - provide for the possibility to temporarily suspend the exercise of options in accordance with legal and regulatory provisions for a maximum of three months in the event that financial transactions are carried out involving the exercise of rights attached to the shares,
 - record, if appropriate, at its first meeting after the end of each fiscal year, the number and total value of the shares issued during the year as a result of the exercise of options,
 - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
 - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
9. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-third resolution

Authorization to the Executive Board to grant performance shares to corporate officers and employees, with preferential subscription rights canceled, up to a limit of 0.3% of share capital, with this amount being included in the aggregate maximum amount of 0.9% set in the twenty-second resolution, with up to 40% of this maximum amount being available to Executive Board members

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings,

- having heard the report of the Executive Board,
 - having heard the special report of the Statutory Auditors,
 - and pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code,
1. authorize the Executive Board to grant, on one or more occasions, existing performance shares or, subject to the prior approval of the Supervisory Board in application of Article 15-V b) of the by-laws, performance shares to be issued, in favor of employees or corporate officers of the Company described in paragraph II of Article 225-197-1 of the French Commercial Code, or employees and corporate officers of companies or corporate groups related to it as defined by Article 225-197-2 of the French Commercial Code;
 2. decide that the total number of performance shares, whether existing or to be issued, that may be granted under this authorization shall not exceed 0.3% of the existing share capital on the date the shares are granted, it being specified that the number of performance shares granted shall be deducted from the maximum number of shares that may be issued by virtue of the twenty-second resolution of this Shareholders' Meeting, set at 0.9% of the capital;
 3. decide that the total number of performance shares available for granting to Executive Board members plus the total number of shares available for acquisition by Executive Board members through the exercise of options granted under the twenty-second resolution cannot exceed 40% of the aggregate 0.9%-of-capital maximum set in the twenty-second resolution;
 4. decide that the performance shares granted to beneficiaries shall vest after a minimum period of two years, it being specified that the beneficiaries must hold these shares for at least two years from the date on which they vest;
 5. take note that in the event that performance shares are awarded to corporate officers, the Supervisory Board shall subject the grant and/or vesting of shares to certain conditions, in particular performance conditions, and must either prohibit the sale of these shares by the beneficiaries before the termination of their appointments, or set a minimum number of these shares that they are obliged to hold in registered form until termination of their appointment;

6. authorize the Executive Board to adjust the number of shares, if applicable, during the vesting period, as a result of transactions affecting the Company's share capital, so as to protect the rights of the beneficiaries;
7. take note that in the case of performance shares to be issued, this authorization shall entail, in favor of the beneficiaries, the waiver by the shareholders of their preferential rights to subscribe to the shares whose issuance is authorized through the capitalization of reserves, profits or premiums;
8. give full power to the Executive Board to implement this authorization, in particular to:
 - establish the list of beneficiaries of performance shares or define the category or categories of beneficiaries to receive performance shares as well as the number of shares to be awarded to each,
 - adjust, if applicable, the number of performance shares to protect the rights of beneficiaries with regard to any transactions involving the Company's share capital, it being specified that the shares granted as a result of these adjustments shall be considered to have been distributed on the same date as the shares initially awarded,
 - set the conditions and criteria for the share grants, in the event of the issue of new shares,
 - charge, if applicable, the amounts required for the full payment of shares against reserves, profits or share premiums,
 - charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve,
 - recognize the amount of the capital increase or increases resulting from any issue carried out under this authorization and amend the by-laws accordingly,
 - and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions;
9. decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of 14 months from the date of this Shareholders' Meeting.

Twenty-fourth resolution

Powers for legal formalities

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby give full powers to the bearer of copies or extracts of the minutes of these proceedings to make all necessary filings and carry out any registration, filing or other legal formalities.

SUPPLEMENTAL INFORMATION

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9.1 Principal contracts

Shareholders' agreements and governance agreements are described in section 7.9 of this registration document.

Financial contracts are described in Note 5, "Managing financial risks", of the notes to the consolidated financial statements.

Except for these contracts and agreements, the Group does not have any significant dependence on any given patent, license, or industrial, commercial or financial contract.

9.2 Transactions with related parties

Information on related parties can be found in the notes to the consolidated statements of this registration document.

The "regulated" agreements as defined by Articles L.225-38 and L.225-86 of the French Commercial Code are mentioned in the Statutory Auditors' report on related party agreements and commitments in section 8.1 "Shareholders' Meeting", of this registration document.

There are no industrial, commercial or management agreements between Wendel and its subsidiaries or associates. Wendel provides certain of them with advice and assistance regarding strategic, legal, tax, financial and accounting matters. These services are billed on an arm's length basis by reference to actual costs if identifiable or at flat rates.

Wendel billed the following amounts over the three previous fiscal years:

Excluding VAT In thousands of euros	2013	2012	2011
Eufor	900	1,100	1,000
Winvest Conseil	8,700	4,300	4,200
Wendel-Participations	13	13	13
Other subsidiaries	70	75	98

Wendel-Participations made a lease payment of €43,733 in 2013, mentioned in the Statutory Auditor's special report on related party agreements and commitments.

