



W E N D E L

2015 HALF-YEAR FINANCIAL REPORT

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Interim Management Report	5
1 – Business overview	6
2 – Other information	18
Net Asset Value (ANR)	19
Condensed Consolidated Financial Statements H1 2015	21
Statutory Auditors' Report	90
Certification	93

Interim Management Report – H1 2015

1 – Business overview

(in millions of euros)	H1 2014	H1 2015
Consolidated subsidiaries	288.7	333.2
Financing, operating expenses, and taxes	(126.8)	(132.4)
Net income from business sectors⁽¹⁾	161.9	200.8
Net income from business sectors, ⁽¹⁾ Group share	63.6	61.7
Non-recurring income	57.1	(0.9)
Impact of goodwill allocation	(43.4)	(57.1)
Total net income	175.5	142.8
Net income, Group share	70.3	32.2

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

Net income from business sectors, H1 2015

(in millions of euros)	H1 2014	H1 2015	Δ
Bureau Veritas	184.5	207.4	+12.4%
Stahl	19.9	41.0	+106.0%
Cromology ⁽¹⁾	15.0	8.0	-46.6%
Constantia Flexibles	-	17.5	n.s.
Saint-Gobain (equity method)	70.0	72.2	+3.2%
IHS (equity method)	(9.3)	(5.9)	+36.5
Oranje-Nassau Développement	8.6	(7.1)	n.s.
Parcours	6.3	8.1	+27.3%
Mecatherm	0.2	(12.7)	n.s.
CSP Technologies	-	(2.7)	n.s.
Nippon Oil Pump	1.2	0.6	-49.3%
exceet	0.9	(0.4)	n.s.
Total contribution from Group companies	288.7	333.2	+15.4%
<i>of which Group share</i>	<i>190.4</i>	<i>194.1</i>	<i>+1.9%</i>
Total operating expenses	(26.8)	(34.9)	+30.2%
Total financial expense	(100.0)	(97.5)	-2.5%
Net income from business sectors	161.9	200.8	+24.0%
<i>of which Group share</i>	<i>63.6</i>	<i>61.7</i>	<i>-3.0%</i>

⁽¹⁾ First-half 2015 figures include Cromology (formerly Materis Paints) and the Materis holding companies. First-half 2014 figures include all divisions of Materis.

The Supervisory Board met on September 9, 2015, under the chairmanship of François de Wendel, to review Wendel's consolidated financial statements, as finalized by the Executive Board on September 1,

2015. As always, the interim financial statements were subject to a limited review by the Statutory Auditors prior to publication.

Wendel's consolidated sales totaled €3,780.3 million, up 35.6% overall and up 3.3% organically (total organic growth excludes organic growth of Constantia Flexibles and CSP Technologies).

The overall contribution of the Group's companies to net income from business sectors was €333.2 million, up 15.4% from the first half of 2014. The rise resulted from changes in the scope of consolidation, both at Wendel and at the level of certain subsidiaries. At Wendel, Constantia Flexibles was consolidated from April 1, 2015. At the subsidiary level, Stahl became a much larger company with the acquisition of Clariant Leather Services. These were the principal changes. In addition, good performance at Bureau Veritas and Saint-Gobain offset the decline in their contribution to net income from business sectors resulting from the sale of Saint-Gobain shares in May 2014 and of Bureau Veritas shares in March 2015.

Financial expense, operating expenses and taxes totaled €132.4 million, up from €126.8 million in H1 2014. The increase in operating expenses over the first six months of 2015 resulted in particular from the very strong investment activity.

Non-recurring income was €0.9 million vs. €57.1 million in H1 2014. In the first half of 2014, non-recurring items had included principally €294.0 million in gains on the sale of Materis' Aluminates and Mortars divisions. These gains were partially offset by losses of €106.7 million on the sale of Saint-Gobain shares. In the first half of 2015, non-recurring gains and losses netted almost to zero, and included the following positive and negative items:

- a revaluation of Saint-Gobain shares at €47.20 on Wendel's balance sheet for a total of €203.5 million;
- an anticipated loss in Wendel's consolidated statements on the sale of Verallia (€96.7 million);
- a currency translation loss recognized by IHS following the devaluation of the Nigerian naira related to dollar-denominated debt (€54.7 million);
- asset impairment (€38.1 million) and other non-recurrent loss items (€14.8 million).

The €727.5 million Group share of the capital gain on the sale of Bureau Veritas shares in March 2015 was not recognized in Wendel's income statement, in line with IFRS 10 but in "changes in shareholders' equity". As a result, Wendel's shareholders' equity as of June 30, 2015 stood at €4.3 billion.

Wendel's net income, Group share, was €32.2 million in the first half of 2015, compared with €70.3 million in H1 2014.

Results of Group companies

Bureau Veritas – Strong performance in overall challenging market conditions, 2015 outlook confirmed

(Full consolidation)

Revenue in the first half of 2015 totaled €2,318.7 million, an increase of 17.9% compared with H1 2014.

Organic growth in H1 2015 was 3.6%, including 3.0% in the second quarter.

Businesses performed differently from one region to another. Activities in the Europe Middle East Africa region (43% of H1 2015 revenue; 5.3% organic growth) have benefited both from the commercial initiatives launched in 2014 and the improvement in the economic environment. Activities in the Americas (28% of revenue; 1.4% organic growth) have started to slow down due to the lower oil price environment. Business in Asia Pacific (29% of revenue; 2.9% organic growth) was mixed with a strong performance in Asia, partially offset by a reduction in Australia due to the weakness in the Mining and Oil & Gas end-markets.

Organic growth was particularly strong in the following businesses:

- Marine & Offshore (11.7%) benefited from the surge in equipment certification for New construction, and from market share gains in In-service;
- Commodities organic growth (5.5%) has been driven by trade-related activities and Agriculture;
- The performance of Certification (4.4%) was attributable to the recovery in Europe and the Americas, and commercial successes.

As expected, activities related to Oil & Gas have started to experience the impact of a low price environment, mainly for the Industry (3.6% organic growth) and IVS (1.8%) businesses. In both cases, activities outside Oil & Gas performed well, especially in Europe.

The Consumer Products business (3.4% organic growth) has been slightly impacted by some delays in product launches from key customers in Electricals & Electronics.

Construction was able to grow organically by 1.0%, despite France weighing on the performance, and thanks to an increasingly diversified geographical footprint.

The Government Services & International Trade (GSIT) business declined 2.9% organically, due to the high basis of comparison in verification of conformity contract in Iraq and some delays in new contract launches.

Acquisitions contributed 5.4% to growth, combining the contribution of last year acquisitions and those made in China since the beginning of the year.

Finally, currency fluctuations had a positive impact of 8.9% as most currencies gained value against the euro.

Adjusted operating profit was €370.3 million in the first half of 2015, up 19.5% compared to H1 2014, and up 7.1% at constant currencies. The adjusted operating margin reached 16.0% in the first half of 2015, up 20 basis points unadjusted for currency fluctuations.

Margins increased in all businesses, except Industry and IVS, due to their exposure to the Oil & Gas sector and GSIT, which was impacted by lower volumes in Iraq and the fact that many contracts were in ramp-up phase. The drop in profitability of our Oil & Gas-related activities had a negative impact of 40 basis points

on Bureau Veritas' margin, but was more than compensated by operational excellence initiatives and the positive currency impact. On the upper end of the range, the margin of the Marine & Offshore business benefited from the surge of equipment testing in Asia, while the Consumer Products margin improvement was driven by the continuous implementation of Lean management initiatives.

Attributable net profit for the period was €175.1 million, vs. €154.0 million in H1 2014. Adjusted attributable net profit totaled €200.3 million, vs. €177.5 million in H1 2014.

Cash generation was strong in the first half of 2015. Operating cash flow rose by 22.9% to €216.4 million. Free cash flow (cash flow available after tax, interest expenses and capex) totaled €73.6 million, vs. €71.2 million H1 2014.

At June 30, 2015, adjusted net financial debt was €2,110.6 million, i.e. 2.31x last-12-month EBITDA as defined in the calculation of banking covenants, compared with 2.16x at December 31, 2014. More than 95% of Bureau Veritas' financing matures between 2017 and 2022.

Taking into account the global economic slowdown and the more pronounced drop in oil prices, the growth in the second half of 2015 should be less dynamic than in the first half. In 2015, Bureau Veritas expects a slight improvement in organic growth over 2014, as projected at the start of the year. The operating margin should also improve thanks to ongoing operational excellence initiatives. The Group will continue to generate strong cash flow. Targeted acquisitions in attractive markets will contribute to overall growth.

Cromology (formerly Materis Paints) – Sales stable in the first half (up 0.1%)

(Full consolidation – Materis' "Kerneos" aluminates, "Parex" mortars, and "Chryso" admixtures divisions, sold in 2014, are included in "Net income from discontinued operations and operations held for sale" in 2014, in accordance with IFRS 5.)

Cromology's sales totaled €383.8 million in the first half of 2015, stable compared with H1 2014 (up 0.1%). On a constant currency basis, Cromology's sales declined by 0.8%, offset by the favorable impact of exchange rate fluctuations (+0.9%).

The slight organic decline resulted from difficult market conditions in France (down 4.9%), where the company derives around 63% of its sales, partly offset by moderate growth in Southern Europe (up 3.1%) and robust growth in the rest of the world (up 16.6%). Sales in France declined by only 2.5% in the second quarter, however, after falling 7.7% in the first quarter.

Cromology's EBITDA stood at €36.6 million, down 1.2% from H1 2014. This decline resulted from the application of IFRIC 21 and its impact on the rate at which certain taxes are recognized. At constant accounting, EBITDA was up 1.4% in the first half of 2015 and the margin widened from 9.4% to 9.5%.

Regarding corporate governance, the company announced its name change on July 7, 2015. The name "Cromology" comes from the ancient Greek word meaning "the science of colors" and expresses the group's new identity: an array of complementary brands united by a clear vision of the art of professional paints.

Cromology announced today that Gilles Nauche has been promoted to CEO, replacing Bertrand Dumazy. Patrick Tanguy, Managing Director in charge of Wendel's operational support, will become the company's non-executive chairman.

Finally, the Materis managers who have been with the company since the start of Wendel's involvement exercised part of their liquidity. As a result, Wendel now holds 84.5% of the company, as opposed to 81.0% as of December 31, 2014.

Stahl – profitable growth picked up speed: record operating margin, organic growth of 3.2%, total growth of 46.2%.
(Full consolidation)

Stahl's first-half 2015 sales totaled €317.9 million, up 46.2% from H1 2014. This sharp increase resulted from the merger with the Clariant Leather Services business, which accounted for 35.4% growth, combined with healthy organic growth of 3.2%. Fluctuations in exchange rates had a positive impact of 7.6% on sales during the period.

Stahl's organic growth was mainly driven by continuing strong sales performance in Performance Coatings, amongst others within the automotive segments. Organic sales within the Leather Chemicals Divisions improved during Q2, but was still slightly negative for H1-15 due to temporary tannery shutdowns in India and challenging circumstances within Turkish tanneries who are suffering from less export for the Ukrainian/ Russian market.

Stahl's H1 2015 EBITDA rose 63.6% to €64.1 million or 20.2% of sales, up 215 basis points. Profitability was boosted not only by the merger with the Clariant Leather Services business but also by organic growth and the positive impact on the company's cost structure of the change in the euro/dollar exchange rate. Stahl's EBITDA for the 12 months to June 30, 2015, including a full-year impact of synergies, reached €126m. The merger with Clariant Leather Services has been proceeding so well that synergies already exceed €20 million, vs. €15 million initially projected.

Following the merger with the Clariant Leather Services business and owing to a free cash flow conversion rate of around 90%, Stahl's net debt contracted very significantly to €214 million as of June 30, 2015, or 1.7 times annualized EBITDA. Stahl has announced it will refinance its debt, so as to take advantage of its leverage capacity. This plan has been postponed for the moment, because market conditions were not optimal in July. Thanks to its excellent fundamentals, Stahl can continue to pursue its growth strategy and wait until market conditions become more favorable.

Finally, Wendel recently reached an agreement to repurchase the shares of certain minority shareholders for a total of €2.8 million. The valuation of these shares is less than that of Stahl in Wendel's net asset value as of August 31, 2015.

Constantia Flexibles – Heading for a record year, sales up 9.7%

(Full consolidation since April 1, 2015)

Constantia Flexibles sales increased to €942.7 million in the first half of 2015, a rise of 9.7% on the prior-year period. After adjusting for currency effects, the increase in sales was 5.4% compared with the previous year. The strong appreciation of the USD against the EUR was the main currency factor influencing the group.

The significant rise in sales was attributable to all of the Group's divisions and was achieved due to strong volume increases in all regions.

In the first half of 2015, the **Food Division** achieved sustainable growth rates in sales in all regions. Sales rose by 8.5% to €553.6 million in the first half of 2015. Adjusted for currency effects, the increase in divisional sales amounted to 4.9%. The Food Division had a share of 56% of the total sales generated by Constantia Flexibles.

Growth in Europe was particularly encouraging in the Food Division during the first half of 2015. Sales from alufoil containers for pet food and from packaging of dairy products increased further in both Eastern and Western Europe, while sales from packaging for ready-made meals and films for confectionery remained stable compared with the previous year. The increase in demand for portion packs, especially for coffee and tea, also positively impacted sales.

In its North America and Emerging Markets regions, Constantia Flexibles succeeded in generating a substantial increase in sales in the field of film-based packaging for snacks.

Sales in the **Pharma Division** rose by 5.6% to €149.9 million in the first half of 2015. After adjusting for currency effects, divisional growth amounted to 4.8%. Significant growth over the prior year was achieved with the product groups coldform foil and laminates, especially in the regions of Western Europe, Latin America and Asia/Pacific. The division's share of the total sales posted by Constantia Flexibles amounted to 15%

Sales in the **Labels Division** rose by 10.2% to €273.4 million in the first half of 2015. Of this, 7% was attributable to currency effects. The Labels Division, which represents, 29% of total sales generated by Constantia Flexibles, benefited from growth in the market – in particular the global beer market – and new innovative projects of Spear group acquired in 2013. The increase in sales was also driven by the increase in global demand for in-mould and film labels.

EBITDA amounted to €129.9 million, an increase of 5.2% over the prior-year period, which resulted in an EBITDA margin of 13.8% compared to 14.4% in the prior-year period. The reduced margin is largely due to USD/EUR currency translation effects.

In the second half of the financial year 2015, the focus of Constantia Flexibles is once again clearly set on global growth – both organic and through acquisitions.

Particularly in the Emerging Markets, we are expecting above-average growth in the area of film applications for the Food Division.

In addition, the Group reinforced its position in the growth market of African countries south of the Sahara through the purchase of Afripack, one of Africa's largest packaging manufacturers with ca. €103m sales in 2014. The acquisition is expected to be concluded in the second half of 2015.

After the first six months, Constantia Flexibles expects sales and operating EBITDA to also increase for the full year 2015 compared with the previous year. If the development continues to be positive, the Group expects another record year.

Constantia Flexibles will continue to see solid organic growth, although raw material prices and currencies are expected to fluctuate broadly. To optimize profitability, the Group will focus on effective cost management and efficiency enhancements in the operating business. Particular emphasis will be placed on improving the use of materials and production processes. The product portfolio will also be expanded by adding targeted innovative solutions.

Finally, as previously announced, Alexander Baumgartner will take over as the company's new chief executive from October 1, 2015, and the hand-off from Thomas Unger is proceeding very smoothly.

IHS – Continued sharp growth in business with revenue more than doubling *(Equity method)*

Revenue for the first half was up by a factor of 2.3 relative to the same period last year, coming in at \$302.2 million.

IHS made progress throughout the first half of 2015 on the integration of the towers it acquired in 2014. At the end of August IHS has approximately 23,100 towers under management.

In terms of profitability, IHS continued the development and the commercial rationalization of its towers, as well as the reduction of their operating costs. EBITDA for the first half was up 163.4% to \$107.9 million, giving an EBITDA margin of 35.7% (against 31.2% in the first half of 2014). IHS continues the deployment of advanced generators, batteries and alternative power solutions to reduce diesel consumption. By the end of 2016, 80% of all IHS towers will be run on hybrid solar solutions.

In early July, Wendel announced that it would pay \$109 million to complete its last investment in IHS Holdings under the \$2 billion capital increase that IHS launched in early November 2014. That comes on top of Wendel's \$195 million investment in December 2014, bringing its total investment under the capital increase to \$304 million—consistent with its initial commitment. The last tranche of the capital increase was carried out at an additional premium relative to the previous tranche in December 2014. For NAV calculations, since May 28, 2015 IHS has been valued at the subscription price used in the capital increase. Since March 2013, Wendel has invested a total of \$779m in IHS.

Saint-Gobain – upswing in results, operating income up 7.8% *(Equity method)*

First-half sales were up 4.8% to €19,860 million, after reclassification of the Packaging business (including Verallia North America) within "Net income from discontinued operations" in the income statement.

After this restatement (IFRS 5), changes in Group structure had a negative 0.3% impact on sales. Exchange rates continued to have a strong positive impact (4.6%), chiefly driven by the US dollar and pound sterling. On a like-for-like basis, sales edged up 0.5%. Volumes were stable over the first half and rose 1.5% in the second quarter alone. Amid low raw material cost inflation and energy cost deflation, prices continued to rise slightly, up 0.5% over the first half.

After a slight decline in the first quarter, the three months to June 30 saw growth in all regions except France and Germany. By business, the first half confirmed the upturn in Flat Glass and the expected contraction in Exterior Solutions, related mainly to price levels in the Roofing business.

Saint-Gobain's operating income climbed 7.8% on a reported basis and remained stable like-for-like vs. first-half 2014 due to the absence of volume growth. Before the reclassification of the Packaging business and on a like-for-like basis, operating income moved up 1.2%. Saint Gobain's operating margin widened 0.2 points year-on-year, to 6.4%.

- **Innovative Materials** like-for-like sales continued to improve, up 2.6% thanks to Flat Glass. The Business Sector's operating margin moved up to 10.2% vs. 9.1% in first-half 2014. The second quarter confirmed the upbeat trends seen early in the year in Flat Glass, which posted 5.6% organic growth over the six months to June 30. High-Performance Materials (HPM) like-for-like sales slipped 0.8% over the first half, however, hit mainly by the downturn in ceramic proppants.
- **Construction Products (CP)** like-for-like sales advanced 0.9% over the first half. The operating margin narrowed to 8.7% vs. 9.0% in first-half 2014, affected by Exterior Solutions. Interior Solutions posted 2.2% organic growth and Exterior Solutions slipped 0.4% despite a 5.7% rally in the second quarter, due mainly to the Roofing business, where volumes rose sharply after a very weak start to the year.
- **Building Distribution** like-for-like sales stabilized in the second quarter, up 0.1%, limiting the decline over the six-month period to 1.1%. France was once again impacted by the sharp contraction in new-builds and by a renovation market yet to show signs of improvement. Germany declined over the first half, although the pace of decline slowed in the second quarter. In contrast, the UK reported further organic growth and a particularly upbeat trend emerged in the Nordic countries, the Netherlands, Southern Europe and Brazil. Overall, despite the downturn in France and Germany which together account for around half of the Business Sector's sales, the operating margin proved resilient, at 2.6% vs. 2.9% in first-half 2014, thanks to the advances reported in all other regions.

