



## **WENDEL: SOLID 2012 RESULTS AND NAV UP 56% OVER THE YEAR**

- **Net asset value (NAV) up 56% in 2012**
- **NAV at €132.5 as of March 18, 2013, or €6.56 billion**
- **Positive results tempered by a difficult economic environment and a reduction in the scope of consolidation:**
  - **Consolidated sales of €6,702 million, up 12.6%**
  - **Net income from business sectors down 10.6% at constant scope**
  - **Non-recurring income of €58.8 million, impacted by gain on sale of Deutsch and write-down of Saint-Gobain shares**
  - **Net income, Group share, of €221.1 million (vs. €525.4 million in 2011)**
- **Financial structure further strengthened:**
  - **Gross debt reduced by €750 million in 2012**
  - **Sound cash position of €705 million as of March 18, 2013**
  - **€400 million in new five-year bank financing**
- **Wendel is ready to invest €2 billion in the next four years**
- **Wendel lifts its investment in IHS to \$176 million and becomes IHS's largest shareholder**
- **Ordinary dividend of €1.75 per share, up 35%, to be proposed at the Annual Shareholders' Meeting on May 28, 2013.**

**Frédéric Lemoine, Chairman of the Executive Board, said:**

"Against today's very uncertain economic and financial context, Wendel's companies showed their responsiveness and their ability to adapt in 2012, with some of them, such as Bureau Veritas, Stahl and Parcours, posting strong growth. In the construction sector, where Saint-Gobain, Legrand and Materis are active, the recovery observed in the United States and dynamic growth in emerging markets partially offset the contraction in Europe.

For Wendel, 2012 was characterized above all by the sale of Deutsch, our US subsidiary specialized in connectors, at very favorable terms. In April 2012, two years after recapitalizing and rejuvenating the company, we sold it at excellent financial and industrial terms. This transaction enabled us to strengthen our financial structure even further, in line with the strategy we have followed since 2009. Specifically, we reduced our gross debt by nearly €4.5 billion while maintaining a high cash balance.

Owing to these developments, we were able to extend the maturity of our bank debt with a €700 million undrawn line maturing in 2017. Wendel also obtained a new, €400 million undrawn line from four banks, maturing in 2018. This line will replace our syndicated credit of €1.2 billion maturing in 2013 and 2014.

We also helped two of our companies take important steps in their corporate development. Firstly, we took an active part in Bureau Veritas' program of 14 acquisitions and played an active role in its new corporate governance: Didier Michaud-Daniel took over as CEO of the company on March 1,

assuming his new role with ease and efficiency. Secondly, we worked on the successful renegotiation of Materis' €1.9 billion in debt and on the acquisition of two companies, in mortars and bauxite, which will boost Materis' international expansion.

Finally, we initiated our first direct investment in Africa via Oranje Nassau Développement, taking a stake in IHS Holding, leader in telecom tower infrastructure for mobile phone operators in Africa. The first phase of the investment was finalized on March 1, 2013. By April, Wendel will have invested \$176 million, which is more than the \$125 million initially announced, as IHS has already made considerable progress on new developments, in particular the construction of additional towers in Nigeria. Wendel is IHS's largest shareholder with more than 30% of the capital. IHS is a fast-growing company and meets all of the investment criteria we have set for ourselves: strong potential for both organic growth and external growth, exposure to long-term economic trends and to the world's new growth regions.

With its renewed room for maneuver, Wendel is now ready to invest €2 billion over the next four years. This amount might be divided equally between Europe, North America and emerging economies, in particular in Africa. At the same time, the steady improvement in Wendel's financial structure should put the Group's loan-to-value ratio firmly below 35% and therefore enable us to return to investment grade status.

It is therefore on the back of a strengthened financial structure and a portfolio of sound, pro-active companies that the Executive Board will propose at the Annual Meeting that shareholders approve a dividend of €1.75 per share, up 35% from 2011 and 75% since 2009. In the future, the Executive Board intends to pursue a policy of regular dividend growth."

### **Consolidated results**

| (in € million)                                                          | 2011           | 2012           |
|-------------------------------------------------------------------------|----------------|----------------|
| <b>Consolidated subsidiaries</b>                                        | <b>824.4</b>   | <b>692.5</b>   |
| <b>Financing, operating expenses and taxes</b>                          | <b>(310.7)</b> | <b>(244.7)</b> |
| <b>Net income from business sectors <sup>(1)</sup></b>                  | <b>513.7</b>   | <b>447.8</b>   |
| <b>Net income from business sectors, <sup>(1)</sup><br/>Group share</b> | <b>321.4</b>   | <b>237.9</b>   |
| <b>Non-recurring income</b>                                             | <b>296.8</b>   | <b>58.8</b>    |
| <b>Impact of goodwill allocation</b>                                    | <b>(163.0)</b> | <b>(169.5)</b> |
| <b>Total net income</b>                                                 | <b>647.5</b>   | <b>337.1</b>   |
| <b>Net income, Group share</b>                                          | <b>525.4</b>   | <b>221.1</b>   |