9.3 Significant changes in financial condition or business status

To the best of the Company's knowledge, since December 31, 2013, there have been no exceptional events that might have a significant impact on the financial condition, business, earnings or assets of the Company or the Group, other than the following and those described in Note 42 to the consolidated financial statements given in this registration document:

- on March 26, 2014, Materis received a firm offer from funds advised by CVC for the full acquisition of its ParexGroup subsidiary. Materis decided to enter into exclusive talks with CVC to finalize the terms of the transaction. The offer values ParexGroup at €880 million, or 8.4 times 2013 EBITDA. The proceeds from the sale, expected to be approximately €840 million at May 31, 2014, would enable Materis to pay down a substantial portion of its debt. The transaction will be presented to the ParexGroup Works Council for information and consultation. If approved by regulators, the transaction would be concluded in the second half of 2014. ParexGroup is a leading global producer of dry-mix mortar with operations in 21 countries. Wendel and Materis have been actively supporting the company's strategy and employees since 2006, helping it grow both organically and through acquisitions - especially in emerging markets. ParexGroup has leadership positions in Latin America and Asia, most notably in China where it has an exclusive distribution network of some 1,500 points of sale and where it acquired Suzuka, the Chinese market leader in textured organic finishes. In 2013 ParexGroup reported revenue of €755 million and an EBITDA of €105 million. CVC intends to continue supporting ParexGroup's growth strategy, international expansion and innovative new product development.
- on March 27, 2014, Saint-Gobain learned of the European Union General Court's decision to reduce from €880 million to €715 million the fine imposed by the European Commission in the case concerning the automotive glass industry in Europe for acts dating back to the late 1990s and early 2000s. The initial amount of the penalty, and the interest relating thereto, is fully provisioned in Saint-Gobain's accounts. Saint-Gobain will examine the terms of the General Court's judgment to decide on the action it intends to take on this issue. Saint-Gobain recalls that respect for the rules on antitrust law is an obligation that applies to all group employees. The principle of "zero tolerance" is regularly reiterated by general management and remains an absolute requirement.
- pursuant to the agreement signed on January 13, 2013, Saint-Gobain on April 11, 2014 sold its entire stake in Verallia North America to the Ardagh group based on an enterprise value of \$1,694 million (or €1,275 million at the January 2014 exchange rate). The transaction will reduce the Group's net debt by an estimated €925 million and follows the agreement reached with the US anti-trust authorities.
- on April 16, 2014, IHS finalized the second tranche of its capital increase following a first tranche on March 3, 2014. The second tranche, for an amount of \$130 million, was carried out under the same terms and conditions as the first. For both tranches, Wendel invested an amount in line with its subscription rights, which for the second tranche totalled \$47 million.

9.4 Expenses described in Articles 39-4 and 223 quater of the French Tax Code

The expenses described in 39-4 and 223 quater of the French Tax Code amounted to €12,395 for Wendel in 2013.

9.5 Person responsible for financial information

Jean-Michel Ropert, Group Vice-President for Finance

Tel: +33 (0)1 42 85 30 00

E-mail: jm.ropert@wendelgroup.com

9.6 Statement by the person responsible for the registration document including the annual financial report

I hereby certify, having taken all reasonable measures in this regard, that the information contained in this registration document is, to the best of my knowledge, accurate and that no information has been omitted that would be likely to alter its substance.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the management report presents a true and fair picture of the business, its results and the financial condition of the Company and of its consolidated group of companies, as well as a description of the principal risks and uncertainties to which they are exposed.

I have obtained a statement from the Company's Statutory Auditors, wherein they indicate that they have verified the information regarding the financial position and financial statements included in the registration document and that they have read the entire registration document. The Statutory Auditors have issued a report on the consolidated financial statements for fiscal year 2013. Their report can be found in section 5 of this document and includes the following observation:

"Without qualifying our opinion, we draw your attention to Note 9-4 "Impairment tests of equity-method investments" to the consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held in Saint-Gobain for impairment at December 31, 2013, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan."

The Statutory Auditors' reports on the consolidated financial statements for the fiscal years ended December 31, 2012 and December 31, 2011 contain certain observations. They can be found on page 227 of the 2012 registration document, filed with the AMF on April 8, 2013 under no. D. 13-0311, and on page 207 of the 2011 registration document, filed with the AMF on March 30, 2012 under no. D. 12-0241.

Paris, April 22, 2014

Frédéric Lemoine

Chairman of the Executive Board

9.7 Persons responsible for the audit of the financial statements and their fees

9.7.1 Principal Statutory Auditors

Ernst & Young Audit represented by Jean Bouquet

Member of the *Compagnie Regionale des Commissaires aux Comptes de Versailles*.

Tour First – 1/2, place des Saisons

92400 Courbevoie-Paris-La Défense 1, France

Date appointed to first term: Combined Shareholders' Meeting of November 15, 1988 (formerly named Castel Jacquet et Associés).

Appointment last renewed: Combined Shareholders' Meeting of May 28, 2013.

Term of office: six years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2018.

PricewaterhouseCoopers Audit represented by Etienne Boris

Member of the *Compagnie Regionale des Commissaires aux Comptes de Versailles*.

