

31% increase in net income from subsidiaries, Group share, in the first half of 2008

- Rise in net income for all the Group's subsidiaries and equity holdings
- Net income from subsidiaries, Group share: €238 million, up 31%
- Net income, Group share: €314 million
- Net sales: €2.7 billion, up 16%

“Wendel’s first half 2008 results reflect the solid performance of Wendel’s subsidiaries and equity holdings. The strong growth in net income in a more uncertain economic environment validates our investment strategy in diversified and high quality assets. This strategy coupled with a strict financial policy enables us to be well positioned to deal with current conditions and to pursue Wendel’s development of long term value creation for all.”

Jean-Bernard Lafonta, Chairman of the Executive Board

Increase of net income from subsidiaries, Group share, for the tenth half year in a row: +31%

Net income from subsidiaries, Group share, totaled €238 million, representing an increase of 31% compared with the first half of 2007. Non-recurring income in the period stood at €62 million.

Altogether, net income, Group share, totaled €314 million.

Net income from subsidiaries

(millions of euros)	June 2007	June 2008	Δ
Bureau Veritas	92.7	111.0	
Saint-Gobain	-	67.1	
Legrand	67.9	75.6	
Materis	32.0	32.6	
Deutsch	1.2	17.7	
Stallergènes	9.8	12.0	
Stahl	0.1	3.6	
Editis	4.9	-5.3 ⁽²⁾	
Oranje-Nassau	30.0	42.3	
Subtotal	238.6	356.6	
Operating expenses	(14.3)	(19.0)	
Tax	12.9	(0.2)	
Finance costs	(37.7)	(34.3)	
Subtotal	(39.1)	(53.5)	
Net income from subsidiaries ⁽¹⁾	199.5	303.1	
Net income from subsidiaries, Group share ⁽¹⁾	182.0	238.4	+31%
Non-recurring items	62.0	62.3	
Total net income	261.5	365.3	
Net income, Group share	243.2	313.8	

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

⁽²⁾ Editis, which was sold in May 2008, was accounted for over a period of five months in 2008

Increase in net income of all the Group's subsidiaries and affiliates

All of the Group's subsidiaries and affiliates increased their contribution to net income from subsidiaries in the first half of 2008, as a result of the work accomplished in terms of both operational optimization and targeted external growth.

Bureau Veritas: Upgraded forecasts

In the first half of 2008, Bureau Veritas, the world leader in assessment and certification services, reported net sales of €1.2 billion, up 24%, or up 29% on a constant foreign exchange basis. Adjusted operating income rose 28.1% to €180 million in the first half of 2008 versus €141 million in the same period of 2007. This increase was due to the improvement in adjusted operating income in six of the eight divisions. In the first half of 2008, the adjusted operating margin improved by 50 basis points to 15% of net sales.

In the first half of 2008, Bureau Veritas acquired 12 companies representing additional annual net sales of almost €160 million. In particular, the Group created a new business line in the field of laboratory testing of minerals by acquiring the Chile-based Cesmec and the Australian leader in the minerals testing businesses, Amdel.

Net income, Group share, totaled €106.5 million, up 28% compared with the first half of 2007.

On the basis of the good performance it reported in the first half, Bureau Veritas has just upgraded its prospects for growth in net sales and adjusted operating income for the year 2008.

Saint-Gobain: Amplification of cost reduction programs (equity method)

Consolidated net sales of Saint-Gobain, world leader in the habitat and construction markets, totaled €22.1 billion in the first half of 2008, up 4.9% at constant exchange rate vis-à-vis the first half of 2007.

Operating income was €2.0 billion, and the group's operating margin stood at 9.1% of net sales versus 9.6% in the first half of 2007. Profitability improved in France and in the Asia and emerging countries segment, partly offsetting the slowdown reported in the other Western European countries and in North America.

In this environment, the group decided to amplify the cost reduction programs it launched in the second half of 2006 in the United States, and in certain European countries at the end of 2007. As a result, €300 million in additional savings will be achieved in 2008, representing a reduction in costs of €435 million on a full year basis.

Net income was €1.1 billion, representing an increase of 3.2% over the first half of 2007.

For the whole year, Saint-Gobain targets a level of operating income, on a constant foreign exchange basis, and a level of net income close to the results reported for 2007.

Legrand: Sustained margins (equity method)

Consolidated net sales of Legrand, the global specialist in products and systems for electrical installations and information networks, increased by 3.4% to €2.2 billion in the first half of 2008, compared with €2.1 billion in the first half of 2007.

Adjusted operating income stood at €404 million and represented 18.7% of sales, a level of margin comparable to the first half of 2007.

Such a performance illustrates the capacity of Legrand for resistance and adaptation, as it adjusted its cost base and took advantage of its leading positions to fully offset the rise in price of raw materials and components.

Net income, Group share, rose 19% to €233 million (almost 11% of net sales).

In a more than anticipated difficult market environment, Legrand targets growth in sales of almost 7% in 2008, excluding the impact of foreign exchange fluctuations, and confirms its objective to achieve an adjusted operating margin close to that reported for 2007.