(1) Net income before goodwill allocation entries and non-recurring items

## Net income from business sectors

| (in million of euros)                                              | 2011           | 2012           | Δ             |
|--------------------------------------------------------------------|----------------|----------------|---------------|
| <b>Constant scope</b>                                              |                |                |               |
| Bureau Veritas                                                     | 355.8          | 412.3          | +15.9%        |
| Materis                                                            | 29.4           | (9.8)          |               |
| Stahl                                                              | 13.8           | 26.6           | +92.8%        |
| Saint-Gobain (equity accounted)                                    | 296.0          | 192.0          | -35.1%        |
| <b>Sub-total</b>                                                   | <b>695.0</b>   | <b>621.1</b>   | <b>-10.6%</b> |
| <b>Changes in scope</b>                                            |                |                |               |
| Deutsch                                                            | 54.5           | 24.9           |               |
| Oranje-Nassau Développement <sup>(2)</sup>                         | 14.8           | 15.4           |               |
| - <i>Parcours</i>                                                  | 9.9            | 12.3           |               |
| - <i>Mecatherm</i>                                                 | 2.3            | 1.0            |               |
| - <i>exceet (equity accounted)</i>                                 | 2.6            | 2.1            |               |
| Legrand (equity accounted)                                         | 60.0           | 31.1           |               |
| <b>Sub-total</b>                                                   | <b>129.3</b>   | <b>71.4</b>    |               |
| <b>Total business sector contribution</b>                          | <b>824.4</b>   | <b>692.5</b>   | <b>-16.0%</b> |
| Operating expenses, management fees and taxes                      | (34.1)         | (32.6)         | -4.4%         |
| Amortization, provisions and stock-option expenses                 | (6.6)          | (6.5)          |               |
| <b>Total operating expenses</b>                                    | <b>(40.7)</b>  | <b>(39.0)</b>  | <b>-4.1%</b>  |
| <b>Total net financial expense<sup>(3)</sup></b>                   | <b>(269.9)</b> | <b>(205.6)</b> | <b>-23.8%</b> |
| Net income from business sectors <sup>(1)</sup>                    | 513.7          | 447.8          | -12.8%        |
| <b>Net income from business sectors, Group share<sup>(1)</sup></b> | <b>321.4</b>   | <b>237.9</b>   | <b>-26.0%</b> |

(1) Net income before goodwill allocation entries and non-recurring items.

(2) Includes Parcours from April 15, 2011, Mecatherm from October 1, 2011 and exceet from August 1, 2011

(3) Includes currency impact on short-term financial investments

The Supervisory Board met on March 27, 2013 to review Wendel's parent-company and consolidated financial statements, as finalized by the Executive Board. The financial statements were audited before publication.

Wendel's consolidated sales rose 12.6% to €6,702 million, with organic growth of 5.0%. Despite remarkable performances by Bureau Veritas, Stahl and Parcours in 2012, the overall contribution of the Group's companies to net income from business sectors was €692.5 million, down 16% from 2011. This decline came about principally because Saint-Gobain and Materis contributed less, and because we reduced our holding in Legrand and sold Deutsch. At constant scope, excluding companies purchased or sold, the business sector contribution was down 10.6%.

Total operating expenses were reduced by 4.1%, even though Wendel was very active in both investment and divestment during 2012. Total net financial expense declined for the third consecutive year, falling 23.8% to €205.6 million. This is because since 2009, efforts to reduce costs and debt have led to a 14% reduction in total operating expenses and a 43% reduction in financial expense.

Net income from business sectors, Group share, declined by 26.0% to €237.9 million.

In 2012 non-recurring income was mainly explained by two items:

- the capital gain on the sale of Deutsch, which totaled €689.2 million;
- a €414 million write-down in the value of Saint-Gobain shares. Because the European construction industry continued to suffer from depressed conditions and tax rates rose, the outlook for Saint-Gobain's cash flow was revised down. The value of the shares on Wendel's balance sheet thus declined from €53.32 as of December 31, 2011 to €47.08 as of December 31, 2012.

As a result, non-recurring income declined from €296.8 million at the end of 2011 to €58.8 million at the end of 2012.

Wendel's net income, Group share was thus €221.1 million in 2012, compared with €525.4 million in 2011.

## **Results of Group companies**

### **Bureau Veritas – Sales up +16.2% in 2012.**

*(Full consolidation)*

Didier Michaud-Daniel was appointed CEO of Bureau Veritas as of March 1, 2012. As Chairman of the Board of Directors, Franck Piedelièvre remained very involved in corporate governance and helped Mr. Michaud-Daniel become acquainted with the company. Under the impetus of Mr. Michaud-Daniel, new projects were launched, in particular the Lean Management initiative aimed at improving customer satisfaction and operating efficiency.

Amid a difficult European economic environment, Bureau Veritas continued to demonstrate its operational quality and ability to pursue growth.

Over all of 2012, Bureau Veritas's sales totaled €3,902.3 million. The 16.2% increase compared with 2011 broke down as follows:

- organic growth of 7.8%, reflecting:
  - sharp growth in the Industry, Commodities, Government Services & International Trade and Consumer Products businesses.
  - a satisfactory level of growth in the Certification and In-Service Inspection & Verification businesses;
  - deterioration in the business volume of the Marine and Construction divisions, as expected;
- changes in the scope of consolidation totaling 4.7%, with 14 acquisitions carried out during the year, chief among which AcmeLabs, Technicontrol, TH Hill and HuaXia; and
- a positive impact from exchange rates of 3.7% prompted by the strength in the majority of currencies relative to the euro.

Revenue derived from fast-growing zones (Latin America, Asia-Pacific excluding Japan, Eastern Europe, the Middle East and Africa) accounted for 54% of 2012 revenue, up from 50% in 2011.

In view of the deteriorated economic backdrop in Spain, especially in the construction segment, the company has reshaped its portfolio of activities. Bureau Veritas completed the disposal of its infrastructure inspection activity on February 21, 2013, and implemented measures to adapt the size of these operations to market conditions. The impact of this resizing prompted exceptional expenses of €64.8 million in 2012, excluded from adjusted operating profit.

Adjusted operating income rose by 17.4% to €639.2 million, compared with €544.3 million in 2011. Adjusted operating margin expressed as a percentage of revenue stood at 16.4% in 2012 (16.7% after restatement for the divested Spanish businesses), up 20 basis points from 16.2% in 2011.