63, rue de Villiers – 92208 Neuilly-sur-Seine, France

Date appointed to first term: Combined Shareholders' Meeting of November 24, 1994 (formerly named Befec-Mulquin et Associés, and Befec-Price Waterhouse).

Appointment last renewed: Combined Shareholders' Meeting of May 28, 2013.

Term of office: six years.

Current term of office ends: Shareholders' Meeting convened to approve the financial statements for fiscal year 2018.

9.7.2 Fees paid to the Statutory Auditors and members of their networks

	Ernst & Young Audit				PricewaterhouseCoopers Audit			
	Amount excl. VAT		%		Amount excl. VAT		%	
In thousands of euros	2013	2012	2013	2012	2013	2012	2013	2012
Audit								
Audit and certification of the parent company and consolidated financial statements	3,086	2,913			5,178	5,365		
<i>Wendel</i>	557	527	12%	10%	676	780	10%	9%
<i>Fully consolidated subsidiaries</i>	2,529	2,386	54%	44%	4,501	4,586	63%	55%
Other verifications and services directly related to the auditing assignment	745	886			1,250	2,304		
<i>Wendel</i>	210	215	4%	4%	53	64	1%	1%
<i>Fully consolidated subsidiaries</i> ⁽¹⁾	535	671	11%	12%	1,198	2,240	17%	27%
SUB-TOTAL	3,831	3,799	81%	70%	6,428	7,669	91%	91%
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax, employment ⁽²⁾	882	1,595	19%	30%	673	727	9%	9%
Other	-	-	0%	0%	-	-	0%	0%
SUB-TOTAL	882	1,595	19%	30%	673	727	9%	9%
TOTAL	4,713	5,394	100%	100%	7,101	8,396	100%	100%

(1) This item mainly reflects verifications performed in connection with acquisitions made by operating companies.

(2) This item includes services provided to operating subsidiaries in foreign countries to review their compliance with local tax rules.

9.8 Cross-reference index for the Registration Document

To facilitate the reading of this Annual Report, filed as the registration document, the following cross-reference index identifies the principal categories of information required under Appendix 1 of European Regulation 809/2004 and indicates the corresponding pages of this document.

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9.9 Cross-reference index for the annual financial report

This registration document includes all the items of the annual financial report mentioned in Article L.451-1-2, paragraph I, of the French Monetary and Financial Code as well as in Article 222-3 of the General Regulation of the AMF.

The following table shows the sections of the registration document corresponding to the various chapters of the annual financial report.

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9.11 Sustainable development cross-reference index (Articles L.225-102-1 and R.225-14 et seq. of the French Commercial Code)

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Health and safety conditions at work	106
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Environmental data	Registration Document page
General environmental policy	
How the company addresses environmental issues and, if applicable, how it assesses or certifies environmental performance	Not applicable ⁽¹⁾
Initiatives to train and inform employees about environmental protection	108
Resources devoted to preventing environmental risks and pollution	Not applicable ⁽¹⁾
The amount of provisions and guarantees to cover environmental risks, provided that this information is not likely to cause serious harm to the company's position in an existing dispute	Not applicable ⁽¹⁾
Pollution and waste management	
Measures to prevent, reduce or offset emissions into the air, water and soil that seriously impact the environment	Not applicable ⁽¹⁾
Measures to prevent, recycle and eliminate waste	108
Consideration of noise and all other forms of pollution specific to a business activity	Not applicable ⁽¹⁾
Sustainable use of resources	
	108
Water consumption and supply based on local constraints	Not applicable ⁽¹⁾
Consumption of raw materials and measures taken to use them more efficiently	Not applicable ⁽¹⁾
Consumption of energy, measures taken to improve energy efficiency, and use of renewable energy	108
Land use	Not applicable ⁽¹⁾
Climate change	
Greenhouse gas emissions	108
Measures taken to adapt to the effects of climate change	Not applicable ⁽¹⁾
Protection of biodiversity	
Measures taken to protect or enhance biodiversity	Not applicable ⁽¹⁾

(1) Not applicable to Wendel: Because of the nature of Wendel's business activities, collecting this type of data is not relevant.

Information on commitments to promote sustainable development	Registration Document page
Regional, economic and social impact of the company's business activities	
On employment and regional development	Not applicable ⁽¹⁾
On neighboring or local populations	Not applicable ⁽¹⁾
Relations with individuals or organizations with an interest in the company's business activities, such as organizations promoting inclusion, schools, environmental protection organizations, consumer groups and neighboring populations	
Dialogue with these individuals or organizations	108
Partnership or sponsorship initiatives	109
Subcontractors and suppliers	
Integration of social and environmental issues in purchasing policies	Not applicable ⁽¹⁾
Degree of subcontracting and consideration, in dealing with suppliers and subcontractors, of their social and environmental responsibilities	Not applicable ⁽¹⁾
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Measures taken to promote the health and safety of consumers	Not applicable ⁽¹⁾
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(1) Not applicable to Wendel: Because of the nature of Wendel's business activities, collecting this type of data is not relevant.

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