After a first half penalized by tough prior-year comparatives, Saint-Gobain will benefit from a more favorable climate in the six months to December 31 :

- France should gradually stabilize.
- Regarding other Western European countries, the outlook in Germany remains uncertain; the UK and Nordic countries should continue to deliver good growth in the second half, and Spain should continue to improve significantly.
- In North America, trading should improve in the second half.
- In Asia and emerging countries, Saint-Gobain's businesses should continue to post good organic growth over the full year, despite the slowdown in Brazil.

Against this background, Saint-Gobain confirms its objectives and expects a further like-for-like improvement in operating income for 2015 and a continuing high level of free cash flow.

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in France (Parcours and Mecatherm), Germany (exceet), Japan (Nippon Oil Pump) and the United States (CSP Technologies), as well as in the Saham group in Africa.

Parcours – Further profitable growth, more than 60,000 vehicles under management *(Full consolidation)*

Parcours' first-half 2015 sales totaled €177.6 million, up 8.4% from H1 2014. The number of vehicles managed expanded 12.7% between end-June 2014 and end-June 2015 to reach 60,400 vehicles—growth that was more than three times faster than the French industry average. In addition, long-term rentals outside France grew by 25% compared with H1 2014.

Pre-tax ordinary income rose 3.1% to €12.9 million, or 7.2% of sales.

In 2015, Parcours is continuing to convert its French locations to the 3D model. It acquired land last year in Strasbourg, Nantes and Annecy with the intention of building 3D sites that should open at the end of 2015. The group also continued to grow, opening a second location in Portugal (Porto) and bringing Parcours' European network to 30 branches.

exceet – Sales growth held back by slack demand *(Equity method)*

exceet's sales of the first six months of 2015 were down 4.6% at €88.6 million (€92.9 million in H1 2014). During the first half of the year, exceet's sales were negatively impacted by the following factors: the euro crisis was unexpectedly intense, prompting companies to invest even less than before, and exceet's core customers were reluctant to call up existing framework agreements. In addition, the strength of the Swiss franc caused the demand for electronic products manufactured in Switzerland to decline.

exceet continued to invest heavily in its own organization. As a result of the decline in sales, EBITDA was €4.2 million in the first half of 2015, representing a margin of 4.8%, vs. €8.9 million in H1 2014 (margin of 9.6%).

In the first quarter of 2014, one of exceet's major shareholders—Greenock S.à.r.l.—informed the company it is considering selling its stake to a third party. Based on information provided by Greenock S.à.r.l. no decision has yet been made as to the terms or timeframe of any such transaction.

Mecatherm – Sales up 4.1% in the first half of 2015, earnings impacted by short-term crisis caused by the group's industrial reorganization *(Full consolidation)*

Mecatherm's sales totaled €38.4 million in the first half of 2015, up 4.1% from H1 2014. Growth was driven by good performance in the "Crusty" business, in Germany and in emerging markets.

Firm orders taken during the first half totaled €53 million, of which close to half came from emerging market countries bringing the total of the last 12 months to €103 million.

Moreover, Mecatherm pursued its industrial and sales restructuring efforts so as to meet the increasing demand for its products. This reorganization continued to weigh heavily on the company's profitability in the first half, during which nearly €11 million in additional operating and sales & marketing costs were recognized, as well as inventory adjustments. EBITDA declined to €-9.3 million. The company has launched an action plan aimed at ending the temporary downturn linked to the reorganization. This plan should reverse the trend sharply in the second quarter of 2015 and improve profitability in 2016.

Nippon Oil Pump (NOP) – 4.9% rise in sales, continued marketing initiatives to develop international business

(Full consolidation)

In the first half of 2015, Nippon Oil Pump's sales totaled ¥2,668 million, up 4.9% including 4.1% organic growth. This first-half increase derived from the sales of trochoid pumps (75% of total sales), which rose by 5.6%.

During the first half of 2015, NOP stepped up deployment of its growth strategy. The company aims to develop its international business and enrich its product range. Among new products, Vortex pumps were aggressively marketed and sales of them rose by 49%. NOP opened three new offices in Germany, China and Taiwan and also strengthened its salesforce and R&D staff.

These growth and development initiatives, plus an exchange-rate-related rise in the cost of raw materials and the scrapping of certain products caused profitability to contract during the period. EBITDA fell 32.9% to ¥269 million, representing a margin of 10.4%.

Saham – modest, 2% growth in the insurance businesses, customer relations center business driven by the acquisition of Ecco and continued development in Healthcare and Real Estate

(Not consolidated)

Saham Finances (insurance subsidiary of Saham Group) posted growth of 2% consolidated sales in the first half of 2015. This overall performance resulted from disparate individual situations, as the principal subsidiaries (in particular Saham Assurance Maroc and Saham Assurance ACO – formerly Colina) performed well, while economic conditions in Angola continued to put pressure on GAAS's business (net premiums written down 29.2% in H1 2015). Saham Finance continued to pursue its acquisition policy. After finalizing the acquisitions of Unitrust in Nigeria and Elite in Saudi Arabia in the first half of 2015, Saham is now considering several other deals in Africa and the Middle East.

Revenue from the customer relations center business increased by 24% during the first half of 2015, boosted by the successful acquisition of Ecco, an Egyptian industry leader.

Finally, Saham is pursuing the growth and development of its Healthcare and Real Estate businesses. In Real Estate in particular, the marketing of two premium-quality residential projects in Morocco was launched in the first part of the year.

CSP Technologies – Good organic growth, impacted by negative currency impact
(Full consolidation since February 2015)

CSP Technologies' sales for H1 2015 were \$50.1 million, up c. 10% organically, but impacted by negative foreign exchange rate fluctuations due to a weaker euro vs. the dollar (growth including FX impact was c. 3%).

The first half sales reflected increased new product sales and continued volume growth across all existing market segments, in particular to large diabetes test strip manufacturers.

CSP generated adjusted EBIT¹ of \$9.7 million in the first six months of 2015, slightly impacted by sales mix and investments made to support future growth.

Other significant events since the beginning of 2015

Bond debt maturity extended and debt cost reduced

On January 30, 2015, Wendel successfully placed a €500 million bond issue maturing in February 2027, with a coupon of 2.50%. This was Wendel's first 12-year issue since 2005.

The issue was very well received by investors and was 7.4 times oversubscribed.

Finally, Wendel has finished simplifying its debt structure. In 2014 the Group repaid all of the debt related to Saint-Gobain and unwound the puts written on Saint-Gobain in March 2015 at an average price of €40.19, representing a total payment by Wendel of €136 million.

Portfolio rebalancing

Adjustment to the investment in Bureau Veritas

In early March 2015, Wendel sold 48 million Bureau Veritas shares, corresponding to 10.9% of the company's share capital, for around €1 billion. Wendel now holds 40.5% of Bureau Veritas' share capital and 56.6% of its voting rights. Wendel will remain the long-term, majority shareholder of Bureau Veritas in an unchanged governance framework.

The transaction will generate an accounting gain of more than €727.5 million, which will have no impact on Wendel's income statement, in accordance with accounting standards relating to a majority shareholding.

Acquisition of CSP Technologies

On January 30, 2015, Wendel announced it had finalized the acquisition of US-based CSP Technologies, for an enterprise value of \$360 million. Pursuant to this transaction, Wendel invested \$198 million in equity and holds 98% of the share capital of the company.

CSP is the leading supplier of innovative plastic packaging for the pharmaceutical and agri-food industries. The company is the world's leading manufacturer of high-performance plastic desiccant vials used, notably, to store test strips for diabetics.

¹ Before PPA adjustment

In planning for this transaction, Wendel had converted €160 million into dollars at an exchange rate of 1.23 USD/EUR when it entered exclusive negotiations in December 2014.

Acquisition of Constantia Flexibles

On March 27, 2015, Wendel announced the finalization of its acquisition of Constantia Flexibles for an enterprise value of €2.3 billion, or around nine times 2014 EBITDA. Pursuant to this transaction, Wendel invested €640 million² in equity and holds 73% of the share capital of the company alongside the H. Turnauer Foundation, which has invested €240 million and holds 27% of the capital.

Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles group produces flexible packaging solutions, primarily for the agri-food and pharmaceutical industries. Constantia Flexibles has successfully developed its activity outside Europe and over the last five years has become a global leader in flexible packaging. Constantia Flexibles now has more than 3,000 customers worldwide, over 8,000 employees and 43 manufacturing sites in 18 countries. Its products are sold in more than 115 countries.

Acquisition of AlliedBarton Security Services

Wendel announced on June 30, 2015 that it has agreed to acquire AlliedBarton Security Services, one of the largest security officer services companies in the United States, for approximately \$1.67 billion. As part of the proposed acquisition, Wendel will make an equity investment of approximately \$670 million, for a c. 96% ownership in the company, including AlliedBarton's management team anticipated investments. The transaction is expected to close by the end of 2015, subject to customary conditions and regulatory approvals.

AlliedBarton is a leader in the U.S. security services market providing physical guarding and related services to a diversified group of more than 3,300 customers in a number of markets, of which a small fraction (7% of revenue) involves potential access to sensitive information. These clients demonstrate the experience and credibility of AlliedBarton. In that regard, the company will establish a governance compliant with U.S. Defense authorities' standards. Founded in 1957 and based in Conshohocken, Pennsylvania, AlliedBarton has more than 60,000 employees and 120 regional and district offices located throughout the United States.

For the twelve months ended June 30, 2015, AlliedBarton generated revenues of approximately \$2.2 billion and an adjusted EBITDA of \$148 million with a free cash flow conversion rate of greater than 95%³.

2 – Other information

Financial risk management procedures, information on **related parties** and **changes in the scope** of consolidation are detailed in the notes to the condensed consolidated first-half financial statements.

Operational risks are detailed in the 2014 Registration Document, on page 97.

²Before any other co-investor.

³Conversion ratio = (EBITDA - capex)/EBITDA

Net Asset Value (NAV)

Wendel's Net Asset Value (NAV) as of August 31, 2015

Net asset value was €7,018 million or €146.3 per share as of August 31, 2015 (see Appendix 1 below for detail), a 12.9% rise from €129.7 per share as of August 19, 2014. The discount to NAV was 19.5% as of August 31, 2015.

(in millions of euros)			08/31/2015
Listed equity investments	<u>Number of shares (millions)</u>	<u>Share price</u> ⁽¹⁾	6,414
Bureau Veritas	177.2	€20.7	3,667
Saint-Gobain	65.8	€41.7	2,747
Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles) and Oranje-Nassau Développement. ⁽²⁾			3,206
Other assets and liabilities of Wendel and holding companies ⁽³⁾			167
Cash and marketable securities ⁽⁴⁾			1,517
Gross assets, revalued			11,304
Wendel bond debt and accrued interest			(4,286)
Net Asset Value			7,018
<i>Number of shares</i>			47,953,680
Net Asset Value per share			146.3
Average of 20 most recent Wendel share prices			117.8
Premium (discount) on NAV			(19.5%)

⁽¹⁾ Average share price of the 20 trading days prior to August 31, 2015

⁽²⁾ NOP, Saham, Mecatherm, Parcours, except, CSP Technologies, indirect investments and debt (Kerneos and Sterigenics)

⁽³⁾ Includes 1,606,417 Wendel treasury shares as of August 31, 2015

⁽⁴⁾ Cash and marketable securities owned by Wendel and holding companies. Includes €1,186 million in cash on hand and €331 million in liquid financial investments. Foreign currency conversions are based on exchange rates as of August 31, 2015.

If the co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. These items have been taken into account when calculating the net asset value. See page 199 of the 2014 Registration Document.

Condensed Consolidated Financial Statements H1 2015

Balance sheet – Consolidated financial position	22
Consolidated income statement	24
Statement of comprehensive income	25
Statement of changes in shareholders' equity	26
Consolidated cash flow statement	28
General principles	30
Notes	31

BALANCE SHEET - CONSOLIDATED FINANCIAL POSITION

ASSETS

In millions of euros	Note	6/30/2015	12/31/2014
Goodwill, net	5 & 6	3,573.2	2,701.2
Intangible assets, net	5	2,269.8	1,254.9
Property, plant & equipment, net	5	2,318.3	1,415.8
Non-current financial assets	5 & 9	293.3	224.2
Pledged cash and cash equivalents	5 & 8	0.7	0.4
Equity-method investments	5 & 7	3,924.6	3,552.9
Deferred tax assets	5	210.6	182.0
Total non-current assets		12,590.6	9,331.6
Assets of operations held for sale	5	1.2	2.4
Inventories	5	569.4	224.9
Trade receivables	5	1,951.6	1,524.5
Other current assets	5	293.9	235.4
Current income tax assets	5	75.6	91.2
Other current financial assets	5 & 9	525.2	407.3
Cash and cash equivalents	5 & 8	1,482.2	1,192.6
Total current assets		4,897.9	3,675.9
Total assets		17,489.6	13,010.0

The notes to the financial statements are an integral part of the consolidated statements.

LIABILITIES AND SHAREHOLDERS' EQUITY

In millions of euros	Note	6/30/2015	12/31/2014
Share capital		191.7	191.2
Share premiums		27.1	23.2
Retained earnings & other reserves (1)		3,148.3	2,229.6
Net income for the period - Group share		32.2	19.6
		<u>3,399.3</u>	<u>2,463.5</u>
Non-controlling interests		911.1	628.9
Total shareholders' equity	10	4,310.4	3,092.4
Long-term provisions	5 & 11	425.5	362.4
Financial debt (non-current portion)	5 & 12	7,560.1	6,187.7
Other non-current financial liabilities	5 & 9	572.4	329.3
Deferred tax liabilities	5	786.7	439.3
Total non-current liabilities		9,344.6	7,318.6
Liabilities of operations held for sale		0.0	0.0
Short-term provisions	5 & 11	63.2	8.3
Financial debt (current portion)	5 & 12	1,679.7	894.3
Other current financial liabilities	5 & 9	187.1	209.3
Trade payables	5	885.8	572.5
Other current liabilities	5	918.7	834.1
Current income tax liabilities	5	100.0	80.5
Total current liabilities		3,834.6	2,599.0
Total liabilities and shareholders' equity		17,489.6	13,010.0

(1) The €918.7 million increase in consolidated reserves derived principally from a capital gain of €727.5 million on the sale of a block of Bureau Veritas shares, which was recognized in shareholders' equity (see "changes in shareholders' equity").

The notes to the financial statements are an integral part of the consolidated statements.

CONSOLIDATED INCOME STATEMENT

In millions of euros	Note	H1 2015	H1 2014
Net sales	5 & 13	3,780.3	2,786.9
Other income from operations		1.9	1.2
Operating expenses		-3,393.9	-2,486.3
<i>Income from ordinary activities</i>		388.4	301.8
Other operating income and expenses	5 & 14	-28.7	-61.8
<i>Operating income</i>	5	359.7	240.0
Income from cash and cash equivalents		1.4	5.3
Finance costs, gross		-193.9	-223.0
<i>Finance costs, net</i>	5 & 15	-192.5	-217.7
Other financial income and expense	5 & 16	-3.1	11.2
Tax expense	5 & 17	-111.2	-79.8
Net income (loss) from equity-method investments	5 & 18	89.9	-110.4
<i>Net income (loss) from continuing operations</i>		142.8	-156.7
Net income from discontinued operations and operations held for sale	5	0.0	332.2
<i>Net income</i>		142.8	175.5
Net income – non-controlling interests		110.6	105.2
<i>Net income – Group share</i>		32.2	70.3
In euros		H1 2015	H1 2014
Basic earnings per share (in euros)	19	0.70	1.51
Diluted earnings per share (in euros)	19	0.59	1.45
Basic earnings per share from continuing operations (in euros)	19	0.70	-4.93
Diluted earnings per share from continuing operations (in euros)	19	0.59	-4.87
Basic earnings per share from discontinued operations (in euros)	19	-	6.44
Diluted earnings per share from discontinued operations (in euros)	19	-	6.32

The notes to the financial statements are an integral part of the consolidated statements.

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	H1 2015			H1 2014		
	Gross amounts	Tax effect	Net amounts	Gross amounts	Tax effect	Net amounts
Items recyclable into net income						
Currency translation reserves (1)	248.1	-	248.1	51.0	-	51.0
Gains and losses on qualified hedges	13.7	-16.3	-2.7	-8.2	3.1	-5.1
Gains and losses on assets available for sale	3.3	-	3.3	-	-	-
Earnings previously recognized in shareholders' equity taken to the income statement	-0.5	0.1	-0.4	9.7	-1.6	8.1
Items non-recyclable into net income						
Actuarial gains and losses ⁽²⁾	65.5	-22.1	43.4	-31.1	14.0	-17.1
Income and expenses recognized directly in shareholders' equity (A)	330.1	-38.3	291.8	21.5	15.4	36.9
Net income for the year (B)			142.8			175.5
Total income and expenses recognized for the period (A)+(B)			434.6			212.4
Attributable to:						
- shareholders of Wendel			277.6			95.0
- non-controlling interests			157.0			117.4

(1) This line item included €90.2 million from Saint-Gobain (€25.8 million in H1 2014), €97.8 million from Bureau Veritas (€21.4 million in H1 2014) and €36.2 million from IHS.

(2) The main impact was €52.2 million due to Saint-Gobain (before taxes, Wendel's share), vs. €-24.8 million in H1 2014.

The notes to the financial statements are an integral part of the consolidated statements.