Attributable net income was stable relative to 2011 at €297.6 million. Earnings per share stood at €2.70, compared with €2.72 in 2011. Attributable net income adjusted for other operating expenses net of tax totaled €402.6 million, up 15.7% relative to 2011. Adjusted earnings per share totaled €3.65 in 2012, up 14.8% relative to 2011 (€3.18).

2012 operating cash flow rose 25.4% to €504.5 million on the back of higher earnings and controlled working capital requirements (WCR). In 2012, WCR totaled €272.8 million, or 7.0% of 2012 revenue, compared with €237.0 million, or 7.1% of 2011 revenue. Net capex rose to €135.3 million (vs. €113.1 million in 2011). The investment rate was 3.5% of revenue, close to the 3.4% reported in 2011.

Levered free cash flow (cash flow available after tax, interest expenses and capex) totaled €326.6 million, up 32.2% relative to 2011.

Bureau Veritas should deliver solid growth in 2013 revenue and adjusted operating income, in line with the BV2015 strategic plan and despite an economic environment in Europe that is set to remain challenging.

In view of the company's performance and the free cash flow generated in 2012, Bureau Veritas is to propose a dividend of €1.83 per share at the Shareholders' Meeting scheduled for May 22, 2013. This dividend represents a payout of 50% of adjusted EPS in 2012 and a yield of 2.2% relative to the share price on December 31, 2012 (€84.65).

### **Materis – Growth in sales of 2.2% Excellent performance of ParexGroup (mortars), good growth at Kerneos and Chryso. Wide-reaching performance improvement plan at Materis Paints.**

*(Full consolidation)*

In a volatile economic environment, Materis's businesses saw organic growth in emerging markets, which was virtually offset by the slowdown in mature regions.

In 2012, Materis's net sales grew by 2.2% to €2,073 million. From an organic standpoint, sales were stable, declining 0.2%, and Materis made two strategic acquisitions: Suzuka in China (mortars) and Elmin in Greece (aluminates). All Materis divisions benefited from continued high growth in emerging economies (9.7% organic growth) which offset deterioration in mature economies (-3.5% organic growth), resulting from a decline in volumes, principally in the paints business.

In 2012, the Aluminates, Admixtures and Mortars businesses continued to generate record industry profitability. EBITDA totaled €258 million (12.5% of sales) and adjusted operating income was €189 million (9.1% of sales). Highlights by division were as follows:

- **ParexGroup (mortars)** posted sales of €713 million, up 12.4% overall and 7.3% organically, benefited from favorable industry conditions in emerging economies (up 18%) and the beginnings of a recovery in the United States, buoyed by growth in end-markets, price adjustments and market share gains that more than offset a significant decline in Spain and lesser decline in France. ParexGroup also benefited from the successful integration of Suzuka, leader in organic texture coatings in China, enabling it to build on its already significant presence in that country. In 2012, EBITDA was €99 million (13.9% of net sales), up 8%;
- **Kerneos (aluminates)** posted net sales of €368 million (up 2.1% overall but down 3.0% organically). Growth at Kerneos was driven by significant price adjustments, favorable currency effects and robust volumes in chemicals for the building industry in the United States, the United Kingdom, Russia, Germany and China. These factors offset lower volumes in refractories resulting from a slowdown in the production and destocking of steel. EBITDA was €74 million (20.0% of net sales), up 1.8%. In 2012, Kerneos acquired Elmin, the leading exporter of monohydrate bauxite, which secures its long-term access to a key raw material;
- **Chryso (Admixtures)** posted net sales of €238 million (up 2.0% overall and up 2.9% organically). Favorable growth at Chryso was due to healthy business conditions in emerging market countries (India, South Africa, Morocco, Turkey, Eastern Europe), a relaunch of the business in the United States, price adjustments, which offset a contraction in Southern European markets, and a slightly unfavorable currency effect. EBITDA was €35 million (14.6% of net sales), stable compared with 2011.
- **Materis Paints** posted net sales of €773 million, down 5.2%. Sales at Materis Paints contracted significantly as a result of the difficult economic climate in Southern Europe (Spain, Portugal, Italy) and a decline in France. These factors led to a sizable drop in volumes and to unfavorable mix effects (down 11%), partially offset by significant price adjustments (up 6%) intended to pass on the sharp rise in titanium dioxide costs. EBITDA was €60 million (7.7% of net sales), down 14%. To restore its margins, Materis Paints, now headed by the new CEO Bertrand Dumazy, initiated a high-impact performance enhancement program. Gross benefits are estimated at €50 million in 2014; €27 million were achieved in 2012.

As of the end of 2012, Materis's net financial debt was €1,913 million. In May 2012, Materis successfully rescheduled its bank debt, capping negotiations with a pool of 199 lenders launched in September 2011, 18 months before the first repayment dates. The agreement postponed the 2013-15 maturities to 2015-16 and increased the company's sources of liquidity. 90% of senior loans, 99% of second-lien maturities and 100% of mezzanine debt were postponed under the agreement. Wendel and its co-shareholders injected €25 million in equity to finance Materis's expansion (acquisitions and capital expenditures), and made an interest-bearing, €50 million credit facility available. Optimization plans were launched in early 2013 in all divisions, and the targets for the Paints division plan were increased.

### **Stahl – 2012 sales grew by 8%, targeted investments continued**

*(Full consolidation)*

In 2012, Stahl posted an 8.0% rise in sales to €361.2 million (up 5.9% organically). After first-half organic growth of 6.2%, Stahl continued to perform well, growing 5.5% over the second half, despite a modest slowdown in the 4<sup>th</sup> quarter. All of Stahl's divisions posted robust performance throughout the year.

