

WENDEL Investissement has entered into a definitive agreement to acquire the Deutsch group

WENDEL Investissement has entered into a definitive agreement to acquire the Deutsch group, a world leader in the field of high performing connectors used in aeronautics, defense, heavy vehicles and oil exploration.

The closing of the transaction remains conditional upon the approval by the CFIUS (Committee on Foreign Investment in the United States) and by the US, French and German competition authorities.

The Deutsch group, founded in the United States in 1938, is present in 25 countries around the world, its main markets being the United States, France and Great Britain. With a global turnover of 500M\$ in 2005, it employs 3,500 people worldwide, through ten production sites, of which three are located in France. In recent years, Deutsch's innovation and client-focused dynamism led to a 15% annual organic growth rate.

The total cash consideration for 100% of the Deutsch group's share capital and assets stands at 1,040 M\$. In this transaction, WENDEL Investissement will inject 350 M\$ in equity in the holding company set up for the acquisition of the Deutsch group and will hold a 89% participation in it, with the management team owning the remainder.

WENDEL's investment strategy is to support a high-performing management team with a strong corporate culture, to implement sales and marketing synergies across the subsidiaries and to accelerate the growth and the development of the group.

Jean-Bernard Lafonta, Chief Executive Officer of WENDEL Investissement, states that "the acquisition of the Deutsch group represents a significant milestone for WENDEL, as it confirms our willingness to extend our investment strategy abroad".

After the transaction, Deutsch group will represent around 5% of WENDEL Investissement's gross asset value, and WENDEL's leverage ratio^(*) will stand at 20% post acquisition of Materis, post Legrand IPO and dividend payment by WENDEL.

WENDEL Investissement is an investment firm listed on Euronext Paris (premier marché). It makes investments of more than 100 M€ in industrial and service companies and implements long-term growth and development strategies in partnership with management teams. Its main investments include Legrand (a 5 B€ LBO in 2002 alongside KKR), Bureau Veritas (2 B€ enterprise value in 2004), Editis (0.7 B€ in 2004) and Materis (2.1 B€ enterprise value in 2006). WENDEL Group was founded in 1704 and is still controlled by the founding shareholders (the Wendel Families), who today collectively own 35% of WENDEL Investissement. www.wendel-investissement.com.

For this transaction, WENDEL Investissement has been advised by Lazard Frères, Linklaters, O'Melveny & Myers, Ernst & Young, Bain & Company, Environ and Aon.

The financing is provided by the Royal Bank of Scotland and JP Morgan.

The Deutsch group has been advised by Houlihan Lokey Howard & Zukin and Jones Day.

() Financial debt minus cash of WENDEL Investissement and holding companies, excluding those whose debt is without recourse on WENDEL Investissement, divided by gross asset value; treasury shares are included in the gross asset value.*

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