CHANGES IN SHAREHOLDERS' EQUITY

In millions of euros	Number of shares outstanding	Share 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, 2013	46,881,612	194.5	114.6	-143.0	2,634.5	-265.1	2,535.5	522.1	3,057.6
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-74.8	143.6	68.9	28.3	97.1
Net income for the year (B)					19.6	-	19.6	178.2	197.8
Total income and expenses recognized during the period (A)+(B)		-	-	-	-55.2	143.6	88.4	206.4	294.9
Dividends paid ⁽²⁾					-86.4		-86.4	-113.7	-200.2
Movements in treasury shares	-987,515	-3.9	-96.1	-14.8			-114.9		-114.9
Capital increase							-		-
exercise of stock options	116,468	0.5	2.7				3.2		3.2
company savings plan	24,022	0.1	2.0				2.1		2.1
Share-based payment: stock options (incl. equity-method investments)					16.8		16.8	9.5	26.2
Changes in scope of consolidation					27.2	42.8	69.9	11.1	81.0
Other					-51.0	-	-51.0	-6.5	-57.5
Shareholders' equity as of December 31, 2014	46,034,587	191.2	23.2	-157.9	2,485.7	-78.7	2,463.5	628.9	3,092.4
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	57.3	188.0	245.4	46.4	291.8
Net income for the period (B)					32.2	-	32.2	110.6	142.8
Total income and expenses recognized during the period (A)+(B) ⁽¹⁾		-	-	-	89.6	188.0	277.6	157.0	434.6
Dividends paid ⁽²⁾					-92.6		-92.6	-129.4	-222.1
Treasury shares	69,065			-1.6			-1.6		-1.6
Capital increase									
exercise of stock options	119,846	0.5	3.9				4.4		4.4
Share-based payment: stock options (incl. equity-method investments)					8.2		8.2	6.5	14.8
Change in scope of consolidation ⁽³⁾					723.9	6.7	730.6	378.5	1,109.1
Other ⁽⁴⁾					9.3	-	9.3	-130.5	-121.2
Shareholders' equity as of June 30, 2015	46,223,498	191.7	27.1	-159.4	3,224.0	116.0	3,399.3	911.1	4,310.4

(1) See "Statement of comprehensive income".

(2) In H1 2015, Wendel paid a dividend of €2 per share, for a total of €92.6 million. In 2014, Wendel paid a dividend of €1.85 per share, for a total of €86.4 million.

(3) Changes in the scope of consolidation included a €727.5 million gain (Group share) and a €141.7 million increase in non-controlling interests on the sale of the Bureau Veritas block of shares and a €240 million increase in non-controlling interests related to Constantia Flexibles' entry into the Group (see note 2, "Changes in scope of consolidation").

(4) The other changes in the scope of consolidation included principally the accounting treatment of the minority puts granted by the Wendel Group (€-128.1 million, including €-118.7 million

for the put granted to the H. Turnauer Foundation (see notes 2, "Changes in scope of consolidation", and 29, "Off-balance-sheet commitments" and the accounting principles detailed in note 1-6 of the 2014 consolidated financial statements).

The notes to the financial statements are an integral part of the consolidated statements.

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Note	H1 2015	H1 2014
Cash flows from operating activities			
Net income		142.8	175.5
Share of net income/loss from equity-method investments		-89.9	110.4
Net income from discontinued operations and operations held for sale		-	-332.7
Depreciation, amortization, provisions and other non-cash items		265.9	239.0
Non-cash income and expense related to stock options and similar items		13.3	13.3
Expenses on investments and divestments		4.8	0.1
Cash flow from companies held for sale		-	13.2
Gains/losses on divestments		3.4	2.7
Financial income and expense		195.6	206.5
Taxes (current & deferred)		111.2	79.8
Cash flow from consolidated companies before tax		647.1	507.8
Change in working capital requirement related to operating activities		-169.0	-132.2
Net cash flows from operating activities, excluding tax	5	478.2	375.6
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	20	-311.9	-233.0
Disposal of property, plant & equipment and intangible assets	21	43.9	45.2
Acquisition of equity investments	22	-1,680.3	-737.2
Disposal of equity investments	23	975.1	1,930.0
Impact of changes in scope of consolidation and of operations held for sale	24	55.7	-24.2
Changes in other financial assets and liabilities and other	25	-143.8	-71.5
Dividends received from equity-method investments and unconsolidated companies	26	0.7	0.4
Change in working capital requirements related to investment activities		-10.6	7.7
Net cash flows from investing activities, excluding tax	5	-1,071.1	917.5
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		4.4	2.6
Contribution of non-controlling shareholders	27	244.5	2.2
Share buybacks			
- Wendel		-1.6	-46.5
- Subsidiaries		-23.3	-25.3
Dividends paid by Wendel		-92.6	-86.4
Dividends paid to non-controlling shareholders of subsidiaries		-138.1	-106.4
New borrowings	28	2,252.3	1,652.1
Repayment of borrowings	28	-972.2	-1,882.2
Net finance costs		-179.5	-215.2
Other financial income/expense		-91.3	-1.7
Change in working capital requirements related to financing activities		-12.3	73.0
Net cash flows from financing activities, excluding tax	5	990.4	-633.9
Cash flows related to taxes			
Current tax expense		-139.3	-99.5
Change in tax assets and liabilities (excl. deferred taxes)		11.1	5.7
Net cash flows related to taxes	5	-128.2	-93.8
Effect of currency fluctuations		20.6	-3.4
Net change in cash and cash equivalents		289.8	562.0
Cash and cash equivalents at beginning of period		1,193.0	764.4
Cash and cash equivalents at the end of the period	5 & 8	1,482.9	1,326.4

The principal components of the consolidated cash flow statement are detailed beginning with note 20.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are provided in note 8, "Cash and cash equivalents".

Cash flows for the first half of 2014 did not include those of Kerneos (Aluminates division of Materis) or Parex (Mortars division of Materis), which were divested during that period. For Parex, the cash balance of €38.7 million as of December 31, 2013 had been reclassified to "Impact of changes in scope of consolidation and of operations held for sale".

The cash flow of Chryso (the Admixtures division of Materis), which was divested during the second half of 2014, had been retained within each of the cash flow line items until June 30, 2014, the date at which this division was classified as "Operations held for sale". Only the cash balance of €8.2 million as of June 30, 2014 had been reclassified to "Impact of changes in scope of consolidation and of operations held for sale".

The notes to the financial statements are an integral part of the consolidated statements.

GENERAL PRINCIPLES

Since July 3, 2015, Wendel has been a European company with an Executive Board and a Supervisory Board, governed by European and French legislative and regulatory provisions that are or will be in force. The Company is registered in the Paris Company Register ("*Registre du commerce et des sociétés*") under 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.

As of June 30, 2015, the Wendel Group was composed principally of:

- fully-consolidated operating companies: Bureau Veritas (40.5% net of treasury shares), Materis (81.0%)¹, composed in turn of the holding companies Materis and Cromology (formerly Materis Paints), Stahl (75.3%), Constantia Flexibles (72.4%) and Oranje-Nassau Développement, composed of Parcours (98.8%), Mecatherm (99.1%), CSP Technologies (98.5%) and Nippon Oil Pump (97.7%);
- operating companies accounted for by the equity method: Saint-Gobain (11.6% net of treasury shares), IHS (25.6%)², and exceet (28.4% net of treasury shares), which is held by Oranje-Nassau Développement;
- Wendel and its fully consolidated holding companies.

These condensed consolidated first-half financial statements cover the six-month period from January 1 to June 30, 2015 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.

Each accounting item in these financial statements includes the contribution of all of the Group's fully consolidated companies. However, each of Wendel's subsidiary companies is managed independently under the responsibility of its own executive management. It is therefore important to analyze subsidiaries' individual performance using relevant aggregate accounting data for their respective business activities. Aggregate data for each fully-consolidated subsidiary are presented in note 5 "Segment information", which shows the contribution of each subsidiary to the income statement, balance sheet, and cash flow statement. Summarized accounting information for equity-method

¹ This is the percentage held from a legal point of view. For consolidation purposes, Materis has been consolidated with a holding of 90%. This percentage includes the shares held by Materis managers that might be repurchased in the context of the liquidity offered to them in 2015 (see note 29-6 "Shareholder agreements and co-investment mechanisms").

² This percentage does not include the co-investors' share, which must be recorded in the Group share in accordance with IFRS (see note 7 "Equity-method investments").

investments is set out in note 7 “Equity-method investments”. An analysis of the Group’s overall performance by business activity is provided in note 5 “Segment information”, which details recurring net income by business activity and non-recurring net income. There is no financial recourse between the different operating subsidiaries or from the operating subsidiaries to Wendel and its holding companies (see note 4-2.2, “Liquidity risk of operating subsidiaries”). The debt positions of the fully-consolidated subsidiaries, and of Wendel and its holding companies, are presented individually in note 4-2, “Managing Liquidity Risk”.

These financial statements were finalized by Wendel’s Executive Board on September 1, 2015.

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

This set of consolidated financial statements for the first half of 2015 has been prepared in accordance with IAS 34 “Interim Financial Reporting”. These financial statements should be read in conjunction with the financial statements for the 2014 fiscal year included in the Registration Document filed with the AMF on April 15, 2015 under number D.15-0349.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2015, these accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2014. 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/finance/accounting/ias/index_en.htm”.

IFRIC 21 “Levies” became applicable to the Wendel Group on January 1, 2015. Application of this interpretation did not have a material impact the condensed consolidated first-half 2015 financial statements. IFRIC 21 aims to clarify the expense generating event related to all taxes other than income taxes. IFRIC 21 has the principal effect of recognizing the full amount of these levies as soon as the expense generating event takes place (in this case, when the tax becomes payable), rather than spreading it out over the fiscal year. In particular, the rate at which two French levies are recognized, the property tax and the corporate solidarity contribution, has been changed. The change in accounting method is applied retrospectively. There was no significant impact as of December 31, 2014, and the changes were recognized in 2015 in “consolidated reserves” on the statement of changes in shareholders’ equity. As this impact was not material at the Group level, previous year amounts were not restated.

Wendel did not opt for early adoption of the new standards, amendments to existing standards and interpretations that were not mandatory for 2015:

- Amendment to IAS 19, "Employee contributions";
- Amendment to IFRS 2, "Share-based payment" – Definition of vesting conditions;
- Amendment to IFRS 3, "Business combinations" – Contingent consideration;
- Amendment to IFRS 8, "Operating segments" – Aggregation of operating segments, reconciliations of assets;
- Amendment to the basis for conclusions of IFRS 13, "Short-term receivables and payables";
- Amendment to IAS 16 and IAS 38, "Property, plant & equipment" and "Intangible assets", resp. – Revaluation method;
- Amendment to IAS 24 (revised), "Related party disclosures" – Key management personnel.

Wendel is currently assessing the potential impact of the application of these texts on its consolidated financial statements.

NOTE 2. CHANGES IN SCOPE OF CONSOLIDATION

The scope of consolidation of the Wendel Group is set out in "General principles".

Note 2 - 1. Acquisition of US Group CSP Technologies (high-performance plastics packaging)

On January 29, 2015, Wendel finalized the acquisition of US company CSP Technologies, the leading supplier of innovative plastic packaging for the pharmaceutical and agri-food industries. CSP Technologies is the world's leading manufacturer of high-performance plastic desiccant vials used, notably, to store test strips for diabetics. In 2014, it achieved net sales of \$102.8 million and an EBITDA excluding exceptional items of \$34.7 million (estimated, unaudited figures prepared under US GAAP).

The transaction took place on the basis of an enterprise value of \$360 million. Wendel invested approximately \$198 million in equity and holds 98% of the company's share capital. In planning for this transaction, Wendel had converted €160 million into dollars at an exchange rate of 1.23 USD/EUR when it entered exclusive negotiations in December 2014.

CSP Technologies has been fully consolidated since February 1, 2015, with a Wendel Group share of 98.5%.

The acquisition company (CSP Technologies Parent) has been financed as follows:

- | | |
|---|-------|
| - Wendel's investment (exchange rate at the time of acquisition): | €176M |
| - Managers' investment: | €2M |
| - Bank borrowings: | €151M |

These amounts were employed as follows:

- Acquisition of shares:	€184M
- Fees and other acquisition-related payments:	€27M
- Refinancing of the CSP Technologies group's debt:	€118M

Tentative goodwill arising from the acquisition totaled €155 million.

- Provisional remaining goodwill:	€155M
- Customer relationships (amortized over 16-23 years):	€82M
- Brands and patents (amortized over 11-14 years):	€28M
- Property, plant & equipment: (€9 million revaluation amortized over various lifetimes)	€61M
- Inventories (€5 million revaluation amortized over five months):	€32M
- Deferred tax on revaluations:	€-43M
- Other acquisition balance sheet items:	€-131M
- Acquisition price of the shares:	€184M

As permitted under IFRS, allocation of the acquisition price will be finalized in the 12 months following the investment.

Over the five months it was consolidated, CSP Technologies contributed €38.5 million to sales and €9.2 million to EBITDA excluding exceptional items.

Note 2 - 2. Acquisition of Constantia Flexibles group in Austria (flexible packaging)

On March 27, 2015 Wendel finalized the acquisition of Constantia Flexibles, a world leader in flexible packaging. The Vienna-headquartered Constantia Flexibles group produces flexible packaging solutions and labels, primarily for the agri-food and pharmaceutical industries. In 2014, the company achieved net sales of €1,712 million and an EBITDA adjusted for non-recurring items of €255.5 million (unaudited figures).

The acquisition of Constantia Flexibles was based on an enterprise value of €2.3 billion, or around nine times 2014 EBITDA. The Wendel Group has invested €640 million in equity, and the H. Turnauer Foundation has taken a significant minority interest of €240 million.

Constantia Flexibles has been fully consolidated since April 1, 2015, with a Wendel Group share of 72%. This date was the monthly closing date closest to the closing date of the transaction.

The acquisition company (Constantia Flexible Acquisition GmbH) has been financed as follows:

- Wendel investment:	€640M
- H. Turnauer Foundation investment:	€240M
- Bank borrowings:	€1,092M

These amounts were employed as follows:

- Acquisition of shares:	€1,337M
- Fees and other transaction-related payments:	€77M
- Refinancing of part of the Constatia Flexibles group's debt:	€558M

Tentative goodwill arising from the acquisition totaled €719M.

- Provisional remaining goodwill:	€719M
- Customer relationships (amortized over 15 years):	€869M
- Technology (amortized over 5 years):	€18M
- Inventories (€16 million revaluation amortized over 10 months):	€270M
- Deferred tax on revaluations:	€-262M
- Other acquisition balance sheet items:	€-277M
- Acquisition price of the shares:	€1,337M

As permitted under IFRS, allocation of the acquisition price will be finalized in the 12 months following the investment.

In the three months since the acquisition, Constantia Flexibles has contributed sales of €486 million. Its EBITDA contribution, adjusted for non-recurring items, has been €67.1 million. In the first half of 2015, the company achieved net sales of €942.7 million and EBITDA adjusted for non-recurring items of €129.9 million.

Note 2 - 3. Sale of a block of 48 million Bureau Veritas shares (compliance evaluation and certification services)

On March 6, 2015, Wendel divested 11.0% of the capital of Bureau Veritas by selling 48 million shares in the market for a net amount of €975 million. Notwithstanding this sale, Wendel still exercises exclusive control over the Bureau Veritas group, and the corporate governance structure remains unchanged.

The gain on sale of €727.5 million (net of selling costs), which was recognized in changes in shareholders' equity of the parent company, in accordance with IFRS 10, "Consolidated financial statements", because the transaction did not lead to a loss of control of the subsidiary.

As of June 30, 2015, Wendel held 177,173,360 Bureau Veritas shares, representing 40.5% of the capital (net of treasury shares) and 56.6% of the voting rights.

Note 2 - 4. Investment in Saint-Gobain (production, transformation and distribution of building materials)

During the first half of 2015, Wendel's percentage interest in Saint-Gobain changed as a result of:

- the capital increase reserved for employees;
- stock option exercises;
- treasury share sales and buybacks;
- the dividend of €1.24/share paid by Saint-Gobain, which was paid half in cash and half in cash or shares, at the shareholder's option (issue price: €36.62 per share). 69.2% 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 financial contract. As a result of this transaction, Wendel received the equivalent of a dividend in cash (€1.24/share or €81.6 million) on the shares it held, plus a premium of €4.7 million relating to the financial contract.

These factors led to a non-material dilution of 0.2% of Wendel's stake in Saint-Gobain and a €17.5 million loss recognized under "Net income from equity-method investments". This loss related 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.

As of June 30, 2015, Wendel held 65,812,635 Saint-Gobain shares, representing 11.6% of the capital (net of treasury shares) and 19.2% of the voting rights.

Note 2 - 5. Investment in IHS (mobile telephone infrastructure in Africa)

During H1 2015, IHS carried out a capital increase totaling \$600 million. This transaction was part of a €2.6 billion fund-raising program initiated in the second half of 2014.

It consisted of a capital increase of \$2.0 billion and a credit facility of \$600 million from longstanding shareholders and lenders as well as from new debt and equity investors. In this context, Wendel committed to investing an additional \$304 million, bringing its total investment in IHS to \$779 million. Wendel invested an initial \$195 million as part of a capital increase that was finalized in the second half of 2014, at a premium of 25% compared with the previous capital increase in H1 2014. An additional \$109 million was then invested at the end of June 2015 as part of this transaction, at an additional premium of 15% compared with the previous capital increase in H2 2014.

Wendel has also brought together four US and European family investors to invest alongside it in IHS. In addition to the \$779 million it has invested, Wendel has raised an additional \$181 million through a co-investment vehicle in IHS (\$116 million invested in 2014, \$65 million invested in H1 2015). Wendel manages the fund and exercises all of its voting rights.

The accounting treatment of the co-investments is presented in note 7, "Equity-method investments".

As of June 30, 2015, Wendel held 25.6%¹ of the share capital, remained the company's principal shareholder, and held, together with its co-investors, approximately 35% of the voting rights. Wendel's investment in IHS continued to be accounted for by the equity method.

In the first half of 2015, the change in the consolidated percentage interest generated a dilution gain of €18.1 million related to the series of premiums applied to the IHS capital increases.

Note 2 - 6. Acquisition of AlliedBarton (security services)

On June 30, 2015, Wendel announced that it had agreed to acquire AlliedBarton Security Services, one of the largest suppliers of security officer services in the United States, for an enterprise value of around \$1.67 billion.

As part of the proposed acquisition, Wendel will make an equity investment of approximately \$670 million, for a stake of around 96% in the company, alongside AlliedBarton's management team. The transaction is expected to be finalized in the second half of 2015, once the necessary authorizations have been obtained.

¹This percentage does not include the co-investors' share, which must be recorded in the Group share in accordance with IFRS.

Note 2 - 7. Principal changes in scope of consolidation of subsidiaries and associates

Note 2 - 7.1 Changes in scope of consolidation of the Bureau Veritas group (compliance evaluation and certification services)

During the first half of 2015, Bureau Veritas carried out the following acquisitions:

- Shandong Chengxin, a Chinese company specialized in support services for infrastructure construction projects in the power industry;
- Ningbo Hengxin, a Chinese company specialized in non-destructive inspection and metallurgical testing;
- CTS, a Chinese laboratory specializing in the testing of toys, electrical goods, electronics, and hardlines.

