

Solid and improved performance in 2008 Jean-Bernard LAFONTA leaves the company

- **Sales: +15%**
- **Net income from subsidiaries, Group share: +10%**
- **Ordinary dividend proposed: €1**

"The performance achieved by Wendel in 2008 despite a challenging environment, is further evidence of the resilience of the Group's growth model and the quality of its companies, which have all made significant efforts toward adaptation. In 2009, Wendel will maintain and intensify the adaptation plans that has been implemented for the past 18 months, optimizing both operations of companies and the Group's financial structure. In this difficult environment, Wendel will focus on operational targets for 2009 and 2010. In the long term, the strengths of Wendel Group will enable it to continue to seize value-creating opportunities."

"I have made the difficult decision not to seek reelection to my position of chairman of the Executive Board of Wendel for another four years beyond the expiration of my current term in May 2009. Leading the Group in a difficult economic environment requires to enjoy the support from a unified family shareholders. I hope the Wendel family will be able to restore its unity, which is required for implementing strategic choices."

Jean-Bernard Lafonta, Chairman of the Executive Board

Rise in net income from subsidiaries, Group share, for the 11th consecutive half year

Wendel Group continued to achieve growth in a challenging environment, posting consolidated sales up 15% to €5,412 million. This performance was obtained with a balance between organic growth (averaging 7.6%) and external growth (7.5%). Net income from subsidiaries, Group share, reached €395 million, up 10% from 2007. Non-recurring items for the period constituted a loss of €292 million, as the result of the application of IFRS rules in this crisis environment, which led the Group to reduce the value of its assets by a total of €555 million.

Net income, Group share, totaled €158 million.

2008 consolidated sales

| (in millions of euros) | 2007 | 2008 | Δ |
|---|------------|------------|-------------|
| Consolidated subsidiaries | 501 | 636 | |
| Financing, operating expense and taxes | (93) | (117) | |
| Net income from business sectors ⁽¹⁾ | 408 | 519 | |
| Net income from subsidiaries (Group share) | 360 | 395 | +10% |
| Non-recurring income | 486 | (292) | |
| of which minority interests | (33) | (55) | |
| Net income, Group share | 879 | 158 | |

(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

Net income from business sectors 2008

| (in millions of euros) | 2007 | 2008 | Δ |
|---|-------------|--------------|--------------|
| Bureau Veritas | 189 | 242 | |
| Legrand | 129 | 138 | |
| Saint-Gobain | - | 99 | |
| Materis | 46 | 33 | |
| Stallergenes | 16 | 19 | |
| Deutsch | 10 | 32 | |
| Stahl | 3 | 0 | |
| Oranje-Nassau | 59 | 78 | |
| Editis ⁽²⁾ | 49 | (5) | |
| Sub-total | 501 | 636 | +27% |
| Overheads | (36) | (43) | |
| Management fees | 7 | 2 | |
| Income taxes | 12 | 0 | |
| Financing | (76) | (75) | |
| Sub-total | (93) | (117) | |
| Net income from subsidiaries⁽¹⁾ | 408 | 519 | +27% |
| of which minority interests | (48) | (124) | |
| Net income from subsidiaries (Group share) | 360 | 395 | + 10% |

Throughout 2008, Wendel worked extensively with Group companies to optimize operations, generating nearly €1.3 billion in total savings by reducing expenses, adjusting investments and optimizing cash management. The adjustment efforts made by each company have translated into solid, high-quality performance.

Bureau Veritas: Very strong growth exceeding estimates

In 2008, Bureau Veritas, the world leader in certification and verification services, posted sales of €2.5 billion, up 23% (27% at constant exchange rates). Adjusted operating income increased 24% to €388 million, versus €312 million in 2007. These results are considerably higher than the announced 15% growth at the beginning of the year. The adjusted operating margin, at constant scope excluding the impact of acquired companies, improved by 50 basis points, reaching 15.6% of sales. Net income, Group share, for Bureau Veritas was €217 million, up 37%.

During 2008, Bureau Veritas acquired 15 companies (notably in Australia, Chile and Peru), representing additional annual sales of nearly €150 million.

The Group enjoys a solid financial structure. The increase of its net debt, which totaled €908 million, was mainly attributable to acquisitions.

For 2009, Bureau Veritas will aim to maintain its operating margin. The Group will continue to adjust its cost structure and, to this respect, will reduce industrial investments to 2.5% of sales, down from 3.5% in 2008.