- The **Leather Finishing Products division** (53% of sales) benefited from very buoyant automotive market conditions in Asia and the United States and strong growth in the luxury leather goods business. Over all of 2012, the division saw growth in the region of 4.4%, slightly in excess of the sector's long-term growth rates.
- The **High-performance Coatings division** (33% of sales) posted even stronger performance, with growth in the region of 15% and strong momentum in all geographic areas.
- The **Wet-End division** (14% of sales) continued to grow significantly, adding 7.4% to its top line in 2012. Growth was intentionally held in check in order to concentrate business on the most profitable customers.

Stahl's 2012 EBITDA was €54.9 million, up 22%, and represented a margin of 15.2% (vs. 13.5% in 2011). The margin improvement was driven by a higher gross margin, derived from targeted price increases.

At the same time, Stahl continued to make ambitious, targeted investments to support the growth of its business and the development of its technologies. The group created a center of excellence in Waalwijk, Netherlands and opened an African subsidiary in Ethiopia. It also continued to reposition its staff into the faster-growing geographical regions. Stahl's net financial debt stood at €160 million as of the end of 2012, down 13%. In 2013, Stahl should see another year of profitable growth.

## **Saint-Gobain – Sales up 2.6% in 2012.**

*(Equity method on 17% holding)*

In a difficult economic environment and after a broadly satisfactory start to the year, Saint-Gobain's businesses were hit as from the second quarter of 2012 by the deteriorating economic climate in Europe and by difficult trading in Flat Glass, in both Europe and Asia and emerging countries. Full-year sales totaled €43.2 billion, up 2.6% and reflecting favorable currency fluctuations as well as contributions from acquired companies.

Barring Interior Solutions and Packaging (Verallia), all Business Sectors and Divisions saw sales decline over the year as a whole, affected by the slowdown in industrial and residential construction markets in Western Europe. While Latin America picked up in the second half, markets in Asia and emerging countries remained stable overall in 2012, but with wide disparities from one country to another. Only North America remained upbeat, fuelled by the ongoing upturn in housing and despite tough 2011 comparatives for this market (roofing renovations had been boosted in this prior period by severe storms).

For the full year, Saint-Gobain posted negative organic growth of 1.9%, with volumes down 3.6% and prices up 1.7%. A buoyant first quarter limited the contraction in organic growth in the first half to 0.8% (volumes down 3.0% and prices up 2.2%), while in the second half, sales contracted organically by 2.9% (volumes down 4.2% and prices up 1.3%).

- **Innovative Materials** sales fell 4.4% on a like-for-like basis, hit by tough trading in **Flat Glass** (down 6.6%) and by the slowdown in **High-Performance Materials** (down 1.7%), particularly in Western Europe, despite a vigorous first quarter.
- **Construction Products (CP)** like-for-like sales dipped -1.3%, due to the decline in sales volumes in Western Europe and Asia, which rising prices could not offset;
- **Building Distribution** saw a 2.0% dip in like-for-like sales. This performance reflected the gradual deterioration in market conditions across all Western European countries as from the second quarter, not entirely offset by sales prices. Over all of 2012, only Germany, Scandinavia, the United States and Brazil continued to report positive organic growth;
- **Packaging (Verallia)** delivered 3.5% organic growth, buoyed by a strong uptrend in sales prices in the main countries in which it operates. Trading remained brisk in the United States, France and Brazil, but fell back in Southern and Eastern Europe.

In 2012 Saint-Gobain continued to pursue the following strategies:

- Refocusing on Habitat: Saint-Gobain entered a new phase in this strategy, with the signature of an agreement concerning the sale of Verallia North America on very favorable pricing terms (\$1.7 billion, or 6.5x EBITDA). This transaction also enables Saint-Gobain to reinforce its balance sheet and consolidate its financial strength.
- Development in high-growth countries, energy efficiency and energy markets, and consolidation in Building Distribution. Overall in 2012, approximately €1.3bn was invested in these countries, or 66% of Saint-Gobain's capital expenditure and acquisitions.

Squeezed by both a decline in sales volumes and a sharply negative cost/price spread in Flat Glass, Saint-Gobain's operating income shed 16.3% to €2.88 billion. Consequently, the operating margin was 6.7% (8.5% excluding Building Distribution) compared to 8.2% (10.9% excluding Building Distribution) in 2011.

Faced with deterioration in the economic climate as from the second quarter in Western Europe and in Flat Glass generally, Saint-Gobain quickly implemented a new, €520 million cost-cutting program over the whole year. Primarily focused on Western Europe, Asia and emerging economies (for Flat Glass and Pipe in particular) will be extended and intensified in 2013, bringing its full-year impact (in 2013) to €1,100 million (calculated on the 2011 cost base), instead of the €750 million initially planned.

For 2013, Saint-Gobain is anticipating:

- recovery in its operating income in the second half, after it bottomed out between mid-2012 and mid-2013;
- a high level of free cash flow, namely as a result of a €200 million reduction in capital expenditure;
- a robust balance sheet, strengthened by the disposal of Verallia North America.

At its meeting of February 20, Saint-Gobain's Board of Directors decided to recommend to the June 6, 2013 Shareholders' Meeting a dividend of €1.24 per share at the June 6, 2013 Shareholders' Meeting, unchanged from 2011. The Board also decided that shareholders may receive their dividends in cash or in shares, at their own discretion. The dividend represents 58% of recurring net income and 85% of net income.

### **Legrand – 5.1% rise in sales.**

*(Equity method on 5.5% holding)*

Legrand's reported 2012 figures showed a 5.1% year-on-year rise in sales to €4,466.7 million. Sales at constant scope of consolidation and exchange rates declined 1.4%, reflecting the less buoyant global economy in 2012. Changes in the scope of consolidation made a 4.5% growth contribution, while exchange rates had a positive impact of 1.9%.