The total acquisition cost was €52.3 million and the total goodwill recognized on these companies was €33.1 million (incl. €21.2 million for Shandong Chengxin). 2014 annual net sales for the companies acquired in the first half of 2015 totaled approximately €59 million.

In July 2015, i.e. after the June 30, 2015 closing, Bureau Veritas acquired Shanghai Xietong, a Chinese company specialized in the supervision of industrial construction projects. Shanghai Xietong achieved sales of €6 million in 2014.

Note 2 - 7.2 Changes in scope of consolidation of the Saint-Gobain group (production, transformation and distribution of building materials), an equity-accounted investment

1. Sale of the Verallia packaging business underway

On June 8, 2015, Saint-Gobain entered into exclusive negotiations with Apollo with a view to selling Verallia. Following a multi-stage competitive process, Apollo Global Management LLC offered to buy the Packaging business for €2,945 million (enterprise value), and Saint-Gobain entered into exclusive negotiations with funds managed by subsidiaries of Apollo. This firm and irrevocable offer does not include any financing conditions. The agreement between Saint-Gobain and the funds managed by subsidiaries of Apollo can be finalized once the group's employee representative bodies have been informed and consulted in the usual fashion. This transaction is subject to authorization by certain competition authorities, including the European Commission, and is expected to be closed before the end of the year.

As a result, in accordance with IFRS 5, "Non-current assets held for sale and discontinued operations", the Packaging business has been presented in Saint-Gobain's consolidated financial statements as "Discontinued operations and operations held for sale".

Part of the goodwill Wendel recognized when it invested in Saint-Gobain in 2007 will be included in the book value of Verallia when the gain/loss on sale in Wendel's consolidated statements is determined. Wendel anticipates that this transaction will lead to a loss in its consolidated financial statements as a result of this goodwill. Wendel has recognized a provision of €97 million for the expected loss in the first half of 2015.

2. Plan to acquire a controlling interest in Sika

During the first half of 2015, Saint-Gobain pursued its plan to acquire a controlling interest in Sika (see note 2 – 1.6.4, “Changes in scope of consolidation of the Saint-Gobain group” in the 2014 consolidated financial statements. On July 22, 2015, the European Commission unconditionally authorized Saint-Gobain’s acquisition of a controlling interest in Sika. Wendel supports this plan.

Note 2 - 7.3 Changes in consolidation of the Constantia Flexibles group (flexible packaging)

On July 9, 2015, Constantia Flexibles announced the acquisition of Afripack, a South African packaging company headquartered in Durban. Afripack is the second-largest flexible packaging company in sub-Saharan Africa. The company produces flexible packaging solutions for the agri-food industry as well as labels for the local market and for export to other African countries.

Afripack achieved sales of €103 million during the 12 months to September 30, 2014.

NOTE 3. RELATED PARTIES

Wendel’s related parties are:

- Saint-Gobain, except and IHS, which are accounted for by the equity method;
- the members of Wendel’s Executive Board and Supervisory Board; and
- Wendel-Participations, which is the Group’s control structure.

In early July 2015, Wendel received €81.6 million in dividends from Saint-Gobain, half of which was in the form of Saint-Gobain shares that Wendel then sold (see note 2, “Changes in scope of consolidation”).

In June 2015, the Group paid a dividend of €2 per share, including €34.6 million to Wendel-Participations.

In accordance with the policy of Wendel managers participating in Group investments (see note 4, “Participation of managers in Group investments” in the 2014 consolidated financial statements), the management team (including the Executive Board) has co-invested 0.5% of the amounts invested in IHS and Constantia Flexibles during H1 2015 (see note 2, “Changes in scope of consolidation”).

There were no other significant changes during the period in transactions with related parties as detailed in note 3, “Related parties” to the 2014 consolidated financial statements.

NOTE 4. MANAGING FINANCIAL RISKS

The management of financial risks (equity, liquidity, interest-rate, credit, currency and commodities risks) is presented in note 5 to the 2014 consolidated financial statements. The principal financial risks as of June 30, 2015 are described in the following notes.

Note 4 - 1. Equity market risk

Equity market risk relates to:

- Consolidated and equity-method shares, whose "recoverable values" used for impairment tests are based on market parameters, including, and depending on the case, the discount rate used in calculating "value in use" or the market price used in calculating "fair value" (see the impairment tests as of June 30, 2015 in note 6, "Goodwill" and in note 7, "Equity-method investments");
- The Saham shares are recorded as financial assets and recognized at their fair value. Their value is subject to changes in this company's business and in the benchmark companies used to determine its valuation, in particular the multiples of peer-group companies. Changes in value are recorded within shareholders' equity unless there is a decline in value that is considered to be significant or lasting, in which case an impairment charge is recognized in the income statement. This charge can be reversed through the income statement only in the event of divestment. The net value retained for these shares as of June 30, 2015 was €72 million, vs. €69 million as of December 31, 2014 (see note 9, "Financial assets and liabilities").
- Financial investments indexed to the equity markets, the total value of which was €80 million as of June 30, 2015. A large proportion of these investments is 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 could have an impact of about +/- €4 million on the value of these investments, which would be recognized largely on the income statement;
- 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 to the 2014 consolidated financial statements, "Managing liquidity risk". As of June 30, 2015, this facility was undrawn and Wendel was in compliance with these 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 issues.

	Impact on net income							
	Net book value (Group share)	Market value (closing share price)	Impact on market value of a 5% decline in share prices	Balance sheet note	change in share price of a +/-5%	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 cash flows	of a 1% reduction in the normative margin used to discount cash flows in post- business-plan periods
Equity-method investments								
Saint-Gobain	3,106.4	2,650.3	-132.5	7	N/A ⁽¹⁾	+292 / -319	+292 / -237	-475
IHS (excl. co-investors' share)	656.0	N/A	N/A	7	N/A	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Oranje-Nassau Développement – excoet	37.8	26.7	-1.3	7	N/A ⁽¹⁾	+3 / -3	+1 / -1	-3.0
Consolidated investments								
Bureau Veritas	889.5	3,660.4	-183.0	6	0	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾
Materis (Cromology)	-246.3	N/A	N/A	6				
Shareholder loan ⁽⁴⁾	<u>372.2</u>							
	125.9				N/A	N/A ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽⁵⁾
Stahl	142.1	N/A	N/A	6	N/A	N/A ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽⁵⁾
Constantia Flexibles	630.1	N/A	N/A	6	N/A	N/A ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽⁵⁾
Oranje-Nassau Développement								
- Parcours	152.0	N/A	N/A	6	N/A	N/A ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽⁵⁾
- Mecatherm (incl. liquidity line)	103.0	N/A	N/A	6	N/A	+12 / -10	+8 / -7	-9.0
- CSP Technologies	162.4	N/A	N/A	6	N/A	N/A ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽⁵⁾
- Nippon Oil Pump	23.9	N/A	N/A	6	N/A	N/A ⁽⁵⁾	N/A ⁽⁵⁾	N/A ⁽⁵⁾
Financial assets								
Investment in Saham	72.0	N/A	N/A	9	N/A	N/A ⁽⁶⁾	N/A ⁽⁶⁾	N/A ⁽⁶⁾
Short-term financial investments indexed to the equity markets	80.1	80.1	-4.0		+/-4.0	N/A	N/A	N/A

- (1) Impairment tests are based on value in use (discounted future cash flows). See note 7, "Equity-accounted investments".
- (2) No impairment test was performed on IHS because there was no indication of impairment, and the most recent capital increase at the end of June 2015 was carried out at a premium compared to previous issues;
- (3) The recoverable value used for the Bureau Veritas impairment test was the market share price;
- (4) Eliminated on consolidation.
- (5) As there was no indication of a loss in value, no test was performed as of June 30, 2015 on these cash generating units. The annual test required under IFRS will be performed at the year-end closing.
- (6) The fair value of the Saham shares is based on a valuation by listed peer-group multiples for the insurance and customer relations center businesses. If the benchmark multiples were to fall by 5%, the fair value would decline by around €3.5 million. The impact of the changes in fair value of Saham Group on the consolidated statements is set out in the descriptive paragraph of this note (see above).

In addition, accounting standards require that the IHS shares indirectly held by the co-investors through the co-investment vehicle controlled by Wendel be recognized as equity-method investments. As an offset, Wendel must recognize a financial liability equal to the fair value of these shares. The change in fair value of this liability is recognized on the income statement. In the first half of 2015, this

liability was revalued to €177.3 million, requiring that an expense of €15.6 million be recognized during the period. This accounting treatment is more fully explained in note 7, "Equity-method investments".

Note 4 - 2. Managing liquidity risk

Note 4 - 2.1 Liquidity risk of Wendel and the holding companies

Wendel needs cash to make investments, service debt and pay operating expenses and dividends. These needs are covered by asset rotation, bank and bond financing, and by dividends received from subsidiaries and associates.

1. Cash and short-term financial investments as of June 30, 2015

As of June 30, 2015, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Denominated in €	Denominated in \$	Total
Money-market mutual funds	465	76	541
Bank accounts and bank certificates of deposit	228	373	601
Diversified, equity and bond funds ⁽¹⁾	33	36	69
Funds managed by financial institutions ⁽¹⁾	266		266
Total	992	484	1,476

(1) Classified under "Other current financial assets".

The significant amount of cash and short-term investments denominated in US dollars is related to the Group's strategy to invest in particular in North America.

2. Debt position as of June 30, 2015

As of June 30, 2015, gross debt (excl. operating subsidiaries) was composed of €4,183 million in Wendel bonds with maturities ranging from September 2015 to February 2027 (see details in note 12, "Financial debt"). As of the end of June 2015, the average maturity of this debt was 4.5 years.

Available, undrawn lines totaled €1.5 billion as of June 30, 2015 and were composed of:

- a €650 million syndicated line of credit maturing in November 2019. Wendel is in compliance with all related covenants (see note 5-2.4.2, "Wendel's syndicated credit facility – documentation and covenants");
- bank debt with margin calls (Saint-Gobain shares, Bureau Veritas shares, and cash) totaling €850 million, including €350 million maturing in December 2019 and €500 million maturing in March 2020 (see note 5-2.4.3, "Bank financing with margin calls" to the 2014 consolidated financial statements).

These lines enable Wendel to ensure repayment of the closest maturities and have enough flexibility to take advantage of investment opportunities.

On April 30, 2015, Standard & Poor's confirmed its long-term investment grade rating for Wendel of BBB- with a stable outlook. The short-term rating is A-3.

During the first half of 2015, Wendel carried out a new, €500 million bond issue with a coupon of 2.5% and maturing on February 9, 2027. This was Wendel's first 12-year issue since 2005.

3. Wendel's liquidity outlook

The principal maturities during the 12 months following June 30, 2015 are in September 2015 (€348 million), and May January 2016 (€644 million). Wendel's liquidity risk for that period is low, given the high level of cash and short-term financial investments, and the undrawn available credit lines.

Note 4 - 2.2 Liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

Debt of operating subsidiaries and associates is without recourse to Wendel. As such, the liquidity risk of these subsidiaries affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support 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 this context, Wendel extended a €15 million liquidity line to Mecatherm (of which €10 million was drawn) and provided a guarantee of €15 million to Mecatherm's lenders in return for the easing of its financial 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 has an impact on their value; this is taken into account in calculating Wendel's financial leverage (see note 4, "Equity market risk").

Note 4 - 2.3 Financial debt of operating subsidiaries – documentation and covenants

1. Bureau Veritas' financial debt

This debt is without recourse to Wendel.

As of June 30, 2015, Bureau Veritas' gross financial debt was €2,316.4 million, and its cash balance was €198.2 million. Bureau Veritas had a confirmed line of credit of €356 million (available amount of €450 million reduced by €94 million used under a commercial paper program);

As of June 30, 2015, the following financial covenants applied:

- the ratio of consolidated EBITDA to net interest expense, must not be more than 5.5;
- the ratio of net consolidated debt to EBITDA must not be less than 3.25.

As of June 30, 2015, Bureau Veritas was in compliance with these covenants.

2. Cromology's financial debt

This debt is without recourse to Wendel.

As of June 30, 2015, Cromology's bank debt was €286.8 million (including accrued interest, and excluding deferred issuance costs and shareholder loan). Its cash balance was €16.8 million. As of that date, Cromology's bank debt was subject to the following covenants:

- adjusted LTM EBITDA divided by net cash interest expense must be greater than 2.18 (this minimum rises to 2.70 in 2018). The test is quarterly;
- consolidated net debt (excluding shareholder loan) divided by adjusted LTM EBITDA must be less than 6.07 (this ceiling declines to 3.75 in 2019). The test is quarterly.

As of June 30, 2015, Cromology was in compliance with these covenants.

The documentation related to this debt contains the standard restrictions for this type of credit facility. Certain transactions, such as asset divestments, granting collateral, acquisitions, additional debt, and payment of dividends are prohibited, restricted, or require the prior approval of the lenders.

3. Stahl's financial debt

This debt is without recourse to Wendel.

As of June 30, 2015, the gross face value of Stahl's bank debt was €250.1 million (including accrued interest, and excluding issuance costs). Its cash balance was €35.8 million. As of that date, the covenants were as follows:

- the ratio of consolidated net debt to LTM EBITDA must be less than or equal to 3.23 (this ceiling falls to 2 on December 31, 2016). This ratio is tested quarterly;
- the ratio of LTM EBITDA to net interest expense paid must be greater than or equal to 5.08 (this minimum rises to 6 on June 30, 2016). This ratio is calculated on a rolling 12-month basis and is tested quarterly.

Stahl was in compliance with these covenants.

The documentation related to Stahl's debt contains the standard restrictions for this type of credit facility. 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 lenders.

4. Constantia Flexibles' financial debt

This debt is without recourse to Wendel.

As of June 30, 2015, the gross face value of Constantia Flexibles' bank debt was €1,291.9 million (including accrued interest, and excluding issuance costs). Its cash balance was €55.9 million. The bank debt is subject to a financial covenant only when more than 35% of the revolving line of credit is drawn; in that case the ratio of net debt to LTM EBITDA must be less than 6.7. Constantia Flexibles was in compliance with this covenant.

The documentation related to Constantia Flexibles' debt contains the standard restrictions for this type of credit facility. 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 lenders.

5. Parcours' financial debt

This debt is without recourse to Wendel.

As of June 30, 2015, the gross face value of Parcours' bank debt was €568.8 million. It consisted essentially of credit lines used exclusively 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, 2014 Parcours was in compliance with these financial ratios.

6. Mecatherm's financial debt

As of June 30, 2015, the gross face value of Mecatherm's debt was €58.5 million (including accrued interest, non-recourse discounting, and a €10 million liquidity line granted by Wendel, and excluding issuance costs). Its cash balance was €4.6 million.

Given the particularly volatile economic context in recent years, Mecatherm and its bank lenders agreed to extend the suspension of covenant tests until December 2015. As part of this agreement, Wendel committed to providing a €15 million liquidity line (€10 million drawn as of June 30, 2015) to enable Mecatherm to finance its general corporate needs, and to grant a €15 million on-demand guarantee to the banks to cover the servicing of Mecatherm's bank debt until December 31, 2015. The recourse of Mecatherm's bank lenders to the Wendel group is limited to this guarantee.

7. CSP Technologies' financial debt

This debt is without recourse to Wendel.

As of June 30, 2015, the gross face value of CSP Technologies' bank debt was \$175.9 million, or €157.2 million (including accrued interest, and excluding issuance costs). Its cash balance was \$1.8 million, or €1.6 million. As of that date, the covenants were as follows:

- the ratio of consolidated net debt (gross debt minus cash limited to \$10.5 million) to LTM EBITDA must be less than or equal to 6.5 (this ratio falls to 3 on September 30, 2019). This ratio is tested quarterly;
- the ratio of LTM EBITDA to net interest expense paid must be greater than or equal to 2 (this minimum ratio rises to 3 on March 30, 2018). This ratio is calculated on a rolling 12-month basis and is tested quarterly.

CSP Technologies was in compliance with these covenants.

The documentation related to CSP Technologies' debt contains the standard restrictions for this type of credit facility. 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 lenders.

8. Nippon Oil Pump's financial debt

This debt is without recourse to Wendel.

As of June 30, 2015, the gross face value of NOP's bank debt was ¥4.5 billion (i.e. €32.8 million). Its cash balance was ¥0.8 billion (i.e. €6 million). Around one-third of this bank debt will be amortized between now and 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. As of December 31, 2014, NOP was in compliance with these covenants.

Note 4 - 3. Managing interest-rate risk

As of June 30, 2015, the Wendel group (Wendel, its holding companies and fully-consolidated operating subsidiaries) had only limited exposure to interest rates.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	6.1		3.1
Cash and short-term financial investments ⁽¹⁾	-0.3		-1.5
Impact of derivatives	0.5	0.6	-1.1
Interest-rate exposure	6.3	0.6	0.6
	85%	8%	8%

(1) Excluding €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments is weighted by the portion of the 12 months following June 30, 2015 during which they will hedge interest-rate risk.

As of December 31, 2014, the exposure of the Wendel Group (Wendel, its holding companies and fully-consolidated operating subsidiaries) to interest rates was also limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	5.4		1.6
Cash and short-term financial investments ⁽¹⁾	-0.3		-1.2
Impact of derivatives	0.6	0.7	-1.3
Interest-rate exposure	5.7	0.7	-0.9
	103%	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, 2014 during which they hedged interest-rate risk.

Given that Wendel holds a high volume of cash and short-term financial investments, a +100 basis point change in the interest rates to which the Group's interest rate exposure is indexed would have an impact of ca. €-8 million (€+6 million as of December 31, 2014) on net finance income/costs before tax over the 12 months after June 30, 2015, based on net financial debt as of June 30, 2015, interest rates on that date, and the maturities of existing interest-rate hedging derivatives.

Note 4 - 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. Given the high amount of cash and short-term financial investments as of June 30, 2015 (see note 4-2, "Managing liquidity risk"), significant amounts could be placed with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 4 - 5. Managing currency risk

Note 4 - 5.1 Wendel

As of June 30, 2015, Wendel held €482 million in cash and short-term financial investments denominated in US dollars. This significant amount of US dollars is linked to the Group's strategy to invest in North America (see note 2, "Changes in scope of consolidation" and the announcement of the acquisition of AlliedBarton). These financial assets are recognized at fair value. A 5% decline in the value of the US dollar compared with the euro would have an impact of around €-24 million on Wendel's income statement.

Certain subsidiaries 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 correlated to it. The subsidiaries most affected are presented below. The impact of the other subsidiaries' foreign exchange risk on Wendel's consolidated financial statements is not material.

Note 4 - 5.2 Bureau Veritas

Bureau Veritas operates internationally and is consequently exposed to the risk of variations in several foreign currencies.