Saint-Gobain: Intensification of cost reduction programs

(Equity method)

Consolidated sales by Saint-Gobain, world leader in the habitat market, totaled €43.8 billion, up 3.7% at constant exchange rates.

Operating income was €3,649, million and the Group's operating margin represented 8.3% of sales, versus 9.5% in 2007. Group profitability improved, particularly in the "Asia and emerging countries" region, posting a margin of 10.5%. Net income totaled €1,914 million.

Saint-Gobain's significant efforts to make operational adjustments will be maintained and intensified in 2009, especially efforts to optimize sales prices, amplify cost reduction programs in all businesses (2008/09 target of €600 million and €1,000 million over two years), with particular attention being paid to cash management (€500 million reduction in industrial investments).

Saint-Gobain's net debt totaled €11,679 million. The Group anticipated future refinancing needs. The debt related to the Maxit acquisition was extended in October 2008 to October 2010, the group issued a total of €1.75 billion in the last six months.

Legrand: High reactivity and sustained adjusted operating margin

(Equity method)

The +1.8% increase in consolidated sales, for a total €4,202 million, achieved by Legrand, the world leader in products and systems for low-voltage electrical installations and information networks, demonstrates the Group's capacity for resilience. Recurring adjusted operating income was €746 million, accounting for 17.7% of sales, which represented a stable, high margin compared with 2007. Net income, Group share, excluding non-recurrent items linked to restructuring expense and exchange-rate gains/losses totaled €402 million, up 1.5%. Legrand's performance levels were facilitated by the implementation of rigorous, comprehensive action plans.

For 2009, Legrand targets an adjusted operating margin of between 14% and 16% of sales (excluding restructuring expenses), based on a 6% to 13% deceleration in business (on a like-for-like basis). The Group will adjust its cost structure and target a gross improvement of 4 points in its adjusted operating margin, of which half will be attributable to a reduction of fixed costs.

Legrand's financial structure features strong free cash flow (over 10% of sales for the fifth consecutive year). The group enjoys long-term financing.

Materis: Improvement in product mix and reduction in costs

Materis, leader in specialty chemicals for the construction industry (paints, mortars and admixtures), posted 2008 net sales of €1,867 million, up nearly 3%. Materis' organic growth rose to 1.6%, as a result of price increases, an improvement in the product mix and business growth in emerging market countries. Adjusted operating income stood at €214.6 million, with the margin differing by 1% because of industrial costs (purchases, production and logistics).

In 2008, Materis initiated a significant adaptation plan by increasing prices and improving the product mix (€67 million), cutting costs (€20 million) and optimizing cash flow (€26 million in asset sales). This program is being intensified in 2009 with savings of around €37 million plus €15 million in additional measures.

Materis' net debt increased by €16 million in 2008, including €25 million resulting from acquisitions.

Deutsch: Operating margin increased significantly

Net sales of Deutsch, world leader in high-performance connectors, totaled \$659.7 million, reflecting robust organic growth of 5%. Adjusted operating income rose by 44% to \$129 million. The operating margin increased by 450 basis points and was one of the highest in the sector.

In 2008, Deutsch initiated significant adaptation plans, involving in particular optimizing purchases and lean manufacturing. Adjustments were also made to the scope of consolidation. This strategy will be accelerated in 2009 and will be complemented by an adjustment to manufacturing systems.

Deutsch's net debt was stable at \$714 million despite acquisitions realized during the year.

Stallergenes: Excellent performance, 2008 targets surpassed

Net sales of Stallergenes, world leader in sublingual immunotherapy, totaled €170.9 million, an advance of 16.2% over 2007, a year in which the company had already experienced strong growth. Organic growth came in at 16%, with a marked increase in the fourth quarter. Operating income before R&D rose 18.5% compared with the previous year, from €49.1 million to €58.1 million. Net income (Group share) also increased, by 16.6%, to €19 million.

After obtaining a marketing authorization for Oralair® on June 24, 2008, Stallergenes launched the adult version of the product on the German market. The company also filed an application to conduct clinical trials (IND) on Oralair® in the United States.

Stallergenes' financial structure is sound, with net debt of €9.6 million, which will enable it to finance its future growth.

For 2009, Stallergenes aims to achieve top-line growth between 8% and 10% and operating profitability in excess of 15%.

Stahl: Efforts to adjust to adverse market conditions to be intensified (Equity method)

Net sales of Stahl, world leader in leather finishing products and high-performance coatings, totaled €296.3 million, down 4.8% (down 2.1% organically), with significant contraction in the fourth quarter. The group's adjusted operating margin was 13.2% of net sales.