Total sales in new economies grew nearly 13.5% for the year, or 3.6% at constant scope of consolidation and exchange rates, with strong showings in Russia, India and China as well as Mexico, Chile and Saudi Arabia. This healthy rise strengthens Legrand's presence in these fast-growing markets where it holds many leading positions, and thus structurally improves its growth profile: new economies accounted for 38% of Legrand's in 2012, up from 35% in 2011 and 17% a decade ago.

Construction volume in the mature countries where Legrand operates is on average close to 30% lower than in 2007 (residential and non-residential construction expenditures, according to Global Insight). The decrease has been steeper in Southern Europe (Spain, Greece and Portugal) and although conditions for a recovery are not present in these markets, this substantial decline represents potential for a medium-term recovery.

Legrand continued to develop in new business segments: digital infrastructures, energy performance, home systems and wire-mesh cable management continued to expand, underpinned by lasting changes in technology and society. In 2012, sales in these new business segments accounted for 25% of Legrand's total sales, up from 22% in 2011 and 10% a decade ago.

In 2012 Legrand actively pursued its innovation effort—one of its two growth engines—spending close to 5% of sales on R&D and dedicating more than half of its investments to new products, which accounted for 37% of sales.

Legrand has also pursued its strategy of targeted, self-financed acquisitions of small and mid-size companies offering high growth potential and strong market positions. Since January 2012, Legrand has announced the acquisition of five companies with total annual acquired sales of over €180 million.

Adjusted operating income came to €874 million, or 19.6% of sales (19.9% excluding acquisitions), illustrating the quality of Legrand's commercial positions, its ability to keep pricing management under control, the effectiveness of its ongoing productivity initiatives, and its capacity to adapt.

Macro-economic forecasts for 2013 remain varied: possible acceleration in the pace of growth in new economies in the course of the year, continued recovery in residential construction in the United States, and continuing uncertainty for trends in other mature economies. Against this backdrop and in an industry with no order book, Legrand has set its 2013 targets for organic(1) growth in sales at between -2% and +2% and for adjusted operating margin before acquisitions at between 19% and 20% of sales. Moreover Legrand will pursue its value-creating acquisition policy.

In recent years, Legrand has demonstrated the soundness of its business model. In a stabilized macroeconomic environment, Legrand is confident in its capacity to create value on a sustainable basis through profitable, self-financed growth and confirms its medium-term targets:

- total annual average growth in sales of 10% excluding exchange-rate effects or major economic downturn,
- and average adjusted operating margin of 20% including small and medium-size bolt-on acquisitions.

Considering Legrand's 2012 achievements, and in particular its net income of €506 million—a record high—the Board of Directors will ask shareholders at their General Meeting to approve a dividend of €1.00 per share, up 7.5%, payable on June 3, 2013.

## **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) and Van Gansewinkel Groep (Netherlands).

### **Parcours – Robust growth in sales and in the vehicle fleet under management**

*(Full consolidation since April 2011)*

Parcours reported sales of €292.9 million in 2012, up 7.9% compared with 2011. Over the year, Parcours' fleet of vehicles expanded by 5.6% (from 44,905 to 47,400), faster than that of the industry in France (up 1.7%). Parcours delivered more than 14,500 vehicles in 2012, and had a portfolio of vehicles to be delivered of nearly 4,200 as of the end of December 2012. During the year, Parcours sold nearly 12,000 used vehicles, of which more than 44% to individuals.

Pre-tax ordinary income rose 18.2% to €20.2 million in 2012, representing a margin of 6.9% of sales. The margin improvement came about primarily because profitability improved in the "maintenance, assistance and tires" business – services related to vehicle leasing – following optimization measures implemented beginning in April 2012.

Parcours expects its fleet to grow faster in 2013 than it did in 2012 and hence substantially faster than the total French long-term leasing fleet. 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.

### ***exceet* – Operating improvement plan launched**

*(Equity method since July 2011 on 28% holding)*

In a very difficult economic context, *exceet* was nevertheless able to realize two acquisitions. Firstly, it acquired *Inplastor GmbH*, an Austrian company that produces more than 25 million secure cards p.a. Secondly, it bought *as electronics*, a German company that develops intelligent automation and control systems, principally in the medical and industrial automation sectors. The company focused on rationalizing its costs and production facilities so as to bear up under a weak European economic environment.

*exceet* also landed several new business deals during the year. In particular, the company signed an agreement to supply 3 million smart cards to Scotland's National Entitlement Card program. It extended a €40 million optoelectronic sensors contract with Siemens for three years. Finally, it will supply 2 million RFID blood donor identification chips to the German Red Cross.

Against this background, *exceet's* sales rose 10.7% in 2012. Over the year, sales totaled €188.8 million, while EBITDA declined 34.0%, owing to changes in consolidation scope on the one hand and negative organic growth on the other. The company already began to reap the benefits of its cost-cutting efforts in the fourth quarter of 2012.

In 2013, *exceet* will continue to expand, both organically and by acquisition, notwithstanding the uncertainties generated by the European sovereign debt crisis. *exceet* aims to achieve a moderate level of organic growth and to improve its profitability (on a recurrent basis).

### **Mecatherm – Resilient results, despite a sharp decline in business activity**

*(Full consolidation from 4<sup>th</sup> quarter of 2011)*

In 2012, the Mecatherm group's net sales totaled €73.1 million, down 14.6% from 2011. As expected, Mecatherm experienced a decline in its business in 2012, because certain customers postponed their investments. This decline subsided over the course of the year, however. The business gradually picked up and the order book continued to increase through the second half of the year. In 2012, the industry recognized the excellence of the products Mecatherm designs and develops. Mecatherm won three awards for its Bloc Combi: two at the Paris Europain trade fair in March and the 2012 Innovation prize at the IBA show in Munich in September 2012.