During the first half of 2015, more than two-thirds of Bureau Veritas' net sales resulted from the consolidation of financial statements of entities whose functional currency was not the euro, including 19% in US dollars or currencies correlated to the US dollar (including the Hong Kong dollar), 9% in Chinese yuans, 4% in Australian dollars, 4% in Brazilian reals, and 4% in Canadian dollars. No other currency individually accounted for more than 4% of Bureau Veritas' net sales. Accordingly, a 1% fluctuation of the euro against the US dollar and the currencies correlated to it would have had an impact of around 0.2% on the H1 2015 consolidated net sales of Bureau Veritas, and a 0.2% impact on its H1 2015 operating income.

Finally, the impact on income before tax of a +/-1% fluctuation in the US dollar on USD-denominated financial assets and liabilities held by Bureau Veritas entities having a non-USD operating currency would have been +/- €0.6 million.

Note 4 - 5.3 Stahl

During the first half of 2015, 56% of Stahl's net sales were in currencies other than the euro, including 31% in US dollars, 3% in Singapore dollars, 4% in Brazilian reals and 7% 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 around +/-6% on Stahl's H1 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or +/-€4 million.

In addition, Stahl had financial debt of about €202 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 +/-€10 million would be recognized in net finance costs.

Note 4 - 5.4 CSP Technologies

The CSP Technologies group is mainly based in the United States, with the US dollar as its operating currency. Around 70% of its sales were denominated in that currency between January 29, 2015, the date Wendel acquired the company, and June 30, 2015. A +/-5% fluctuation in the value of the US dollar against the euro would have had an impact of less than €1 million on H1 2015 income from ordinary activities in Wendel's euro-denominated financial statements.

An intra-group loan between the US and European companies in the CSP group could generate a loss / gain of €2 million in the event the US dollar were to appreciate / depreciate by 5% against the euro.

Note 4 - 5.5 Constantia Flexibles

In H1 2015, 35% of Constantia Flexibles' net sales were in currencies other than the euro, including 19% in US dollars, 4% in Polish zlotys and 3% in Russian rubles. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-0.5% on Constantia's H1 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or less than €1 million.

In addition, Constantia Flexibles' has financial debt of €1,291.9 million, of which €202 million is 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 +/-€10 million would be recognized in net finance costs.

Note 4 - 6. Managing commodity risk

The Group investments most exposed to the risk of changes in commodity prices are Cromology, Stahl and Constantia Flexibles.

Cromology purchased around €66 million of raw materials in H1 2015. A 10% increase in the price of the raw materials used by Cromology would have led to a theoretical increase in the cost of these raw materials of around €7 million on a half-year basis. Cromology 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. Cromology continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products.

Stahl purchased around €171 million of raw materials in H1 2015. 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 €17 million on a half-year basis. 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 during H1 2015.

Constantia Flexibles purchased around €465 million of raw materials in H1 2015. A 10% increase in the price of the raw materials used by Constantia Flexibles would have led to a theoretical increase in the cost of these raw materials of around €46 million on a half-year basis. The principal commodity that Constantia Flexibles purchases is aluminum. The group's hedges the risk of aluminum price fluctuations through hedging contracts, which are based on pricing agreements with customers and budgeted volumes. In addition, most fluctuations in the price of aluminum are passed through to customers within 3-12 months.

NOTE 5. 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 (Cromology), Stahl, Constantia Flexibles as well as Parcours, Mecatherm, CSP Technologies and Nippon Oil Pump held by Oranje-Nassau Développement), and Wendel’s share in the net income of investments accounted for under the equity method (Saint-Gobain, IHS, as well as except, held by Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocations;
- The net income of holding companies incorporates the general and administrative expenses of Wendel and its holding companies, the cost of the net borrowings put in place to finance Wendel and its holding companies, and the tax expense and income connected with these 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. The tax effect linked to these items is maintained in recurring income;
- 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 recurring operations of the Group.

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 5 - 1. Income statement by operating segment for H1 2015

	Bureau Veritas	Constantia Flexibles	Materis (Cromology)	Stahl	Oranje-Nassau Développement	Equity-method investments		Holding companies	Total Operations
						Saint-Gobain	IHS		
Net income from business sectors									
Net sales	2,318.7	485.6	⁽²⁾ 383.8	317.9	274.4				3,780.3
EBITDA	N/A	67.1	⁽²⁾ 36.6	64.1	N/A				
Adjusted operating income ⁽¹⁾	370.3	44.1	22.0	56.6	12.6				
Other recurring operating items	-	-0.5	-0.9	-3.0	-1.0				
Operating income	370.3	43.6	21.1	53.6	11.6			-31.0	469.2
Finance costs, net	-39.2	-20.1	-9.3	-5.1	-10.8			-97.5	-182.1
Other financial income and expense	-8.4	0.4	-2.2	6.7	-0.3				-3.8
Tax expense	-115.6	-6.4	-1.6	-14.2	-7.2			-3.9	-148.8
Share in net income of equity-method investments	0.4	-	-	-	-0.4	72.2	-5.9	-	66.3
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-	-	-	-
Recurring net income from business sectors	207.4	17.5	8.0	41.0	-7.1	72.2	-5.9	-132.4	200.8
Recurring net income from business sectors, non-controlling interests	120.1	6.8	0.8	11.4	-0.0	-	-0.0	-	139.1
Recurring net income from business sectors – Group share	87.3	10.7	7.3	29.5	-7.1	72.2	-5.9	-132.4	61.7
Non-recurring income									
Operating income	-34.7	-26.1	-4.1	-11.3	-31.6	-	-	-1.7	-109.5
Net financial expense	0.0	-1.7	-29.4	-18.7	0.0	-	-	40.2	-9.7
Tax expense	9.5	6.6	0.8	16.2	4.8	-	-	-0.3	37.6
Share in net income of equity-method investments	-	-	-	-	-18.3	78.6	-36.6	-	23.7
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-	-	-	-
Non-recurring net income	-25.2	-21.2	-32.7	-13.8	-45.1	78.6	-36.6	38.1	-58.0
of which:									
– Non-recurring items	-0.4	-6.6	-32.1	-8.1	-2.9	-20.8	⁽³⁾ -36.6	⁽⁴⁾ 38.1	-69.3
– Impact of goodwill allocation	-24.8	-14.6	-0.7	-5.7	-7.8	-3.6	-	-	-57.1
– Asset impairment	-	-	-	-	-34.5	⁽⁵⁾ 103.0	-	-	68.5
Non-recurring net income – non-controlling interests	-14.0	-7.1	-3.2	-3.8	-0.1	-	-0.3	0.0	-28.5
Non-recurring net income, Group share	-11.1	-14.1	-29.6	-9.9	-45.0	78.6	-36.4	38.1	-29.5
Consolidated net income	182.2	-3.7	-24.7	27.2	-52.2	150.8	-42.5	-94.3	142.8
Consolidated net income, non-controlling interests	106.1	-0.3	-2.4	7.6	-0.1	-	-0.3	0.0	110.6
Consolidated net income, Group share	76.2	-3.4	-22.3	19.6	-52.1	150.8	-42.3	-94.3	32.2

- (1) Before the impact of goodwill allocation, non-recurring items and management fees.
- (2) Sales and EBITDA of Cromology (formerly Materis Paints) in H1 2015, excluding Materis holding company expenses. Holding company expenses totaled €0.9 million and are reflected in adjusted operating income.
- (3) This amount included €-54.7 million in exchange rate fluctuations on IHS's financial debt and €18.1 million in dilution gains recognized on IHS.
- (4) This amount included a €28.4 million gain on the sale of the put options on Saint-Gobain shares (see note 9-4, "Put options issued (written) on Saint-Gobain shares").
- (5) Wendel has recognized a provision of €97 million for the expected loss on the sale of Verallia (see note 2, "Changes in scope of consolidation"). In addition, Wendel reversed a provision

for impairment of €203 million on Saint-Gobain shares (see note 7-4.1, “Impairment test on Saint-Gobain shares”).

The contribution of Oranje-Nassau Développement to the H1 2015 income statement by operating segment broke down as follows:

In millions of euros	Parcours	Mecatherm	CSP Technologies	Nippon Oil Pump	except	Oranje-Nassau Développement
Net income from business sectors						
Net sales	177.6	38.4	38.5	19.9	-	274.4
EBITDA	N/A	-9.3	9.2	2.0	-	N/A
Adjusted operating income ⁽¹⁾	16.8	-10.2	4.8	1.2	-	12.6
Other recurring operating items	-0.1	-0.3	-0.6	-0.1	-	-1.0
Operating income	16.7	-10.4	4.2	1.1	-	11.6
Finance costs, net	-3.9	-1.1	-5.6	-0.2	-	-10.8
Other financial income and expense	0.0	-0.1	-0.2	0.0	-	-0.3
Pre-tax income, including management fees	12.9	N/A	N/A	N/A	-	-
Tax expense	-4.8	-1.0	-1.1	-0.3	-	-7.2
Share in net income of equity-method investments	-	-	-	-	-0.4	-0.4
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-
Recurring net income from business sectors	8.1	-12.7	-2.7	0.6	-0.4	-7.1
Recurring net income from business sectors, non-controlling interests	0.1	-0.1	-0.0	0.0	-	-0.0
Recurring net income from business sectors - Group share	8.0	-12.6	-2.7	0.6	-0.4	-7.1
Non-recurring income						
Operating income	-1.1	-20.9	-8.5	-1.2	-	-31.6
Net financial expense	-	-	-	0.0	-	0.0
Tax expense	0.4	0.9	3.1	0.4	-	4.8
Share in net income of equity-method investments	-	-	-	-	-18.3	-18.3
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-
Non-recurring net income	-0.7	-20.0	-5.4	-0.7	-18.3	-45.1
of which:						
– Non-recurring items	0.0	-1.3	-0.8	-0.0	-0.8	-2.9
– Impact of goodwill allocation	-0.8	-0.4	-4.6	-0.7	-1.2	-7.8
– Asset impairment	-	-18.3	-	-	-16.2	-34.5
Non-recurring net income – non-controlling interests	-0.0	-0.0	-0.1	-0.0	-	-0.1
Non-recurring net income – Group share	-0.7	-20.0	-5.3	-0.7	-18.3	-45.0
Consolidated net income	7.3	-32.6	-8.1	-0.1	-18.7	-52.2
Consolidated net income, non-controlling interests	0.1	-0.1	-0.1	-0.0	-	-0.1
Consolidated net income – Group share	7.2	-32.5	-8.0	-0.1	-18.7	-52.1

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 5 - 2. Income statement by operating segment for H1 2014

In millions of euros	Bureau Veritas	Materis (Cromology)	Stahl	Oranje-Nassau Développement	Equity-method investments		Holding companies	Total Operations
					Saint-Gobain	IHS		
Net income from business sectors								
Net sales	1,967.4	⁽²⁾ 383.3	217.5	218.8				2,786.9
EBITDA	N/A	⁽²⁾ 37.0	39.2	N/A				
Adjusted operating income ⁽¹⁾	310.0	18.5	33.7	21.0				
Other recurring operating items	-	-1.0	-0.5	-0.5				
Operating income	310.0	17.5	33.1	20.6			-26.7	354.5
Finance costs, net	-37.4	-46.3	-5.9	-5.3			-100.0	-194.9
Other financial income and expense	-3.0	-1.5	-	-0.2				-4.7
Tax expense	-85.1	-1.9	-7.5	-7.4			-0.1	-101.9
Share in net income of equity-method investments	0.0	-	0.1	0.9	70.0	-9.3	-	61.7
Net income from discontinued operations and operations held for sale	-	47.1	-	-	-	-	-	47.1
Recurring net income from business sectors	184.5	15.0	19.9	8.6	70.0	-9.3	-126.8	161.9
Recurring net income from business sectors, non-controlling interests	93.0	1.7	3.5	0.1	-	-0.0	-	98.3
Recurring net income from business sectors - Group share	91.5	13.3	16.4	8.5	70.0	-9.3	-126.8	63.6
Non-recurring income								
Operating income	-38.0	-9.6	-30.4	-6.6	-	-	-29.9	-114.5
Net financial expense	-0.0	-38.7	-4.4	0.2	-	-	36.0	-6.9
Tax expense	10.4	5.3	4.3	2.1	-	-	-	22.1
Share in net income of equity-method investments	-	-	-	-1.5	-63.1	-0.8	⁽³⁾ -106.7	-172.1
Net income from discontinued operations and operations held for sale	-	284.8	-	-	-	-	0.3	285.1
Non-recurring net income	-27.5	241.8	-30.5	-5.8	-63.1	-0.8	-100.4	13.6
of which:								
- Non-recurring items	-0.3	⁽⁴⁾ 243.8	-23.9	-1.2	-5.4	-0.8	-100.4	111.8
- Impact of goodwill allocation	-25.8	-2.0	-6.7	-4.5	-4.4	-	-	-43.4
- Asset impairment	-1.5	-	-	-	-53.3	-	-	-54.7
Non-recurring net income – non-controlling interests	-13.3	23.2	-2.9	-0.1	-	-0.0	0.1	7.0
Non-recurring net income – Group share	-14.2	218.6	-27.6	-5.7	-63.1	-0.8	-100.6	6.7
Consolidated net income	156.9	256.8	-10.6	2.9	6.9	-10.2	-227.2	175.5
Consolidated net income, non-controlling interests	79.6	24.9	0.6	0.0	-	-0.0	0.1	105.2
Consolidated net income – Group share	77.3	231.9	-11.2	2.8	6.9	-10.1	-227.3	70.3

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) Sales and EBITDA of Cromology (formerly Materis Paints) in H1 2014, excluding Materis holding company expenses. Holding company expenses totaled €5.6 million and are reflected in adjusted operating income.

(3) Represents the loss on the sale of 24 million Saint-Gobain shares.

(4) This item includes the €27.4 million gain on Kerneos, the €266.5 million gain on Parex, restructuring costs, divestment costs, and the interest expense on shareholder loans.

The contribution of Oranje-Nassau Développement to the H1 2014 income statement by operating segment broke down as follows:

In millions of euros	Parcours	Mecatherm	Nippon Oil Pump	exceet	Oranje-Nassau Développement
Net income from business sectors					
Net sales	163.8	36.9	18.1	-	218.8
EBITDA	N/A	3.4	2.9	-	N/A
Adjusted operating income ⁽¹⁾	16.1	2.8	2.2	-	21.0
Other recurring operating items	-0.1	-0.3	-0.1	-	-0.5
Operating income	15.9	2.5	2.2	-	20.6
Finance costs, net	-3.6	-1.5	-0.3	-	-5.3
Other financial income and expense	0.0	-0.2	-	-	-0.2
Pre-tax income, including management fees	12.4	N/A	N/A		
Tax expense	-6.0	-0.6	-0.7	-	-7.4
Share in net income of equity-method investments	-	-	-	0.9	0.9
Net income from discontinued operations and operations held for sale	-	-	-	-	-
Recurring net income from business sectors	6.3	0.2	1.2	0.9	8.6
Recurring net income from business sectors, non-controlling interests	0.1	0.0	0.0	-	0.1
Recurring net income from business sectors - Group share	6.3	0.2	1.2	0.9	8.5
Non-recurring income					
Operating income	-2.9	-0.7	-3.0	-	-6.6
Net financial expense	-0.0	0.2	-	-	0.2
Tax expense	0.8	0.2	1.1	-	2.1
Share in net income of equity-method investments	-	-	-	-1.5	-1.5
Net income from discontinued operations and operations held for sale	-	-	-	-	-
Non-recurring net income	-2.1	-0.3	-1.9	-1.5	-5.8
of which:					
- Non-recurring items	-1.0	0.1	-0.1	-0.2	-1.2
- Impact of goodwill allocation	-1.1	-0.4	-1.8	-1.3	-4.5
- Asset impairment	-	-	-	-	-
Non-recurring net income – non-controlling interests	-0.0	-0.0	-0.0	-	-0.1
Non-recurring net income – Group share	-2.1	-0.3	-1.8	-1.5	-5.7
Consolidated net income	4.2	-0.1	-0.7	-0.6	2.9
Consolidated net income, non-controlling interests	0.1	-0.0	-0.0	-	0.0
Consolidated net income – Group share	4.2	-0.1	-0.7	-0.6	2.8

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 5 - 3. Balance sheet by operating segment as of June 30, 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Materis (Cromology)	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Wendel and holding companies	Consolidated
Goodwill, net	2,298.0	718.9	204.9	57.1	294.3	-	-	-	3,573.2
Intangible assets, net	869.4	885.7	209.2	94.3	211.3	-	-	0.1	2,269.8
Property, plant & equipment, net	520.8	756.1	91.4	141.7	794.4	-	-	13.9	2,318.3
Non-current financial assets	70.1	25.8	7.2	0.1	4.7	-	-	185.5	293.3
Pledged cash and cash equivalents	-	-	-	-	0.2	-	-	0.5	0.7
Equity-method investments	5.1	-	0.8	-	37.8	3,106.4	774.5	-	3,924.6
Deferred tax assets	138.7	7.5	33.4	24.2	6.2	-	-	0.5	210.6
Total non-current assets	3,902.0	2,393.9	546.9	317.5	1,349.0	3,106.4	774.5	200.4	12,590.6
Assets and operations held for sale	-	-	-	1.2	-	-	-	-	1.2
Inventories and work-in-progress	16.6	282.0	108.2	82.0	80.6	-	-	-	569.4
Trade receivables	1,285.0	242.8	193.4	129.4	100.8	-	-	0.2	1,951.6
Other current assets	160.5	35.7	53.9	21.3	16.1	-	-	6.4	293.9
Current income tax assets	40.1	12.2	2.5	9.7	1.8	-	-	9.2	75.6
Other current financial assets	76.2	0.9	-	0.3	0.6	-	-	447.2	525.2
Cash and cash equivalents	198.2	55.9	23.4	35.8	24.0	-	-	1,144.9	1,482.2
Total current assets	1,776.7	629.4	381.5	278.6	223.8	-	-	1,607.8	4,897.9
Total assets									17,489.6
Shareholders' equity - Group share									3,399.3
Non-controlling interests									911.1
Total shareholders' equity									4,310.4
Long-term provisions	269.6	65.3	36.1	20.6	11.6	-	-	22.4	425.5
Financial debt (non-current portion)	2,104.5	1,229.7	325.4	220.0	464.6	-	-	3,215.9	7,560.1
Other non-current financial liabilities	77.0	69.5	0.7	0.1	6.8	-	-	418.3	572.4
Deferred tax liabilities	235.3	300.2	145.0	19.5	82.6	-	-	4.0	786.7
Total non-current liabilities	2,686.4	1,664.6	507.2	260.2	565.7	-	-	3,660.6	9,344.6
Liabilities held for sale	-	-	-	-	-	-	-	-	-
Short-term provisions	-	53.9	1.1	0.3	6.3	-	-	1.6	63.2
Financial debt (current portion)	211.8	11.6	16.9	23.6	331.2	-	-	1,084.5	1,679.7
Other current financial liabilities	120.7	44.5	-	2.0	-	-	-	19.9	187.1
Trade payables	279.0	278.0	123.9	66.9	128.9	-	-	9.1	885.8
Other liabilities	628.3	76.9	115.7	44.4	38.2	-	-	15.3	918.7
Current income tax liabilities	68.0	22.0	-	7.5	2.0	-	-	0.5	100.0
Total current liabilities	1,307.8	486.9	257.6	144.7	506.6	-	-	1,130.9	3,834.6
Total liabilities and shareholders' equity									17,489.6