In 2008, Stahl strengthened its financial structure by reducing debt by €20 million.

Oranje-Nassau: Production up sharply (+24%)

Net sales of Oranje-Nassau, a company specialized in the oil and gas sector, totaled €374 million (up 54%), driving net income up 32% to €78 million.

Oranje-Nassau has a sound financial structure with high net cash from operating activities (€153 million). This will enable the company to finance potential acquisitions.

Wendel's net asset value per share

In March 2009, the net asset value per share stood at €22.

Unlisted subsidiaries are valued by applying the market multiples of comparable listed companies and listed subsidiaries are valued at the average closing price of their shares over the 20 trading days preceding the valuation. Debt is valued at its nominal value.

Financial structure

During the course of 2008, Wendel continued to work toward increasing the Group's financial flexibility. In particular, the Group improved its financial structure by lengthening the maturity of its financing and optimizing its risk management. Specifically, non-recourse financing subject to margin calls, related to the investment in Saint-Gobain, was lengthened from 2010-2012 to 2011-2013. The investment in Saint-Gobain is around 40% hedged.

During the last 18 months, Wendel realized €2.3 billion in shareholder value through the sale of mature assets: sale of Neuf Cegetel and Oranje-Nassau's real-estate division in 2007; Bureau Veritas' IPO in 2007 and the sale of a 10% block in 2009; sale of Editis to Planeta in 2008.

At end-March 2009, the Group's liquidity was high: €1.9 billion.

As of December 31, 2008, all the companies of Wendel's portfolio were in compliance with their bank covenants.

Dividend:

A dividend of €1 per share will be proposed.

Wendel Group priorities for 2009:

Wendel intends to fully assume its role as responsible core shareholder. It has made commitments to its subsidiaries and will support their plans to adapt their operations to the particularly difficult economic situation with which they are faced. These action plans will be amplified to adjust to the continued deterioration in the economy.

These plans already total more than €1.5 billion for 2009.

The Group will also continue to optimize its financial structure by increasing the flexibility of its financings, refinancing ahead of time, and maintaining high balance-sheet liquidity.

Besides, renegotiation is underway or to be undertaken at Materis and Stahl in order to improve the terms of their financings.

The companies in the Group are not similarly exposed to the economic slowdown. Some, such as Bureau Veritas, Stallergenes and Oranje-Nassau, perform well across cycle. Others which are exposed to sectors that entered the downturn earlier will be able to take full advantage of the massive recovery plans launched by various governments.

Amid today's low visibility, the Group intends to focus on 2009-10 operating targets:

- strengthen subsidiaries' potential for rebound;
- maintain high level of liquidity, thereby affording high protection initially against market risks while making it possible to seize bottom-of-the-cycle opportunities;
- seek to continue creating value through arbitrage on the debt.

Jean-Bernard Lafonta leaves the company:

Jean-Bernard Lafonta has informed the Board of his decision, which indicated to the Chairman of the supervisory board a few weeks ago, not to seek re-election to his position of Chairman of the Executive Board in May 2009, and as a result, not to continue in his position at Wendel after the expiration of his current term.

The Supervisory Board has acknowledged his decision and takes the opportunity to reiterate that Mr. Lafonta's leadership over the last eight years has made it possible to build a group composed of sound companies that are leaders in their markets.

In addition, the redeployment of Wendel's balance sheet over the past 18 months has put the Group in a position to face unprecedented crisis.

The Supervisory Board reiterates its support for the investment in Saint-Gobain in which Wendel intends to remain a long-term shareholder.

2008

Conversion from accounting presentation to economic presentation

| <i>millions of euros</i> | Income from equity investments | Holding company costs | Non- recurring income | Consolidated Net income |
|---|--------------------------------------|-----------------------------|-----------------------------|------------------------------------|
| Operating income | 948 | (41) | (317) | 590 |
| Finance costs, net | (530) | (75) | (5) | (610) |
| Other financial income and expenses | (38) | (0) | 221 | 183 |
| Income tax expenses | (276) | (0) | 39 | (237) |
| Net income from equity method investments | 537 | 0 | (492) | 45 |
| Net income from subsidiaries before net income from operations held for sale | 641 | (117) | (554) | (29) |
| Net income from operations held for sale | (5) | 0 | 262 | 257 |
| Consolidated net income | 636 | (117) | (292) | 227 |
| Net income – group share | 124 | 0 | (55) | 69 |
| Net income, Group share | 512 | (117) | (237) | 158 |

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