EBITDA was €7.8 million, or 10.7% of sales. Although below Mecatherm's usual levels, this performance illustrated the resilience of Mecatherm industrial model and was a record in the industry.

Favorable levels of new business in the fourth quarter of 2012 and in the first quarter of 2013 should enable Mecatherm to return to higher profitability levels in 2013.



## Wendel has further strengthened its financial structure and lowered its interest expense

Over the course of 2012, Wendel reduced its debt by €750 million by repurchasing bonds and paying down debt ahead of schedule, bringing the cumulative total paid down since 2009 to €4.5 billion. As a result, Wendel no longer has any debt repayment obligations before September 2014. As of March 18, 2013, Wendel had €705 million in unpledged cash.

### ▪ **Sale of Deutsch**

The sale of Deutsch to TE Connectivity, a world leader in connectivity solutions, was finalized in early April 2012 after all the necessary regulatory approvals were received. Deutsch's enterprise value was \$2.1 billion, based on this transaction, and Wendel's net proceeds from the sale totaled €960 million, or 2.5 times its total investment. Wendel thus achieved a cash-on-cash capital gain of €583 million on its investment.

### ▪ **Early repayment of bank debt**

In 2012, Wendel repaid €760 million in debt with margin calls in advance of the maturity date. On March 21, 2012, Wendel repaid the €250 million tranche of the syndicated loan in advance of the September 2013 maturity date. As a result, Wendel no longer has any debt repayment obligations before September 2014.

### ▪ **Bond debt repurchased**

From the beginning of 2012 until March 18, 2013, Wendel repurchased €159.4 million of its bonds on the market, with maturity dates in November 2014 (€114.4 million), 2015 (€6.5 million) and May 2016 (€38.5 million). Repurchased bonds are systematically cancelled.

### ▪ **Successful 2019 bond issue**

In early September, Wendel issued €400 million in bonds maturing in September 2019 under excellent terms and conditions. As a result, Wendel was able to take advantage of favorable market conditions and issue the bonds with a coupon of 5.875%. The issue was very well received by investors and was six times oversubscribed.

### ▪ **New line of credit with margin calls, maturity 2017**

The €1,100 million line of credit available with margin calls and maturing in 2013-14 was replaced during the summer by a new, €700 million undrawn line maturing in July 2017, financing Saint-Gobain shares. Through this transaction, Wendel extended the average maturity of its available lines and will reduce future interest costs. Undrawn lines of credit with margin calls now total €1,150 million. Of this amount, €225 million mature in 2016 and €925 million in 2017.

### ▪ **New bank line of credit**

Wendel is continuing to renew and extend its various operating lines. An agreement has been reached with four banks to grant a €400 million line maturing in 2018. The total amount of the line could increase in the future with the addition of other banking partners. Pending approval of final documentation, this new financing line will replace the current €1.2 billion syndicated credit maturing in 2013-14.

### ▪ **Maturity extended on all puts issued on Saint-Gobain**

The maturity of the puts issued on Saint-Gobain has been extended by 12 months. The 6.1 million puts issued now have maturity dates in September 2013 (2.2 million), December 2013 (2.6 million) and March 2014 (1.3 million).

### ▪ **€800 million interest rate swap extended**

Wendel has entered into interest rate swaps totaling €800 million so as to hold the cost of its bank debt at a low level. These swaps will cover interest rate fluctuations in 2014 and 2015.

### ▪ **Improved S&P rating**

On April 11, 2012, 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 Wendel's announcement that it had finalized the sale of Deutsch, the specialist in high-performance connectors, and by improvement in Wendel's financial structure.

## Share buybacks

### **Cancellation of 2% of shares, vs. 1% initially planned**

In 2012, Wendel repurchased 985,338 of its own shares principally to take advantage of the steep discount in the share price compared with NAV. The Supervisory Board has authorized the Executive Board to cancel 2% of share capital, i.e. 1,079,013 shares. These shares were cancelled at the end of 2012. Wendel will continue to pursue its stock repurchase program depending on market opportunities.

## Status of IHS investment

At the end of 2012, Wendel initiated its first investment in Africa via Oranje Nassau Développement, taking a stake in IHS Holding, leader in telecom tower infrastructure in Africa. The first phase of the investment was finalized on March 1, 2013. By April 2013, Wendel will have invested \$176 million, i.e. more than the \$125 million initially planned, as IHS

has already made considerable progress on new developments, in particular the construction of additional towers in Nigeria. Wendel is now IHS's largest shareholder and has three seats on the company's Board of Directors. In the very near future, Wendel will hold more than 30% of the capital.

## Dividends

The Executive Board, with authorization from the Supervisory Board, has decided to propose to shareholders at their Annual Meeting on May 28, 2013, an ordinary cash dividend of €1.75 per share, 35% more than the dividend paid in 2012 on 2011 earnings.

## Wendel's Net Asset Value

As of December 31, 2012 Net Asset Value came to €5,755 million or €116.2 per share, compared with €74.3 on December 31, 2011, up 56% year-on-year.

Net Asset Value came to €6,565 million or €132.5 per share as of March 18, 2013 (see detail in appendix 2 below), compared with €98.6 on March 12, 2012. The discount to NAV was 35.9% as of March 18, 2013.

The calculation methodology was detailed on August 31, 2009 and remains unchanged. It conforms to the recommendations of the European Venture Capital Association.