As of June 30, 2015, the contribution of Oranje-Nassau Développement to the balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	CSP Technologies	Nippon Oil Pump	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	84.1	158.0	16.4	-	294.3
Intangible assets, net	7.4	70.0	107.8	26.1	-	211.3
Property, plant & equipment, net	716.8	5.4	61.3	10.9	-	794.4
Non-current financial assets	2.3	0.6	0.3	1.5	-	4.7
Pledged cash and cash equivalents	-	-	0.2	-	-	0.2
Equity-method investments	-	-	-	-	37.8	37.8
Deferred tax assets	-	-	6.1	0.2	-	6.2
Total non-current assets	762.3	160.1	333.6	55.1	37.8	1,349.0
Assets and operations held for sale	-	-	-	-	-	-
Inventories and work-in-progress	29.4	16.6	26.5	8.1	-	80.6
Trade receivables	47.1	26.3	14.8	12.7	-	100.8
Other current assets	8.6	4.8	2.5	0.2	-	16.1
Current income tax assets	-	1.5	0.3	-	-	1.8
Other current financial assets	-	-	0.6	-	-	0.6
Cash and cash equivalents	11.9	4.6	1.6	6.0	-	24.0
Total current assets	96.9	53.8	46.3	26.9	-	223.8
Long-term provisions	2.2	2.7	0.1	6.6	-	11.6
Financial debt (non-current portion)	258.3	32.2	143.6	30.5	-	464.6
Other non-current financial liabilities	1.3	1.4	3.1	1.1	-	6.8
Deferred tax liabilities	10.4	18.3	44.4	9.5	-	82.6
Total non-current liabilities	272.2	54.5	191.3	47.7	-	565.7
Liabilities held for sale	-	-	-	-	-	-
Short-term provisions	1.7	4.6	-	-	-	6.3
Financial debt (current portion)	310.5	14.8	3.9	2.0	-	331.2
Other current financial liabilities	-	-	-	-	-	-
Trade payables	105.0	14.0	5.7	4.1	-	128.9
Other liabilities	5.7	20.8	8.7	3.0	-	38.2
Current income tax liabilities	0.5	-	0.9	0.6	-	2.0
Total current liabilities	423.4	54.3	19.1	9.8	-	506.6

Note 5 - 4. Balance sheet by operating segment as of December 31, 2014

In millions of euros	Bureau Veritas	Materis (Cromology)	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Wendel and holding companies	Consolidated
Goodwill, net	2,286.9	204.9	55.9	153.6	-	-	-	2,701.2
Intangible assets, net	848.0	207.0	94.6	105.3	-	-	0.1	1,254.9
Property, plant & equipment, net	475.6	97.7	146.2	682.4	-	-	13.9	1,415.8
Non-current financial assets	52.9	6.9	1.4	4.4	-	-	158.6	224.2
Pledged cash and cash equivalents	-	-	-	-	-	-	0.4	0.4
Equity-method investments	5.1	0.8	-	54.5	2,886.0	606.4	-	3,552.9
Deferred tax assets	129.9	33.2	18.4	-	-	-	0.5	182.0
Total non-current assets	3,798.6	550.4	316.5	1,000.1	2,886.0	606.4	173.6	9,331.6
Assets and operations held for sale	-	-	2.4	-	-	-	-	2.4
Inventories and work-in-progress	15.6	87.0	82.9	39.4	-	-	-	224.9
Trade receivables	1,161.0	151.7	111.1	100.5	-	-	0.2	1,524.5
Other current assets	148.4	41.6	21.7	16.9	-	-	6.7	235.4
Current income tax assets	63.2	5.8	6.4	1.5	-	-	14.4	91.2
Other current financial assets	43.2	-	2.2	1.5	-	-	360.4	407.3
Cash and cash equivalents	220.1	55.6	44.4	18.3	-	-	854.2	1,192.6
Total current assets	1,651.5	341.7	268.8	178.2	-	-	1,235.8	3,675.9
Total assets								13,010.0
Shareholders' equity - Group share								2,463.5
Non-controlling interests								628.9
Total shareholders' equity								3,092.4
Long-term provisions	273.4	35.4	20.4	11.0	-	-	22.2	362.4
Financial debt (non-current portion)	1,944.8	320.4	247.5	313.7	-	-	3,361.2	6,187.7
Other non-current financial liabilities	63.5	0.3	0.1	2.5	-	-	262.9	329.3
Deferred tax liabilities	234.8	146.8	18.8	38.8	-	-	0.0	439.3
Total non-current liabilities	2,516.5	502.9	286.9	366.0	-	-	3,646.4	7,318.6
Liabilities held for sale	-	-	-	-	-	-	-	-
Short-term provisions	-	-	0.4	6.3	-	-	1.6	8.3
Financial debt (current portion)	153.9	11.7	10.9	283.7	-	-	434.1	894.3
Other current financial liabilities	65.8	-	5.1	1.5	-	-	136.9	209.3
Trade payables	276.2	83.3	67.8	128.1	-	-	17.0	572.5
Other liabilities	622.9	121.4	44.9	31.1	-	-	13.8	834.1
Current income tax liabilities	71.7	-	8.1	0.5	-	-	0.2	80.5
Total current liabilities	1,190.6	216.4	137.3	451.2	-	-	603.5	2,599.0
Total liabilities and shareholders' equity								13,010.0

As of December 31, 2014, the contribution of Oranje-Nassau Développement to the balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Nippon Oil Pump	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	15.5	-	153.6
Intangible assets, net	8.6	70.9	25.7	-	105.3
Property, plant & equipment, net	666.2	5.5	10.7	-	682.4
Non-current financial assets	2.3	0.6	1.4	-	4.4
Pledged cash and cash equivalents	-	-	-	-	-
Equity-method investments	-	-	-	54.5	54.5
Deferred tax assets	-	-	-	-	0.0
Total non-current assets	712.9	179.3	53.3	54.5	1,000.1
Assets and operations held for sale	-	-	-	-	-
Inventories and work-in-progress	22.8	9.1	7.5	-	39.4
Trade receivables	31.0	56.5	13.0	-	100.5
Other current assets	13.5	3.3	0.1	-	16.9
Current income tax assets	-	1.5	-	-	1.5
Other current financial assets	1.5	-	-	-	1.5
Cash and cash equivalents	7.6	5.8	4.9	-	18.3
Total current assets	76.4	76.3	25.5		178.2
Long-term provisions	2.2	2.6	6.2	-	11.0
Financial debt (non-current portion)	247.1	36.9	29.8	-	313.7
Other non-current financial liabilities	-	1.6	0.9	-	2.5
Deferred tax liabilities	7.0	22.4	9.5	-	38.8
Total non-current liabilities	256.2	63.4	46.4		366.0
Liabilities held for sale	-	-	-		-
Short-term provisions	1.8	4.5	-	-	6.3
Financial debt (current portion)	272.3	9.4	1.9	-	283.7
Other current financial liabilities	1.5	-	-	-	1.5
Trade payables	97.4	26.2	4.6	-	128.1
Other liabilities	4.9	24.0	2.3	-	31.1
Current income tax liabilities	-	-	0.5	-	0.5
Total current liabilities	377.8	64.1	9.3		451.2

Note 5 - 5. Cash flow statement by operating segment for H1 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Materis (Cromology)	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	322.5	52.1	-2.7	44.6	92.2	-30.6	-	478.2
Net cash flows from investing activities, excluding tax	-144.1	-1,315.1	-10.9	-7.4	-323.7	816.1	-86.0	-1,071.1
Net cash flows from financing activities, excluding tax	-99.8	690.1	-15.4	-38.3	56.4	311.4	86.0	990.4
Net cash flows related to taxes	-106.2	-10.7	-2.8	-8.1	-0.8	0.3	-	-128.2

The contribution of Oranje-Nassau Développement to the H1 2015 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	CSP Technologies	Nippon Oil Pump	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	89.3	-4.6	4.2	3.4	92.2
Net cash flows from investing activities, excluding tax	-131.3	0.4	-192.1	-0.7	-323.7
Net cash flows from financing activities, excluding tax	44.8	4.4	8.4	-1.3	56.4
Net cash flows related to taxes	1.4	-1.3	-0.3	-0.6	-0.8

Note 5 - 6. Cash flow statement by operating segment for H1 2014

In millions of euros	Bureau Veritas	Materis (Cromology)	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	276.7	21.0	19.4	89.8	-31.3	-	375.6
Net cash flows from investing activities, excluding tax	-547.6	861.1	-65.2	-108.5	885.8	-108.1	917.5
Net cash flows from financing activities, excluding tax	362.7	-948.2	23.2	24.3	-204.1	108.1	-633.9
Net cash flows related to taxes	-102.1	16.5	-2.4	-2.7	-3.1	-	-93.8

The contribution of Oranje-Nassau Développement to the H1 2014 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Nippon Oil Pump	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	83.8	2.3	3.8	89.8
Net cash flows from investing activities, excluding tax	-110.3	-2.5	4.3	-108.5
Net cash flows from financing activities, excluding tax	27.4	-1.9	-1.2	24.3
Net cash flows related to taxes	-1.7	-1.0	0.0	-2.7

NOTES TO THE BALANCE SHEET**NOTE 6. GOODWILL**

In millions of euros	6/30/2015		
	Gross amount	Impairment	Net amount
Bureau Veritas	2,357.4	59.4	2,298.0
Constantia Flexibles	718.9	-	718.9
Cromology	404.6	199.6	204.9
Stahl	57.1	-	57.1
Oranje-Nassau Développement	312.5	18.3	294.3
Total	3,850.6	277.3	3,573.2

In millions of euros	12/31/2014		
	Gross amount	Impairment	Net amount
Bureau Veritas	2,346.3	59.4	2,286.9
Cromology	404.4	199.6	204.9
Stahl	55.9	-	55.9
Oranje-Nassau Développement	153.6	-	153.6
Total	2,960.2	258.9	2,701.2

The principal changes during the period were as follows:

In millions of euros	H1 2015
Net amount at beginning of period	2,701.2
Business combinations ⁽¹⁾	806.8
Impact of changes in currency translation adjustments and other	83.5
Impairment for the period ⁽²⁾	-18.3
Net amount at end of period	3,573.2

(1) In the first half of 2015, this line item included €718.9 million related to the acquisition of Constantia Flexibles, €155.1 million related to the acquisition of CSP Technologies, €33.2 million related to acquisitions carried out by Bureau Veritas and €-100.2 million related to the sale of Bureau Veritas shares.

(2) Impairment for the period related to Mecatherm.

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, note 1-10.1, "Goodwill" of the 2014 consolidated financial statements). The principal indicators of a loss in value are adherence to the budget and business plan and for Bureau Veritas, which is listed, market price compared with the carrying value.

Only the Mecatherm CGU saw a significant indication of a loss in value as of June 30, 2015. Mecatherm's performance in the first half of 2015 fell short of the budget used for the annual test carried out at the 2014 closing. No significant indication of impairment was identified for the other CGUs at the Wendel level (Bureau Veritas, Cromology, Stahl, Constantia Flexibles, Parcours, CSP Technologies and NOP). As a result, an impairment test was carried out on the Mecatherm CGU at the June 30, 2015 closing. For the other CGUs, the mandatory annual test will be performed at December 31, 2015.

Note 6 - 2. Impairment test on Mecatherm goodwill

The test on Mecatherm was based on Wendel's assessment of the facts and circumstances existing at the balance sheet closing date, as well as information available at the date the financial statements were approved on situations existing as of June 30, 2015. The uncertain economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under this test. If so, value in use may also be different from that determined on the basis of assumptions and estimates at the June 30, 2015 balance sheet date.

The value in use determined by Wendel for these tests was based on discounted future cash flows. The business plan used was prepared by Wendel and covered a five-year period. A discount rate of 9% was used for Mecatherm and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2014. Mecatherm's value in use, calculated in this way, was below its carrying value. An impairment of €18.3 million was therefore recognized as of June 30, 2015. In addition, a sensitivity analysis showed that:

- if the discount rate were 0.5% higher, an additional impairment of €10 million would have to be recognized;
- if the long-term growth rate were 0.5% lower, an additional impairment of €7 million would have to be recognized; or
- if the margin at the end of the business plan were 1% lower, an additional impairment of €9 million would have to be recognized.

NOTE 7. EQUITY-METHOD INVESTMENTS

In millions of euros	6/30/2015	12/31/2014
Saint-Gobain	3,106.4	2,886.0
IHS	774.5	606.4
exceet	37.8	54.5
Investments of Bureau Veritas	5.1	5.1
Investments of Cromology	0.8	0.8
Total	3,924.6	3,552.9

The change in equity-method investments broke down as follows:

In millions of euros	H1 2015
Amount at beginning of period	3,552.8
Share in net income for the period	
Saint-Gobain	61.7
IHS	-60.7
exceet	-2.4
Other	0.4
Dividends paid by equity-method companies	-81.6
Impact of changes in currency translation adjustments	150.0
Impact of dilution on the Saint-Gobain investment ⁽¹⁾	-17.5
Impact of dilution and accretion on IHS ⁽¹⁾	18.1
Reinvestment in IHS ⁽¹⁾	155.7
Impairment of assets ⁽²⁾	90.4
Other	57.8
Amount as of June 30, 2015	3,924.6

(1) See note 2, "Changes in scope of consolidation".

(2) Impairment of exceet shares (€16.2 million) and reversal of impairment on Saint-Gobain shares (€203 million), offset by a provision for loss on the sale of Verallia (€97 million) (see note 2, "Changes in scope of consolidation").

Note 7 - 1. Additional information on Saint-Gobain

In millions of euros	6/30/2015	12/31/2014
Carrying values at 100%		
Total non-current assets	28,300	28,584
Total current assets	18,182	16,220
Assets from operations held for sale	2,253	-
Impact of the revaluation of acquired assets and liabilities	3,791	3,822
Goodwill adjustment (Wendel) ⁽¹⁾	3,622	2,739
Non-controlling interests	406	405
Total non-current liabilities	14,013	14,357
Total current liabilities	13,900	12,029
Liabilities from operations held for sale	954	-
<i>including cash and cash equivalents</i>	4,249	3,493
<i>including financial debt</i>	12,244	10,714
<hr/>		
	1st half 2015	1st half 2014 restated ⁽³⁾
Net sales ⁽²⁾	19,860	18,946
Operating income	1,275	1,183
Business income	1,080	1,120
Recurring net income, Group share	552	441
Net income from discontinued operations and operations held for sale, Group share	65	67
Net income, Group share	558	671
Impact of the revaluation of acquired assets and liabilities	-31	-30

(1) Value of residual goodwill after impairment reversal, see note 7-4.1, "Impairment test on Saint-Gobain, accounted for by the equity method".

(2) In the first half of 2015, growth in sales stood at 4.8%, including organic growth of 0.5%.

(3) Following the agreement with Apollo, Saint-Gobain presented the Packaging business in "Net income from discontinued operations and operations held for sale" in 2014 and 2015, in accordance with IFRS 5.

Note 7 - 2. Additional information on IHS

In millions of euros	6/30/2015	12/31/2014
Carrying values at 100%		
Total non-current assets	1,992.8	1,893.9
Total current assets	1,798.0	1,103.7
Goodwill adjustment (Wendel)	62.4	57.5
Non-controlling interests	-4.7	39.3
Total non-current liabilities	1,012.0	869.8
Total current liabilities	266.3	193.3
<i>including cash and cash equivalents</i>	1,261.1	796.5
<i>including financial debt</i>	1,034.0	866.4
<hr/>		
	1st half 2015	1st half 2014
Net sales	271.0	95.8
EBITDA	96.8	27.8
Currency impact on financial liabilities ⁽¹⁾	-221.7	-
Net income, Group share	-180.6	-25.5

(1) The devaluation of the naira required the IHS group to recognize a translation loss on the dollar-denominated debt on the books of Nigerian companies whose operating currency is the naira. These companies issued debt in dollars in particular because certain contract components are indexed to the dollar.

In accordance with accounting standards, IHS shares held by co-investors via the co-investment vehicle are presented as equity-method investments on Wendel's consolidated balance sheet (see note 2, "Changes in scope of consolidation"), as the Group controls this vehicle and the divestment decisions for these shares. An offsetting financial liability must be recognized in the Group's balance sheet for the fair value of these shares (this liability is presented in note 9, "Financial assets and liabilities"). This accounting treatment, particularly the recognition of the financial liability, is primarily linked to the limited life of the co-investment vehicle, which will ultimately be liquidated, if no liquidity event for IHS shares occurs first. This liquidation would result in the shares financed through the vehicle being distributed to each respective shareholder (Wendel Group and the co-investors). The Group has no economic rights to co-investors' stakes in IHS and has no other obligation (or debt) with regard to co-investors apart from remitting the potential proceeds and profits on the sale of shares financed by the co-investors or, if the vehicle is liquidated, returning the shares to the co-investors.

Out of the €774.5 million (30.0% of the capital of IHS) recognized as equity-method shares, €115.2 million (4.5% of the capital of IHS) belong economically to the co-investors.

Note 7 - 3. Additional information on exceet

In millions of euros	6/30/2015	12/31/2014
Carrying values at 100%		
Total non-current assets	101.6	96.9
Total current assets	88.1	86.1
Impact of the revaluation of acquired assets and liabilities	30.3	90.6
Non-controlling interests	-	-
Total non-current liabilities	59.9	54.1
Total current liabilities	27.3	27.8
<i>including cash and cash equivalents</i>	26.7	31.0
<i>including financial debt</i>	43.7	40.4
<hr/>		
	1st half 2015	1st half 2014
Net sales ⁽¹⁾	88.6	92.9
EBITDA	4.2	8.9
Net income, Group share	-5.3	1.2
Impact of the revaluation of acquired assets and liabilities	-3.2	-3.3

(1) In the first half of 2015, sales declined by 4.6% unadjusted and by 11.6% organically.

Oranje-Nassau Développement's percentage interest in exceet Group SE is subject to the potentially dilutive effect of financial instruments issued by exceet (see note 10-3, "Additional information on exceet" in the 2014 consolidated financial statements).