Materis: Dynamism of emerging countries

Materis, the leader in specialty chemicals for construction (paints, mortars and admixtures), reported net sales of €964 million, up 5% compared with the same period in 2007. Organic growth was 4%. The dynamism of emerging countries and the good performance of European markets offset the slowdown in the American and Spanish markets.

Adjusted operating income was stable, in line with forecasts, at approximately €120 million. This achievement was the result of Materis' capacity to pass through to its customers the rise in the absolute value of raw materials (bauxite) and the brunt of the increase in energy and logistics costs.

Materis pursues its strategy of targeted acquisitions in profitable markets and in the first half of 2008 acquired €20 million in additional annual net sales. Materis strengthened its financial capacity with an additional credit line of €175 million.

Net income totaled €32.6 million, comparable to the €32 million reported for the first half of 2007.

Deutsch: Successful integration strategy

Net sales in the first half at Deutsch the world leader in high-performance connectors totaled \$362 million, with strong organic growth of 11%.

Adjusted operating income increased by 68% to \$75 million. The operating margin soared 570 basis points. This performance reflects the strategy of integrating Deutsch's different operating entities, leading in particular to the reorganization of the two main divisions, a refocus of activities, and the introduction of management tools and strict monitoring of operations.

Net income, which stood at \$1.7 million in the first half of 2007, rose sharply in the first half of 2008 to \$27 million (€17.7 million).

Stallergènes: Forecasts upgraded

With net sales of €87 million, business in the first half at Stallergènes, the world leader in sublingual immunotherapy, increased by 16% over the first half of 2007, which had already recorded particularly strong growth (17%). Operating income before R&D rose from €26.6 million to €32.1 million, up 21% from the previous year. Net income, Group share, increased in comparable proportions to €12 million in the first half of 2008.

As market authorization was granted for Oralair® grass-allergy tablets on June 24, Stallergènes begins to sell adult doses in Germany. The laboratory has also submitted a request to conduct clinical studies (IND) on Oralair® grass-allergy tablets in the United States in July.

This very solid first half of 2008 enables the company to upgrade its forecast for growth in net sales for the year by targeting growth of at least 12% in 2008. This outlook is backed by the growing success of its sublingual treatment, an area in which Stallergènes continues to reinforce its leadership.

Stahl: Acceleration of development initiatives

(equity method)

Net sales in the first half of Stahl, world leader in high performance finishing for leather, textile and related products was €164 million, up 6% with strong organic growth of 9.4%. Stahl fully benefits from the initiatives launched in 2007. Net income totaled €3.6 million in the first half.

These increases are the result of the development of sales in Asia and of gains in market share, development in leather finishes and high-performance coatings. Stahl, the world leader in finishing products for leather and high-performance coatings, also benefits from cost reduction initiatives.

Oranje-Nassau: Strong growth in a profitable segment

Net sales of Oranje-Nassau, the investment company specialized in oil and natural gas, totaled €191 million, rising sharply 65% compared with the first half of 2007. This change is linked to the rise in the price of oil and the 18% increase in the production of natural gas and oil (3.2 million boe).

Net income at Oranje-Nassau was up 41% in the period to €42.3 million, versus €30 million in the first half of 2007.

Wendel's net asset value

Wendel's net asset value reached €80 per share at the end of August 2008.

Unlisted investments are valued by applying the stock exchange capitalization multiples of similar companies. Listed companies are valued on the basis of the average closing price in the last 20 business days.

Solid financial structure

Wendel successfully increased its Saint Gobain non recourse financings (with margin calls) by one year, bringing the maturities of those financings to 2011-2013 in line with Wendel's policy as long-term shareholder.

Standard and Poor's recently confirmed Wendel's long- and short-term ratings of BBB-/A3, negative outlook. These ratings reflect Wendel's strong liquidity and the consistency between the Group's financial policy and its strategy as a long-term investor.

Thanks to its solid financial base, its historically high level of liquidity and the quality and performance of its assets, Wendel is well positioned to deal with market uncertainties and maintains the same long term objectives for 2012.

Wendel staff news

New arrival:

Anne-Lise Bapst takes charge of the Group's Corporate Communications.

She is a graduate of the Institut d'Etudes Politiques de Paris, and has a graduate degree (DEA) in Finance. She also holds a SFAF degree.

Anne-Lise Bapst was in charge of Corporate Communications at the ABN-Amro France group (Banque de Financement et d'Investissement and Banque Privée Neufilze OBC) since 2000; she held the same position at the Commission des Opérations de Bourse, which she joined in 1989.

Anne-Lise Bapst will join the Wendel team on September 1, 2008.

Company promotions:

Stéphane Bacquaert, Olivier Chambriard and David Darmon have been promoted to the position of Managing Director.

Since his arrival in August 2005, Stéphane Bacquaert has contributed to the success of many files, in particular the acquisition of Materis and, more recently, to the success of Bureau Veritas' IPO.

Olivier Chambriard, who joined the Group in April 2002, contributed to the development of Eritis and successfully organized the sale of this equity holding.

Since his arrival in July 2005, David Darmon has worked on many files, especially the acquisition and rapid development of Deutsch.

Patrick Bendahan, who came to work for Wendel in October 2006, has been promoted Director with executive responsibility for Materis.

Calendar

November 6, 2008: Third quarter net sales

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