## 2013 Calendar

**May 14** Publication of first-quarter 2013 net sales (post-market release)

**May 28** Annual Meeting of Shareholders – Publication of net asset value

**August 29** First-half 2013 net sales and results (pre-market release) – Publication of net asset value

**November 8** Publication of third-quarter 2013 net sales (pre-market release)

**December 5** Investor Day – Publication of net asset value



## About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests internationally, in companies that are leaders in their field, such as Bureau Veritas, Legrand, Saint-Gobain, Materis and Stahl. Wendel plays an active role as industry shareholder in these companies. It implements long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel is also a shareholder of Van Gansewinkel Groep in the Netherlands, except in Germany, Mecatherm and Parcours in France and IHS in Africa.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long term: BB, stable outlook; short term: B since April 11, 2012.

Wendel is the Founding Sponsor of Centre Pompidou-Metz. In recognition of its long-term patronage of the arts, Wendel received the distinction of "Grand Mécène de la Culture" on March 23, 2012.



## Media contacts

Christine Anglade-Pirzadeh: +33 (0)1 42 85 63 24  
c.angladepirzadeh@wendelgroup.com

Christèle Lion: +33 (0)1 42 85 91 27  
c.lion@wendelgroup.com

## Analyst and investor contacts

Laurent Marie: +33 (0)1 42 85 91 31  
l.marie@wendelgroup.com

Olivier Allot: +33 (0)1 42 85 63 73  
o.allot@wendelgroup.com

## 2012 sales of Group companies

### Consolidated sales <sup>(2)</sup>

| (in millions of euros)                     | 2011           | 2012           | organic $\Delta$ | $\Delta$      |
|--------------------------------------------|----------------|----------------|------------------|---------------|
| Bureau Veritas                             | 3,358.6        | 3,902.3        | +7.8%            | +16.2%        |
| Materis                                    | 2,027.0        | 2,072.5        | -0.2%            | +2.2%         |
| Stahl                                      | 334.5          | 361.2          | +5.9%            | +8.0%         |
| Oranje-Nassau Développement <sup>(1)</sup> | 233.1          | 365.9          | n.s.             | n.s.          |
| <b>Consolidated sales</b>                  | <b>5,953.1</b> | <b>6,702.0</b> | <b>+5.0%</b>     | <b>+12.6%</b> |

(1) Includes Parcours from April 15, 2011 and Mecatherm from October 4, 2011

(2) Deutsch accounted for under activities held for sale, in accordance with IFRS 5

### Sales of companies consolidated using the equity method

| (in millions of euros) | 2011    | 2012    | organic $\Delta$ | $\Delta$ |
|------------------------|---------|---------|------------------|----------|
| Saint-Gobain           | 42,116  | 43,198  | -1.9%            | +2.6%    |
| Legrand                | 4,250.1 | 4,466.7 | -1.4%            | +5.1%    |
| exceet                 | 170.5   | 188.8   | -6.4%            | +10.7%   |

## NAV of €132.5 as of March 18, 2013

(in millions of euros)

|                                                                                             |                                    |                                  | 11/27/2012    | 03/18/2013    |
|---------------------------------------------------------------------------------------------|------------------------------------|----------------------------------|---------------|---------------|
| <b>Listed equity investments</b>                                                            | <u>Number of shares (millions)</u> | <u>Share price<sup>(1)</sup></u> | <b>7,712</b>  | <b>8,858</b>  |
| • Bureau Veritas                                                                            | 56.3                               | €97.6                            | 4,672         | 5,496         |
| • Saint-Gobain                                                                              | 91.7                               | €31.1                            | 2,612         | 2,855         |
| • Legrand                                                                                   | 14.4                               | €35.1                            | 428           | 507           |
| Unlisted equity investments (Materis, Stahl) and Oranje-Nassau Développement <sup>(2)</sup> |                                    |                                  | 792           | 1,025         |
| Other assets and liabilities of Wendel and holding companies <sup>(3)</sup>                 |                                    |                                  | 90            | 154           |
| Cash and marketable securities <sup>(4)</sup>                                               |                                    |                                  | 1,064         | 705           |
| <b>Gross assets, revalued</b>                                                               |                                    |                                  | <b>9,659</b>  | <b>10,742</b> |
| Wendel bond debt                                                                            |                                    |                                  | (3,089)       | (3,108)       |
| Syndicated loan                                                                             |                                    |                                  | (250)         | (250)         |
| Bank debt related to Saint-Gobain financing                                                 |                                    |                                  | (831)         | (630)         |
| Value of puts issued on Saint-Gobain <sup>(5)</sup>                                         |                                    |                                  | (205)         | (190)         |
| <b>Net Asset Value</b>                                                                      |                                    |                                  | <b>5,284</b>  | <b>6,565</b>  |
| Number of shares                                                                            |                                    |                                  | 49,537,641    | 49,549,936    |
| <b>Net Asset Value per share</b>                                                            |                                    |                                  | <b>€106.7</b> | <b>€132.5</b> |
| Average of 20 most recent Wendel share prices                                               |                                    |                                  | €68.0         | €84.9         |
| Premium (discount) on NAV                                                                   |                                    |                                  | (36.2%)       | (35.9%)       |

(1) Average of 20 most recent closing prices calculated on March 18, 2013

(2) Mecatherm, Parcours, VGG, exceet, IHS and indirect investments

(3) Including 1,981,999 treasury shares as of March 18, 2013

(4) Cash and financial investments of Wendel and Saint-Gobain acquisition holding companies, including €0.7 billion in unpledged cash (€0.4 billion in short-term cash positions and €0.3 billion in liquid financial investments) and a non-material amount of pledged cash