Note 7 - 4. Impairment tests on equity-method investments

No impairment test was performed on IHS as there is no indication that the value of this investment may be impaired. The most recent capital increase, in June 2015, was carried out based on a value higher than that of the previous capital increases.

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 as of June 30, 2015. 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 as of the June 30, 2015 balance sheet date.

Note 7 - 4.1 Impairment test on Saint-Gobain shares

An impairment test was performed on the Saint-Gobain shares, as their carrying amount, 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 (€40.27/share, or €2,650.3 million for the 65.8 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. Sale of the Verallia packaging business, expected in the second half of 2015, was taken into account (Saint-Gobain classified this business under "Discontinued operations and operations held for sale" as of June 30, 2015). In accordance with IAS 36, the plan did not include any strategic acquisitions, such as the acquisition of Schenker-Winkler Holding AG, which holds 16.1% of the share capital and 52.4% of the voting rights of Sika, as this transaction remained to be completed as of June 30, 2015. 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 was the same as that used as of December 31, 2014: 2%. The discount rate used was also identical to that used as of December 31, 2014: 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.

As of June 30, 2015, the gross carrying value of Saint-Gobain shares in Wendel's accounts was €48.54/share or €3,195 million. As of the end of 2014, the impairment recognized on Saint-Gobain shares was €4.43/share, or €292 million. The net carrying value would therefore be €44.11/share after taking the impairment provision into account. The value in use estimated as of the June 30, 2015 closing was significantly higher at €47.20/share, or €3,106.4 million. Based on this estimate and the outlook announced by Saint-Gobain, €3.09/share of the impairment provision was reversed, so that the net carrying value would be equal to the value in use. The impact of this reversal on net income was €+203 million.

Sensitivity analysis shows that:

- if the discount rate were 0.5% higher, no reversal would be recognized and an additional impairment of €116 million would have to be recognized;
- if the long-term growth rate were 0.5% lower, no reversal would be recognized and an additional impairment of €34 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 one percentage point, an additional impairment of €272 million would have to be recognized.

Finally, the model as a whole is also sensitive to the assumptions of the five-year business plan.

The difference between the net carrying value and the market price reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

Note 7 - 4.2 Impairment test on exceet shares

An impairment test was performed on these equity-method 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 year-end (€26.7 million for the 5.7 million shares held) or (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 have been included in its assumptions. As in 2014, 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 exceet's capital was taken into account.

Based on these assumptions, the value in use was calculated as €6.6/share or €37.8 million for all of the shares accounted for by the equity method. It was less than the carrying value of €54 million. An impairment of €16.2 million was therefore recognized as of June 30, 2015.

Sensitivity analysis shows that:

- if the discount rate were 0.5% higher, an additional impairment of €3 million would have to be recognized;
- if the long-term growth rate were 0.5% lower, an additional impairment of €1 million would have to be recognized; or
- if the normative margin used for cash flows after the end of the eight-year business plan period were reduced by one percentage point, an additional impairment of €3 million would have to be recognized.

NOTE 8. CASH AND CASH EQUIVALENTS

In millions of euros	6/30/2015	12/31/2014
	Net amount	Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets	0.5	0.4
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	1,141.2	853.5
Other	3.7	0.7
Cash and cash equivalents of Wendel and its holding companies (1)	1,145.3	854.6
Pledged cash and cash equivalents of subsidiaries and other holding companies, classified as non-current assets	0.2	-
Unpledged cash and cash equivalents of subsidiaries and other holding companies, classified as current assets:		
Bureau Veritas	198.2	220.1
Constantia Flexibles	55.9	-
Cromology	16.8	26.8
Stahl	35.8	44.4
Oranje-Nassau Développement	24.0	18.3
Other	6.6	28.8
Cash and cash equivalents of subsidiaries and other holding companies	337.5	338.5
Total	1,482.9	1,193.0
<i>of which non-current assets</i>	<i>0.7</i>	<i>0.4</i>
<i>of which current assets</i>	<i>1,482.2</i>	<i>1,192.6</i>

(1) In addition to this cash, Wendel had €334.4 million in short-term financial investments as of June 30, 2015 and €331.2 million as of December 31, 2014 (see note 4-2.1, "Liquidity risk of Wendel").

NOTE 9. FINANCIAL ASSETS AND LIABILITIES (EXCL. FINANCIAL DEBT AND OPERATING RECEIVABLES AND PAYABLES)**Note 9 - 1. Financial assets**

In millions of euros	Method for recognizing changes	Level	6/30/2015	12/31/2014
Pledged cash and cash equivalents of Wendel and its holding companies	Income statement ⁽¹⁾	1	0.5	0.4
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement ⁽¹⁾	1	1,144.7	854.2
Wendel's short-term financial investments	Income statement ⁽¹⁾	1	334.6	331.2
Cash and short-term financial investments of Wendel and its holding companies			1,479.7	1,185.8
Pledged cash and cash equivalents of subsidiaries	Income statement ⁽¹⁾	1	0.2	-
Cash and cash equivalents of subsidiaries	Income statement ⁽¹⁾	1	337.3	338.5
Assets available for sale – A	Shareholders' equity ⁽²⁾	3	90.9	73.7
Financial assets at fair value through profit or loss	Income statement ⁽¹⁾	1	29.5	31.5
Loans – B	Amortized cost	N/A	86.1	64.9
Deposits and guarantees	Amortized cost	N/A	75.9	68.6
Derivatives – C	Income statement ⁽¹⁾ / Shareholders' equity ⁽²⁾	See C	31.7	16.0
Other - D			169.9	45.6
Total			2,301.4	1,824.6
<i>of which non-current financial assets, including pledged cash and cash equivalents</i>			294.0	224.7
<i>of which current financial assets, including cash and cash equivalents</i>			2,007.3	1,599.9

(1) Change in fair value through profit or loss.

(2) Change in fair value through shareholders' equity.

Note 9 - 2. Financial liabilities

In millions of euros	Method for recognizing changes	Level	6/30/2015	12/31/2014
Derivatives - C	Income statement ⁽¹⁾ / Shareholders' equity ⁽²⁾	See C	21.2	186.0
Other (incl. puts held by non-controlling shareholders) – E	N/A	N/A	738.3	352.7
Total			759.5	538.7
<i>of which non-current financial liabilities</i>			572.4	329.3
<i>of which current financial liabilities</i>			187.1	209.3

(1) Change in fair value through profit or loss.

(2) Change in fair value through shareholders' equity.

Note 9 - 3. Details of financial assets and liabilities

A – As of June 30, 2015, this line item included the Saham investment, recognized at its fair value of €72 million. The increase in fair value of €3.3 million recognized during the fiscal year was recorded in “Gains and losses on assets available for sale” in accordance with accounting principles. Based in Morocco, Saham is majority-owned by its founder and has in the past focused on two lines of business: insurance and customer relationship centers. It is also expanding in real estate and healthcare so as to take advantage of synergies with its insurance activities. This investment represents 13.3% of the Saham Group’s share capital.

B – Loans: This amount included a €66.4 million loan granted to Kerneos when it was sold by Materis in 2014.

C – Derivatives:

In millions of euros	Level	6/30/2015		12/31/2014	
		Assets	Liabilities	Assets	Liabilities
Saint-Gobain puts (written) ⁽¹⁾	2	-	-		164.4
Interest rate swaps - hedging of cash flows ⁽²⁾	2	0.4	1.5	0.0	1.3
Interest rate swaps - not qualifying for hedge accounting ⁽²⁾	2	12.0	8.4	7.1	14.0
Other derivatives – not qualifying for hedge accounting	2	19.4	11.4	8.9	6.2
Total		31.7	21.2	16.0	186.0
<i>of which non-current portion</i>		11.4	1.6	8.4	51.3
<i>of which current portion</i>		20.3	19.6	7.6	134.6

(1) See note 9-4, “Put options issued (written) on Saint-Gobain shares”

(2) See description of swaps in note 9-5 below.

D – Other financial assets: This amount included an €81.6 million receivable corresponding to the dividend paid by Saint-Gobain in July 2015 (post-closing).

E – Other financial liabilities: This line item included €115.4 million of earnouts and deferred payments on acquisitions in operating subsidiaries, €177.3 million in liabilities related to co-investors in IHS (see note 7-2, “Additional information on IHS”) and €252.6 million in minority puts and liabilities related to liquidity commitments at the level of Wendel and the holding companies (see note 29-6, “Shareholder agreements and co-investment mechanisms”), including €85.5 million for the minority put granted to Clariant and €120 million for the minority put related to 50% of the H. Turnauer Foundation’s investment in Constantia Flexibles (see note 2, “Changes in scope of consolidation”).

Note 9 - 4. Put options issued (written) on Saint-Gobain shares

These puts were fully unwound in early 2015 for a value of €-136.1 million. The difference of €+28.4 million compared to the value at the end of December 2014 was recognized in “Other financial income”.

Note 9 - 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.

Notional amount	Characteristics ⁽¹⁾	Qualified as	Start ⁽¹⁾	Maturity ⁽¹⁾	6/30/2015	12/31/2014
sign convention: (+) asset, (-) liability						
Hedging of bonds carried by Wendel						
€100 million	Pay 3.98% against 4.21%		pre-closing	05-2016	0.2	0.3
€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%. Against: 3.49%		pre-closing	08-2017	0.7	0.8
€800 million	Pay 1.04% against Euribor ⁽²⁾		pre-closing	01-2016	-4.6	-8.3
					-3.8	-7.2
Hedging of subsidiaries' debt						
€80 million	0.42% cap on Euribor		pre-closing	12-2017	-	-
€100 million	Pay 0.19% on Euribor (0% floor)	hedge	pre-closing	10-2017	-0.1	-
€40 million	1% cap on Euribor		04-2017	10-2018	-	-
€30 million	0.02% - 0.43% on Euribor		06-2015	10-2018	-	-
\$139 million	2% cap on Libor		pre-closing	04-2017	0.1	-
€49 million	Pay 0.21% against Euribor		pre-closing	04-2017	-0.1	-
€200 million	Pay 0.75% against Euribor	hedge	pre-closing	04-2022	-1.0	-
	Other ⁽³⁾				7.5	-
					6.3	-1.0
Total					2.5	-8.2

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.

(2) The net value of all swaps as of June 30, 2015 was €-4.6 million, vs. €-8.3 million at end-2014. The change in the value of non-qualified instruments recognized through profit or loss was €+3.7 million.

(3) This amount included currency hedges on Bureau Veritas to convert the sterling-denominated tranches of its Us private placement into euros.

NOTE 10. SHAREHOLDERS' EQUITY

	Par value	Total number of shares	Treasury shares	Number of shares outstanding
As of 12/31/2014	€4	47,796,535	1,761,948	46,034,587
As of 6/30/2015	€4	47,916,381	1,692,883	46,223,498

The increase of 119,846 in the number of shares comprising the share capital derived from the exercise of stock options during the first half of 2015.

The number of shares held under the liquidity contract was 54,000 as of June 30, 2015 (unit cost: €111.39), vs. 100,000 as of December 31, 2014, a decrease of 46,000 during H1 2015.

As of June 30, 2015, Wendel held 1,638,883 of its shares in treasury outside of the context of the liquidity contract (1,661,948 as of December 31, 2014). These treasury shares were primarily allocated to cover stock option exercises and grants of bonus and performance shares, with the remainder being retained for potential acquisitions.

The net reduction of 23,065 shares was due to:

- the purchase of 116,714 shares during the first half; and
- the sale of 139,779 shares to meet the exercise of stock options.

In total, shares held in treasury represented 3.53% of the share capital as of June 30, 2015.

NOTE 11. PROVISIONS

In millions of euros	6/30/2015	12/31/2014
Provisions for risks and contingencies	215.8	158.4
Employee benefits	272.9	212.3
Total	488.7	370.7
<i>of which non-current</i>	<i>425.5</i>	<i>362.4</i>
<i>of which current</i>	<i>63.2</i>	<i>8.3</i>

Note 11 - 1. Provisions for risks and contingencies

In millions of euros	6/30/2015	12/31/2014
Bureau Veritas	112.4	115.1
Constantia Flexibles	59.9	-
Cromology	11.5	11.2
Stahl	1.3	1.4
Oranje-Nassau Développement	8.4	8.3
Wendel and holding companies	22.3	22.4
Total	215.8	158.4
<i>of which non-current</i>	<i>152.5</i>	<i>150.1</i>
<i>of which current</i>	<i>63.2</i>	<i>8.3</i>

The principal disputes, claims and risks identified for the operating subsidiaries and for Wendel and its holding companies are described in note 15-1 to the 2014 consolidated financial statements, "Provisions for risks and contingencies".

Concerning various judicial procedures initiated by former management-level employees of Wendel as a result of the unwinding of a mechanism for participating in the Group's performance: the amount of the claims against various defendants, including Wendel, totaled €30 million, subject to adjustment (depending on the claimant) based on the potential consequences of procedures initiated against them by the tax authority. On December 17, 2013, the Commercial Court rejected the claims of one of the former managers and also required him to pay a token amount of €1 to Wendel in recognition of damage to the company's image. The former manager has appealed this decision. Another legal action against Wendel, initiated by this employee in the labor courts after his employment contract was terminated in June 2009, was also rejected on March 31, 2014. He has appealed this decision and is claiming €7.5 million. Wendel is maintaining its counterclaim for almost €1 million. The Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them.

Provisions recognized by Constantia Flexibles included principally a provision related to its future obligations under a long-term collective bonus plan for certain managers and a provision for a pending dispute related to a squeeze-out procedure of Constantia Packaging AG.

Note 11 - 2. Employee benefits

En millions d'euros	6/30/2015	12/31/2014
Bureau Veritas	157.2	158.2
Constantia Flexibles	59.2	-
Cromology	25.6	24.2
Stahl	19.6	19.4
Oranje-Nassau Développement	9.6	8.9
Wendel et holdings	1.7	1.5
	272.9	212.3

NOTE 12. FINANCIAL DEBT

The principal changes in the first half of 2015 are described in note 4-2, "Liquidity risk".

In millions of euros	Currency	Coupon rate	Effective interest rate (2)	Maturity	Repayment	Overall line	6/30/2015	12/31/2014
Wendel								
2015 bonds	EUR	4.875%	4.910%	09-2015	at maturity		347.6	347.6
2016 bonds	EUR	4.875%	5.501%	05-2016	at maturity		643.7	643.7
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	500.0
2019 bonds	EUR	5.875%	5.397%	09-2019	at maturity		600.0	600.0
2021 bonds	EUR	3.750%	3.833%	01-2021	at maturity		400.0	400.0
2024 bonds	EUR	2.750%	2.686%	10-2024	at maturity		500.0	500.0
2027 bonds	EUR	2.500%	2.576%	02-2027	at maturity		500.0	
Syndicated loan	EUR	Euribor+margin		11-2019	revolving credit	€650 M	-	-
Bank borrowings ⁽¹⁾	EUR	Euribor+margin		03-2020	revolving credit	€500 M	-	-
Bank borrowings ⁽¹⁾	EUR	Euribor+margin		12-2019	revolving credit	€350 M	-	-
Amortized cost of bonds and syndicated loan fees							5.2	7.9
Accrued interest							93.3	86.1
Shareholder loans							18.7	17.9
							4,300.4	3,795.2

Consolidated first-half 2015 financial statements

Notes to the financial statements – Notes on the balance sheet

In millions of euros	Currency	Coupon rate	Effective interest rate (2)	Maturity	Repayment	Overall line	6/30/2015	12/31/2014
Bureau Veritas								
2017 bonds	EUR	3.750%		05-2017	at maturity		500.0	500.0
2021 bonds	EUR	3.125%		01-2021	at maturity		500.0	500.0
Borrowings and debt from lending institutions maturing in less than 1 year – fixed rate							-	-
Borrowings and debt from lending institutions maturing in less than 1 year – floating rate							211.9	153.9
Borrowings and debt from lending institutions maturing in 1 to 5 years – fixed rate							451.2	437.2
Borrowings and debt from lending institutions maturing in 1 to 5 years – floating rate							185.3	77.0
Borrowings and debt from lending institutions maturing in more than 5 years – fixed rate							289.2	265.9
Borrowings and debt from lending institutions maturing in more than 5 years – floating rate							178.7	164.7
							2,316.3	2,098.7
Constantia Flexibles								
Bank borrowings	EUR	Fixed		May-17	at maturity		129.1	
Bank borrowings	EUR	Euribor+margin		Apr-22	at maturity		660.3	
Bank borrowings	EUR	Euribor+margin		Apr-22	at maturity		226.0	
Bank borrowings	USD	Libor+margin		2015 to 2022	amortizing		202.4	
Bank borrowings (EUR, RUB, INR, CNY)		Euribor+margin and fixed		2015 to 2022	amortizing		35.8	
Deferred issuance costs							-50.6	
Other borrowings and accrued interest							38.3	
							1,241.3	
Materis (Cromology)								
Bank borrowings	EUR	Euribor+margin		08-2021	at maturity		267.0	267.0
Bank borrowings	EUR	Euribor+margin		08-2020	at maturity	€77 M	17.0	3.0
Deferred issuance costs							-6.8	-7.3
Shareholder loans							62.2	58.0
Other borrowings and accrued interest							2.8	11.4
							342.3	332.2
Stahl								
Bank borrowings	EUR	Euribor+margin		06-2019	revolving credit	€35 M	-	-
Bank borrowings	USD	Libor+margin		06-2019	amortizing	\$143.8 M	105.1	96.9
Bank borrowings	EUR	Euribor+margin		06-2019	amortizing	€26 M	21.8	24.0
Bank borrowings	USD	Libor+margin		12-2019	at maturity	\$143.8 M	97.2	118.5
Bank borrowings	EUR	Euribor+margin		12-2019	at maturity	€26 M	26.0	26.0
Deferred issuance costs							-6.5	-7.1
Other borrowings and accrued interest							-	0.1
							243.6	258.4
Parcours								
Bank borrowings	EUR	Euribor+margin		2015 to 2017	amortizing		538.2	504.5
Other borrowings and accrued interest							30.6	14.9
							568.8	519.4
Mecatherm								
Bank debt (senior)	EUR	Euribor+margin		2015 to 2018	amortizing		41.8	46.1
Bank borrowings	EUR	Euribor+margin		Sep-17	revolving credit	€5 M	5.0	-
Deferred issuance costs							-1.1	-1.3
Other borrowings and accrued interest							1.2	1.6
							47.0	46.4
CSP Technologies								
Bank borrowings	USD	Libor+margin		Jan-22	amortizing		151.2	
Bank borrowings	USD	Libor+margin		Jan-20	revolving credit	\$25 M	3.1	
Deferred issuance costs							-9.8	
Other borrowings and accrued interest							2.9	
							147.4	
NOP								
Bank borrowings	JPY	Tibor+margin		2015 to 2019	amortizing	¥1.5 bn	10.1	10.4
Bank borrowings	JPY	Tibor+margin		Feb-19	at maturity	¥3.0 bn	21.9	20.7
Deferred issuance costs							-0.2	-0.3
Other borrowings and accrued interest							0.8	0.9
							32.6	31.7
Total							9,239.8	7,081.9
<i>of which non-current portion</i>							7,560.1	6,187.7
<i>of which current portion</i>							1,679.7	894.3

(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 that were issued in several stages, the effective interest rate corresponds to the weighted average of the par value issued.