(5) 6.1 million puts issued as of March 18, 2013

### Appendix 3: Conversion from accounting presentation to economic presentation

|                                                                      | Bureau Veritas | Materis        | Deutsch       | Stahl        | Oranje-Nassau<br>Développement | Equity method  |              | Holdings       | Total<br>Operations |
|----------------------------------------------------------------------|----------------|----------------|---------------|--------------|--------------------------------|----------------|--------------|----------------|---------------------|
|                                                                      |                |                |               |              |                                | Saint-Gobain   | Legrand      |                |                     |
| <b>Net income from business sector</b>                               |                |                |               |              |                                |                |              |                |                     |
| Net sales                                                            | 3,902.3        | 2,072.5        | -             | 361.2        | 365.9                          | -              | -            | -              | 6,702.0             |
| EBITDA                                                               | N/A            | 258.2          | -             | 54.9         | N/A                            | -              | -            | -              | -                   |
| Adjusted operating income (1)                                        | 639.2          | 188.6          | -             | 47.0         | 32.8                           | -              | -            | -              | -                   |
| Other recurring operating items                                      | -              | (2.0)          | -             | (1.2)        | -                              | -              | -            | -              | -                   |
| Operating income                                                     | 639.2          | 186.6          | -             | 45.8         | 32.8                           | -              | -            | (45.7)         | 858.7               |
| Finance costs, net                                                   | (57.8)         | (153.4)        | -             | (13.4)       | (11.4)                         | -              | -            | (205.5)        | (441.5)             |
| Other financial income and expenses                                  | (11.4)         | (1.3)          | -             | -            | 0.1                            | -              | -            | (0.1)          | (12.7)              |
| Tax expenses                                                         | (157.7)        | (42.1)         | -             | (6.1)        | (8.1)                          | -              | -            | 6.3            | (207.8)             |
| Share of net income from 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 | -              | -              | 24.9          | -            | -                              | -              | -            | 0.3            | 25.3                |
| <b>Recurring net income from business sector</b>                     | <b>412.3</b>   | <b>(9.8)</b>   | <b>24.9</b>   | <b>26.6</b>  | <b>15.4</b>                    | <b>192.0</b>   | <b>31.1</b>  | <b>(244.7)</b> | <b>447.8</b>        |
| Recurring net income from business sectors - Minority interests      | 206.2          | (1.9)          | 2.6           | 2.3          | 0.5                            | -              | -            | 0.2            | 209.9               |
| <b>Recurring net income from business sector - Group share</b>       | <b>206.1</b>   | <b>(7.9)</b>   | <b>22.3</b>   | <b>24.3</b>  | <b>14.8</b>                    | <b>192.0</b>   | <b>31.1</b>  | <b>(244.8)</b> | <b>237.9</b>        |
| <b>Non-recurring income</b>                                          |                |                |               |              |                                |                |              |                |                     |
| Operating income                                                     | (133.9)        | (140.3)        | -             | (10.3)       | (5.3)                          | -              | -            | (8.9)          | (298.9)             |
| Net financial income                                                 | (0.0)          | (38.8)         | -             | (2.2)        | (0.7)                          | -              | -            | 50.3           | 8.6                 |
| Tax expense                                                          | 20.3           | 31.5           | -             | 7.6          | 2.0                            | -              | -            | 2.0            | 63.5                |
| Share of net income from equity-method investments                   | -              | -              | -             | -            | (5.4)                          | (562.3)        | (2.4)        | 14.6           | (555.5)             |
| Net income from discontinued operations and operations held for sale | -              | -              | (18.2)        | -            | -                              | -              | -            | 689.7          | 671.5               |
| <b>Non-recurring net income</b>                                      | <b>(113.6)</b> | <b>(147.6)</b> | <b>(18.2)</b> | <b>(4.9)</b> | <b>(9.4)</b>                   | <b>(562.3)</b> | <b>(2.4)</b> | <b>747.7</b>   | <b>(110.8)</b>      |
| Of which:                                                            |                |                |               |              |                                |                |              |                |                     |
| - Non-recurring items                                                | (3.6)          | (57.5)         | (14.7)        | 2.0          | (0.4)                          | (9.2)          | (1.4)        | (2)            | 747.7               |
| - 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)         | -             | -            | -                              | (3)            | (473.0)      | -              | (604.1)             |
| Non-recurring net income - Minority interests                        | (55.5)         | (36.1)         | (1.9)         | (0.4)        | (0.1)                          | -              | -            | -              | (94.0)              |
| <b>Non-recurring net income - Group share</b>                        | <b>(58.1)</b>  | <b>(111.5)</b> | <b>(16.3)</b> | <b>(4.5)</b> | <b>(9.2)</b>                   | <b>(562.3)</b> | <b>(2.4)</b> | <b>747.7</b>   | <b>(16.8)</b>       |
| <b>Consolidated net income</b>                                       | <b>298.7</b>   | <b>(157.4)</b> | <b>6.7</b>    | <b>21.7</b>  | <b>6.0</b>                     | <b>(370.3)</b> | <b>28.7</b>  | <b>503.0</b>   | <b>337.1</b>        |
| Consolidated net income - Minority interests                         | 150.7          | (38.0)         | 0.7           | 1.8          | 0.4                            | -              | -            | 0.2            | 115.9               |
| <b>Consolidated net income - Group share</b>                         | <b>147.9</b>   | <b>(119.4)</b> | <b>6.0</b>    | <b>19.8</b>  | <b>5.6</b>                     | <b>(370.3)</b> | <b>28.7</b>  | <b>502.8</b>   | <b>221.1</b>        |

(1) Before goodwill allocation entries, non-recurring items and management fees

(2) These earnings include:

- 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 in-kind dividend.

(3) This amount includes a €414.0 million write-down in the value of Wendel's holding in Saint-Gobain