Note 12 - 1. Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Par value Wendel and holding companies	-991.3	-1,792.0	-1,400.0	-4,183.3
Interest Wendel and holding companies ⁽¹⁾	-201.5	-456.8	-171.3	-829.5
Subsidiaries and associates				
- par value	-589.3	-1,893.4	-2,504.2	-4,986.9
- interest	-185.8	-619.0	-172.1	-977.0
TOTAL	-1,967.9	-4,761.1	-4,247.6	-10,976.6

- (1) Interest was calculated on the basis of the yield curve prevailing on June 30, 2015. Interest on debt and interest-rate hedges does not reflect interest earned on invested cash.

NOTES TO THE INCOME STATEMENT**NOTE 13. NET SALES**

In millions of euros	H1 2015	H1 2014 restated ⁽¹⁾	% Change	Organic growth
Bureau Veritas	2,318.7	1,967.4	17.9%	3.6%
Constantia Flexibles	485.6	-	N/A	N/A
Cromology ⁽¹⁾	383.8	383.3	0.1%	-0.8%
Stahl	317.9	217.5	46.2%	3.2%
Oranje-Nassau Développement				
- Parcours	177.6	163.8	8.4%	8.4%
- Mecatherm	38.4	36.9	4.1%	4.1%
- CSP Technologies	38.5	-	N/A	N/A
- NOP	19.9	18.1	9.9%	4.1%
Total	3,780.3	2,786.9	35.6%	3.3%

(1) The net sales of Cromology (formerly Materis Paints) in the first half of 2014 was restated for intragroup sales with businesses that were sold. The impact was €0.5 million compared with the H1 2014 presentation. This amount was reclassified to “Net income from discontinued operations and operations held for sale”.

NOTE 14. OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses included primarily the €18.3 million impairment provision recognized on Mecatherm (see note 6, “Goodwill”).

NOTE 15. FINANCE COSTS, NET

In millions of euros	H1 2015	H1 2014
Income from cash and cash equivalents ⁽¹⁾	1.4	5.3
	1.4	5.3
Finance costs, gross		
Interest expense	-181.6	-190.9
Interest expense on loans from non-controlling shareholders	-5.3	-5.3
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-7.0	-26.8
	-193.9	-223.0
Total	-192.5	-217.7

(1) Included €-1.6 million for Wendel and the holding companies because of a currency loss on USD-denominated deposits of €4.5 million. Excluding the impact of exchange rate fluctuations, net income from cash and cash equivalents totaled €2.9 million plus €4.7 million in income on short-term investments (recognized under "Other financial income and expenses"), comprising total income of €7.6 million in H1 2015 (€7.8 million in H1 2014) on cash and short-term financial investments of Wendel and its holding companies.

NOTE 16. OTHER FINANCIAL INCOME AND EXPENSE

In millions of euros	H1 2015	H1 2014
Gains / losses on disposal of assets available for sale	0.4	0.0
Dividends received from unconsolidated companies	0.8	0.5
Net income on interest rate, currency and equity derivatives	30.2	10.3
Interest on other financial assets	9.7	7.2
Net currency exchange gains / losses	-26.4	-3.5
Impact of discounting	-2.7	-1.9
Gain on buyback of debt	-0.0	-2.4
Other ⁽¹⁾	-15.1	1.0
Total	-3.1	11.2

(1) This amount included a €15.6 million expense, representing a revaluation of the liability related to IHS co-investors (see note 7-2, "Additional information on IHS").

NOTE 17. TAX EXPENSE

In millions of euros	H1 2015	H1 2014
Current income tax payable	-142.3	-95.8
Deferred taxes	31.1	16.1
Total	-111.2	-79.8

The portion of CVAE (value added) tax was recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French national accounting council) of January 14, 2010.

NOTE 18. NET INCOME (LOSS) FROM EQUITY-METHOD INVESTMENTS

In millions of euros	H1 2015	H1 2014
Net income including impact of goodwill allocation		
Saint-Gobain	61.7	35.7
IHS	-60.7	-9.6
exceet	-2.4	-0.6
Other companies	0.4	0.1
Sale of Saint-Gobain shares		-106.7
Impact of IHS dilution ⁽¹⁾	18.1	-
Impact of dilution on the Saint-Gobain investment ⁽¹⁾	-17.5	-29.3
Provision for impairment of securities	106.6	
Impairment of exceet shares	-16.2	
Total	89.9	-110.4

(1) See note 2, "Changes in scope of consolidation" with respect to IHS and Saint-Gobain.

(2) See note 7-4.1, "Impairment test on Saint-Gobain shares" and note 2-7.2, "Changes in scope of consolidation of the Saint-Gobain group".

NOTE 19. EARNINGS PER SHARE

In euros and millions of euros	H1 2015	H1 2014
Attributable net profit	32.2	70.3
Impact of dilutive instruments on subsidiaries	-4.8	-1.4
Diluted net income	27.4	68.9
Average number of shares, net of treasury shares	46,195,303	46,686,774
Potential dilution due to Wendel stock options (1)	520,010	860,827
Diluted number of shares	46,715,313	47,547,600
Basic earnings per share (in euros)	0.70	1.51
Diluted earnings per share (in euros)	0.59	1.45
Basic earnings per share from continuing operations (in euros)	0.70	-4.93
Diluted earnings per share from continuing operations (in euros)	0.59	-4.87
Basic earnings per share from discontinued operations (in euros)	-	6.44
Diluted earnings per share from discontinued operations (in euros)	-	6.32

(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.

NOTES ON CHANGES IN CASH POSITION

NOTE 20. ACQUISITION OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

In millions of euros	H1 2015	H1 2014
By Bureau Veritas	86.4	64.4
By Constantia Flexibles	25.9	-
By Cromology	7.8	10.0
By Stahl	10.8	3.7
By Oranje-Nassau Développement ⁽¹⁾	180.7	153.1
By Wendel and holding companies	0.3	1.8
Total	311.9	233.0

(1) Includes €175.7 million of vehicles purchased for leasing by Parcours in the first half of 2015, compared with €148.5 million in H1 2014.

NOTE 21. DISPOSAL OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Disposals of property, plant & equipment and intangible assets included principally €39.3 million in sales of Parcours' second-hand vehicles (€39.6 million in H1 2014).

NOTE 22. ACQUISITION OF EQUITY INVESTMENTS

In millions of euros	H1 2015	H1 2014
CSP Technologies ⁽¹⁾	184.1	-
Constantia Flexibles ⁽¹⁾	1,337.1	-
Participation in IHS capital increase	97.1	145.4
Other acquisitions by Wendel and its holding companies	8.9	21.9
By Bureau Veritas ⁽²⁾	52.3	493.2
By Cromology	0.9	0.1
By Stahl	-	76.6
Total	1,680.3	737.2

(1) For details of the CSP Technologies and Constantia Flexibles transactions, see note 2, "Changes in scope of consolidation".

(2) In the first half of 2015 Bureau Veritas carried out several acquisitions (see note 2, "Changes in scope of consolidation").

NOTE 23. DIVESTMENTS

In millions of euros	H1 2015	H1 2014
Sale of Saint-Gobain shares	-	1,007.7
Sale of Bureau Veritas shares ⁽¹⁾	975.1	-
Divestment by Materis of Kerneos and Parex	-	922.1
Other	-	0.3
Total	975.1	1,930.0

(1) See note 2, "Changes in scope of consolidation" with respect to Bureau Veritas.

NOTE 24. IMPACT OF CHANGES IN SCOPE OF CONSOLIDATION AND OF OPERATIONS HELD FOR SALE

In the first half of 2015, this line item comprised assets that entered the scope of consolidation of Constantia Flexibles and CSP Technologies.

In the first half of 2014, this item comprised €17.7 million relating to the entry of Bureau Veritas subsidiaries into the scope of consolidation and €-46.8 million relating to the reclassification of cash and cash equivalents of the Parex and Chryso divisions of Materis into "Assets and operations held for sale".

NOTE 25. CHANGES IN OTHER FINANCIAL ASSETS AND LIABILITIES AND OTHER

As of June 30, 2015, this line item reflected principally the €-136.1 million impact of unwinding the Saint-Gobain puts.

As of June 30, 2014 this line item reflected primarily the €60 million loan granted to Kerneos when it was sold by Materis.

NOTE 26. DIVIDENDS RECEIVED FROM EQUITY-ACCOUNTED INVESTMENTS AND UNCONSOLIDATED COMPANIES

The €85.0 million dividend received from Bureau Veritas was eliminated upon consolidation (€108.1 million in H1 2014). The €81.6 million dividend from Saint-Gobain (post-closing) was received in July 2015.

NOTE 27. CONTRIBUTION OF NON-CONTROLLING SHAREHOLDERS

As of June 30, 2015, this line item reflected principally the €240 million investment of the H. Turnauer Foundation in the acquisition of Constantia Flexibles (see note 2, "Changes in scope of consolidation").

NOTE 28. NET CHANGE IN BORROWING AND OTHER FINANCIAL LIABILITIES

Details of financial debt are shown in note 12, "Financial debt".

In millions of euros	H1 2015	H1 2014
New borrowings by:		
Wendel - bond issue	500.0	400.0
Bureau Veritas	259.6	693.5
Constantia Flexibles ⁽¹⁾	1,092.8	-
Cromology	14.1	75.6
Stahl	-	260.8
Oranje-Nassau Développement ⁽²⁾	385.9	222.2
	2,252.3	1,652.1
Borrowings repaid by:		
Wendel – repurchase of bonds	-	60.7
Financing of Saint-Gobain shares	-	425.0
Bureau Veritas	68.8	52.1
Constantia Flexibles ⁽¹⁾	558.3	
Cromology	7.1	975.3
Stahl	33.9	176.3
Oranje-Nassau Développement ⁽²⁾	304.1	192.8
	972.2	1,882.2
Total	1,280.0	-230.1

(1) These amounts corresponded to the new financing implemented for Constantia Flexibles when it was acquired by Wendel and the repayment of the previous financing (see note 2, "Changes in scope of consolidation" related to Constantia Flexibles).

(2) These amounts included €225.3 million in operating loans at Parcours and €175.9 million in borrowings repaid. These loans financed the company's fleet of vehicles leased out to customers. These amounts also included €151 million in drawdowns under the financing implemented for CSP Technologies when it was acquired and €118 million in repayment of the previous financing (see note 2, "Changes in scope of consolidation" related to CSP Technologies).

OTHER NOTES**NOTE 29. OFF-BALANCE-SHEET COMMITMENTS**

As of June 30, 2015, there were no commitments likely to have a significant impact on the Group's financial position, other than leases mentioned below (see note 34-7 on leasing in the 2014 consolidated financial statements, page 251).

Note 29 - 1. Collateral and other security given in connection with financing

	6/30/2015	12/31/2014
(i) Pledge by Constantia Flexibles 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 Constantia Flexibles group.	1,291.9	-
(ii) Pledge by Cromology 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 Cromology group.	286.8	281.4
(iii) 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.	250.1	265.4
(iv) Security given by Parcours group entities under its bank borrowing arrangements, including the financed vehicles and the lease payments received. Pledge of certain bank accounts and trade receivables.	528.7	484.0
(v) Pledge by CSP Technologies 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 CSP Technologies group.	157.2	-
(vi) 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. Note that Wendel provided a first-demand guarantee of €15 million in favor of the banks	41.8	46.1
(vii) Pledge by Nippon Oil Pump 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 Nippon Oil Pump group.	32.0	32.8
(viii) Commitment given to Blackstone by certain Wendel Group holding companies in relation to the acquisition of Allied Barton (equity commitment letter). In this context, Wendel has committed to capitalize these same companies in order to uphold the commitments set forth in the equity commitment letter. See note 29-5 "Acquisition and investment commitments"	732.9	-
(ix) Pledge of listed shares in connection with financing subject to margin calls	-	-
(x) Pledge of cash in connection with financing subject to margin calls	-	-
Total	3,321.5	1,109.7

Note 29 - 2. Guarantees given as part of asset sales

Guarantees given in connection with the sale of the Kerneos, Parex, and Chryso divisions of Materis, and 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 Energie's oil & gas activities in 2009 and expiring in May 2016 were limited to a theoretical maximum of €240.0 million as of June 30, 2015. There were no guarantees of environmental risks or site remediation costs connected with the divestment. No claim with respect to these warranties has been received to date.

No provisions have been recognized for these guarantees.

Note 29 - 3. Guarantees received in connection with asset acquisitions

Guarantees received in connection with the acquisition of Parcours, Mecatherm, IHS, Constantia Flexibles, CSP Technologies and Saham cover standard warranties as well as tax risks and risks of employee-related costs up to a total of €279 million as of June 30, 2015.

Note 29 - 4. Off-balance-sheet commitments given and received related to operating activities

	6/30/2015	12/31/2014
Market counter-guarantees and other commitments given		
by Bureau Veritas ⁽¹⁾	385.0	370.2
by Materis	12.5	15.2
by Stahl	1.8	1.0
by Oranje-Nassau Développement (Mecatherm)	26.8	26.5
Total commitments given	426.1	412.9
Other commitments received ⁽²⁾		
	432.1	390.0
Total commitments received	432.1	390.0

(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

Parcours (Oranje-Nassau Développement) on its portfolio of lease contracts in force (€214.3 million with a term of less than one year, €217.8 million with a term of more than one year).

Note 29 - 5. Acquisition and subscription commitments

On June 30, 2015, Wendel announced that it had agreed with funds managed by Blackstone to acquire AlliedBarton Security Services, one of the largest suppliers of security officer services in the United States. As part of the proposed acquisition, Wendel will make an equity investment of approximately \$670 million, for a stake of around 96% in the company, alongside AlliedBarton's management team (see note 2, "Changes in scope of consolidation").

As part of this agreement, Wendel has committed to capitalizing the holding companies that will carry out the acquisition at around \$820 million in order to enable them to meet their obligations.

The Group also committed to investing \$31 million in Oranje-Nassau Développement's indirect investments; \$12 million were invested as of June 30, 2015.

Note 29 - 6. Shareholder agreements and co-investment mechanisms

As of June 30, 2015, the Wendel Group was party to several agreements governing its relationships with the co-shareholders in its unlisted companies, including minority investors (Constantia Flexibles, Materis, IHS, and Stahl), majority shareholders (Saham), and subsidiary managers having taken advantage of programs enabling them to share in their company's performance (CSP Technologies, 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.

The Constantia Flexibles, Stahl and Saham shareholder agreements also contain the following terms:

- Between 2020 and 2023, the H. Turnauer Foundation, which manages the interests of the founding family of Constantia Flexibles, has the option to request an IPO or a repurchase of shares through a refinancing of the group, in the aim of ensuring the liquidity of its investment as a priority. If such an event does not occur, the H. Turnauer Foundation can exercise a put option granted to it by Wendel to sell half of its initial investment at market value, payable in two tranches in cash or in Wendel shares, at Wendel's option. This

commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;

- Stahl's 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. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;
- Clariant, minority shareholder in Stahl since the acquisition of Clariant Leather Services, benefits from a medium-term liquidity guarantee granted by Wendel to Clariant in an amount determined by a predefined margin multiple. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;
- in Saham, the majority shareholder of Saham has the option to buy back the whole of Wendel's investment in Saham until 2018 (at a price guaranteeing a minimum IRR of 15% for Wendel).

Shareholder agreements with senior managers of the subsidiaries (CSP Technologies, Materis, Stahl, Parcours, Mecatherm, and NOP) also contain terms relating to:

- the handling of executive departures (commitment to sell shares to the Group 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 Group's investment, depending on the agreement).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 4-2 to the 2014 consolidated financial statements 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) takes place before certain predetermined dates, the Wendel Group can be required to buy back the shares held by managers of CSP Technologies, Materis, Stahl, Parcours, Mecatherm, and NOP. The value applied to these liquidity commitments is 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, Saham, CSP Technologies, and Constantia Flexibles (see note 4-1 to the 2014 consolidated financial statements, related to the participation of Wendel managers in the Group's investments).

As of 30 June 2015, based on the investment values used to calculate NAV or based on pricing formulas in the agreements:

- the value of pari passu investments made under the same risk and return conditions as Wendel by all co-investing non-controlling interests and co-investing managers of Wendel and its subsidiaries benefiting from liquidity rights was €317 million (including amounts related to minority puts on Constantia Flexibles and Stahl; see note 9, "Financial assets and liabilities");

Notes

- the value of the portion of non *pari passu* investments of co-investing managers of Wendel and its subsidiaries, i.e. investments having dilutive effects on Wendel's ownership interest, was €125 million.

In accordance with accounting principles relating to minority puts and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€303 million).

In July 2015 (post-closing), the managers of Materis exercised part of their liquidity rights, the amount of which had been provisioned in Wendel's 2014 consolidated financial statements.

Co-investment and liquidity commitment values vary with the value of each investment. As a result, they may be lower, higher or nil in future fiscal years.

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 30. SUBSEQUENT EVENTS

None.

Statutory Auditors' Report

STATUTORY AUDITORS' REVIEW REPORT ON THE 2015 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review 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,
WENDEL
89, rue Taitbout
75009 Paris

In compliance with the assignment entrusted to us by your General Shareholders' Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Wendel, for the six months ended June 30, 2015;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Executive Board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to Note 7-4 "Impairment tests on equity-accounted investments" to the condensed interim 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 June 30, 2015, 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 the normative profitability taken into account for the computation of cash flows beyond the five-year business plan.

II. Specific verification

We have also verified the information given in the interim management report on the condensed interim financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, September 9, 2015

The Statutory Auditors
French original signed by:

PricewaterhouseCoopers Audit

ERNST & YOUNG Audit

Etienne Boris

Jean Bouquot

Certification

The Chairman of the Executive Board

Certification

I hereby certify, that to the best of my knowledge, the condensed consolidated financial statements for the first half of the year 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 accompanying interim management report presents a true and fair picture of the important events that occurred during the first half of the year, their impact on the financial statements and the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Paris, September 9, 2015.

Frédéric Lemoine

English version: Traduction financière et économique sarl "Trafine"

"The English language version of this text is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation."