



# INVESTOR DAY



# WENDEL



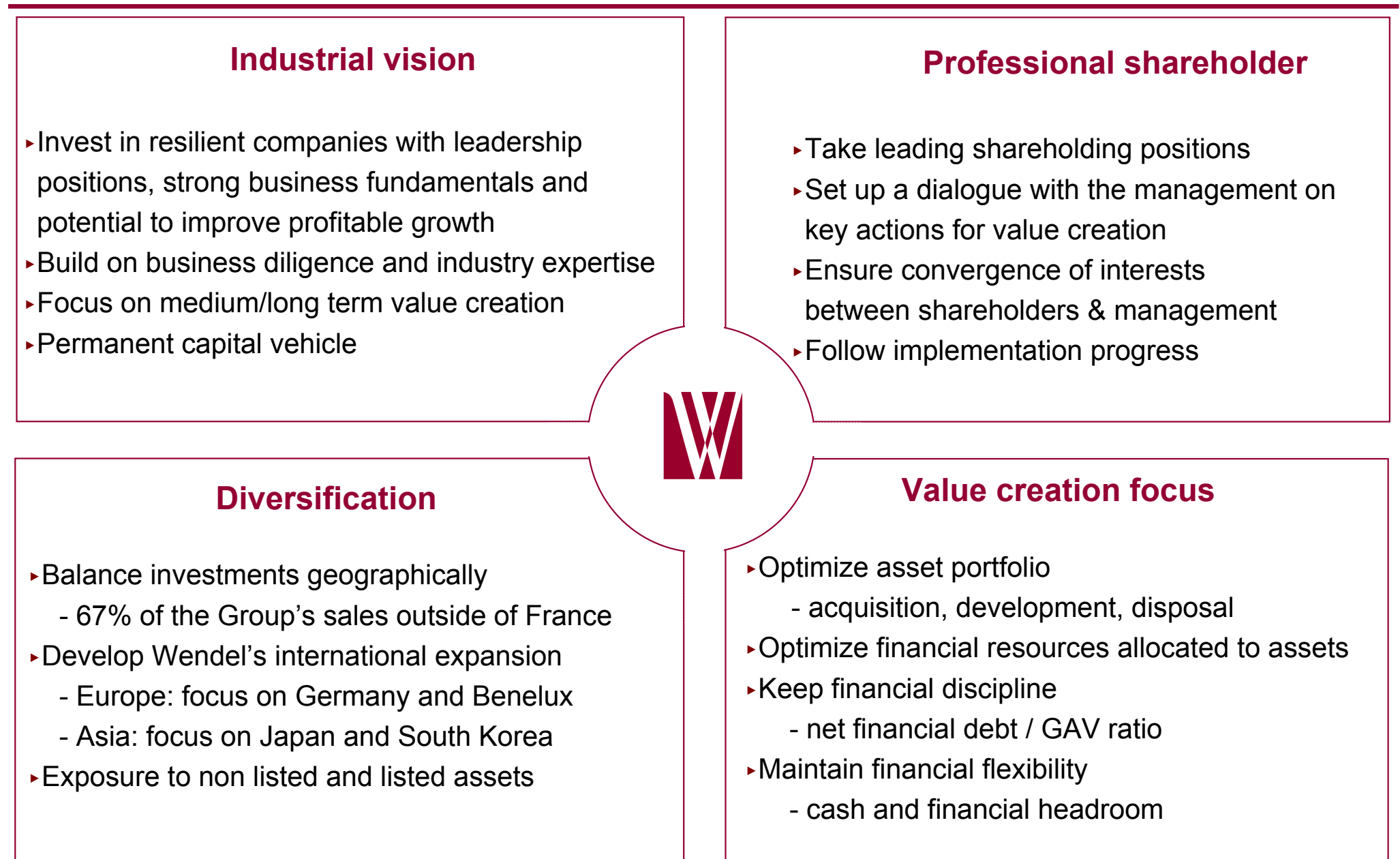
December 18, 2007

# Moving forward

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- ▶ Attractive business model
- ▶ Diversified & improved profile
- ▶ Sustainable value creation performance
- ▶ 2012 targets confirmed

# An attractive business model



# Outstanding performance

## Facts & figures

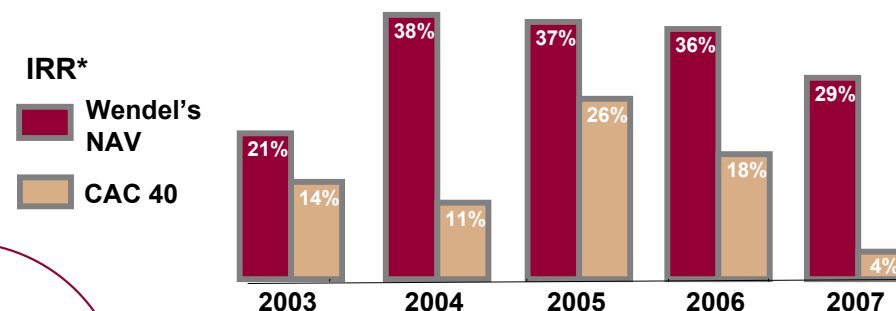
- ▶ One of the leading investment firms
- ▶ Net Asset Value<sup>(1)</sup>: **€6.7Bn**
- ▶ Net asset value growth: **+32%** / year<sup>(2)</sup>
- ▶ Share price performance: **+36%** / year<sup>(2)</sup>
- ▶ Revenues in the first 9 months of 2007: **€4Bn**, with 7% organic growth

(1) As of 7.11.2007

(2) Over the last 5 years

## Net Asset Value outperforms CAC 40 over the last 5 years

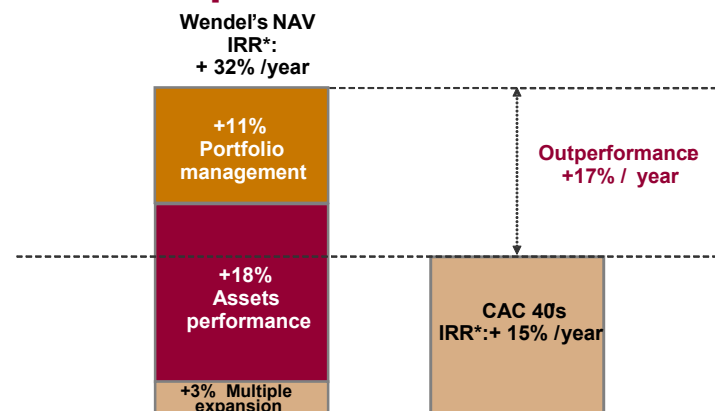
Wendel's NAV average IRR (+32%)  
is twice as strong as CAC 40's (+15%)



\* with the dividends distributed during the period and reinvested  
CAC 40: calculation based on average closing price of December



## Wendel's portfolio management drives superior value creation



\* Average IRR calculated from December 2002 to November 2007

## 2012 objectives\*

- ▶ Double Wendel's Net Asset Value
- ▶ Ensure an average increase of dividend of 15%
- ▶ Invest €3Bn in equity at the level of Wendel and €2Bn at subsidiaries level

\* As disclosed in December 2006

# Outstanding performance

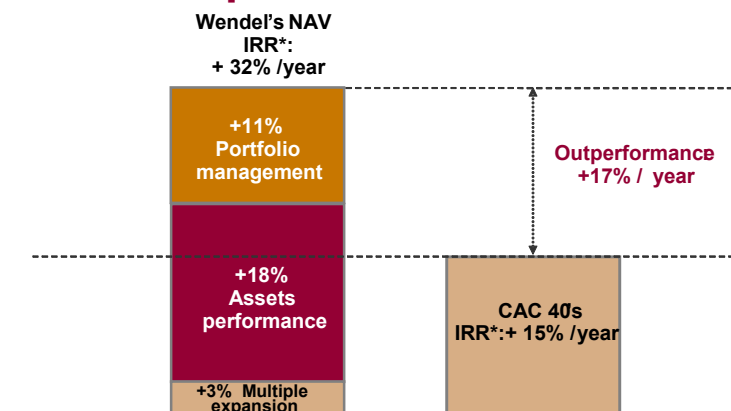
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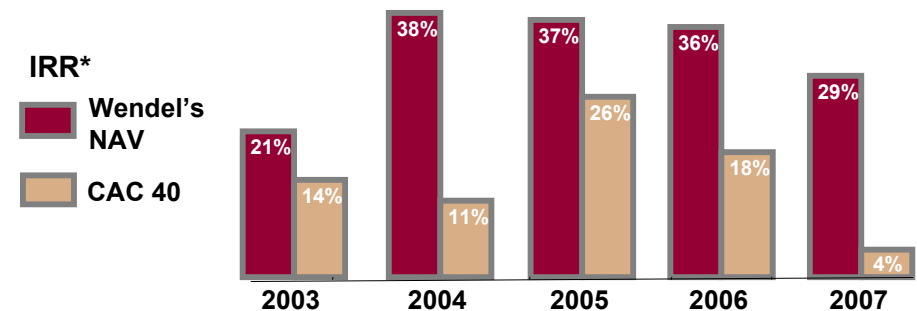
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# One of the best performing investors

	Share performance 5 years <sup>(1)</sup>	5 years CAGR <sup>(1)</sup>	Performance 2007 <sup>(1)</sup>	Market capitalization (€Bn) <sup>(1)</sup>
<b>WENDEL</b>	+364%	36%	-4%	5
Ratos 'B'	+334%	34%	+16%	2
Investor AB	+166%	22%	-8%	7
Eurazeo	+163%	21%	-7%	5
GIMV	+154%	21%	+2%	1
GBL	+127%	18%	-3%	14
SVG capital	+125%	18%	-2%	2
KKR PEI <sup>(2)</sup>	NS	NS	-19%	2

(1) Source: Datastream, as of 11/12/2007 – excluding dividends

(2) IPO in 2006

# Adapting to the current business environment

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- **Wendel's investment discipline over the last 18 months...**

- ▶ Decision not to participate in LBO acquisitions
- ▶ Focus on subsidiaries external / organic growth
- ▶ Wendel's team bolstered with senior international and operational people
- ▶ Highly successful IPO of Bureau Veritas
- ▶ Acquisition of a leading shareholder position in Saint-Gobain

- **...and rapid adaptation to a new transaction environment**

- ▶ A decrease of 68%\* of LBO between Q2 and Q3
- ▶ Large LBO credit markets might be closed for several quarters
- ▶ When large LBO markets reopen, leverage levels likely to be significantly lower with an improved risk / return

\* in value, worldwide - source UBS

# An experienced team with operational, industrial & financial skills

## Executive Board



## International Development Managing Directors



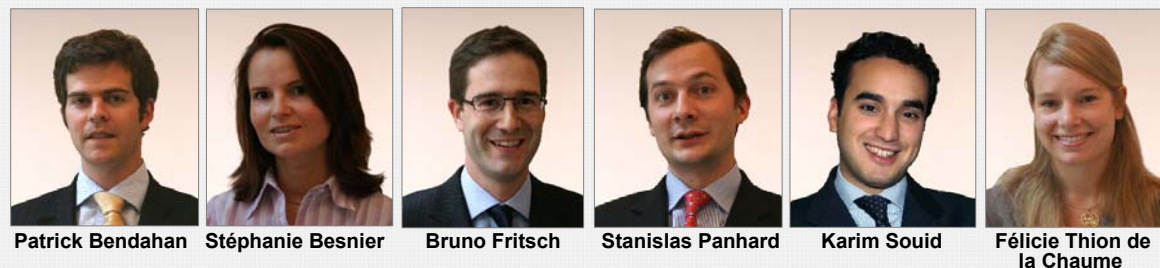
## Managing Directors



## Directors



## Associates



## Legal Affairs Arnaud Desclèves

## Tax Jean-Yves Hémary

## Accounting Jean-Michel Ropert

## Communication Christine Dutreil

## Corporate Secretary Jean-Michel Mangeot



# Wendel's team bolstered with senior, international & operational profiles

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Philippe Donnet  
Asia-Pacific

## International Development

**Philippe Donnet**, 47, Managing Director, in charge of investments in Asia-Pacific (Japan and South Korea)

Extensive operational and financial experience

Considerable knowledge of the Japanese-Asia-Pacific zone (CEO Axa). Responsible for the turnaround of Axa in Japan



Roland Lienau  
Germany

**Roland Lienau**, 46, Managing Director, in charge of investments in Germany

Long experience in German and European capital markets

Strong financial expertise in structuring operations and investment activities (Paribas, Managing Director of Deutsche Bank)



Gaël de la Rochère

## Operational & industrial skills

**Gaël de la Rochère**, 43, Managing Director

Significant managerial and financial experience in Europe and the rest of the World acquired at Schneider Electric (CEO Schneider Electric UK; CEO Schneider Electric High Voltage WW; VP M&A and Group Controller)



Patrick Tanguy

**Patrick Tanguy**, 47, Managing Director

A strong combination of consulting (former VP at Bain & Co) and operational experience as CEO of different industrial & service companies in France and Europe: Airborne/Steelcase, Dafsa, Hays-DX France, Technal, Monné-Decroix, and Prezioso-Technilor

# Supervisory Board with deep and broad experience

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- **An experienced Chairman, Ernest-Antoine Seillière**

- ▶ Outstanding experience in industrial, economic and political lobbying (BusinessEurope)\*
- ▶ Extensive business and industrial experience as former Wendel CEO and through many Board positions in blue chip companies

- **Independent members, with a strong international expertise in various business sectors**

**Béatrice Dautresme**, *Executive Vice President L'Oréal*; **Didier Cherpitel**, *Chairman of the Supervisory Board Atos Origin*; **Grégoire Olivier**, *member of the Executive Board PSA Peugeot*; **Jean-Marc Janodet**, *former Wendel CFO*

- **Family members with business experience, long term view and focus on the industrial strategy and development of the Group**

**Nicolas Celier**, *Manager FKO Invest BV*; **Edouard de l'Espée**, *CEO Calypso Asset Management*; **François de Mitry**, *CEO Intermediate Capital Group*; **François de Wendel**, *former CEO CCK Europe*; **Guy de Wouters**, *former Vice-President of Tractebel*

\*European Business Federation

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2007

# DEVELOPMENTS

# Active Group portfolio management

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## Monetization

### Bureau Veritas: **IPO** on October 24, 2007

- ▶ Full control maintained through a **64%** leading stake
- ▶ Market value of **€2.7Bn**
- ▶ Net proceeds of **€1.2Bn**
- ▶ Creates acquisition currency

## Acquisition

### Saint-Gobain: Acquisition of a **18%** leading stake

- ▶ **€1.5Bn** on own resources invested
- ▶ Sound industrial and investment rationale
- ▶ Wendel is the leading shareholder

## Close monitoring of assets under portfolio

### Accelerated development of subsidiaries

- ▶ Average organic growth<sup>(1)</sup>: **+7%**
- ▶ **30** acquisitions<sup>(2)</sup> / **€700M** invested

### Disposal of mature investments (**€0.2Bn**)

- ▶ Oranje-Nassau: sale of real estate assets
- ▶ Neuf Cegetel: sale of residual minority stake

(1) 9 months 2007

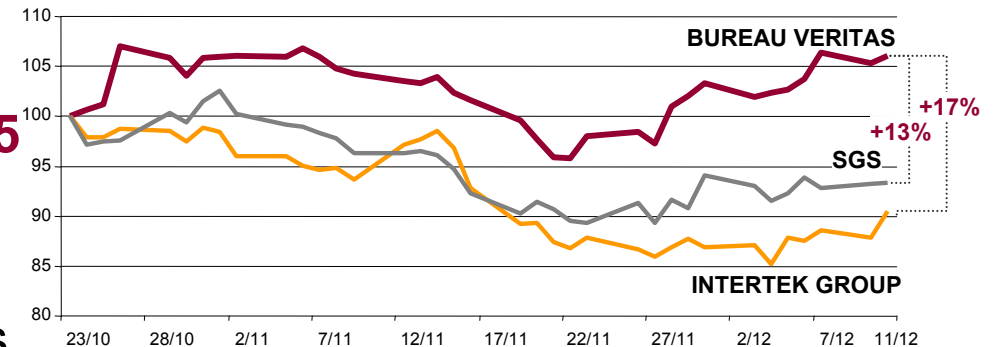
(2) Acquisitions since Jan 07

# Bureau Veritas

## Development through IPO

### ■ Successful IPO

- ▶ Right market timing for a listing
- ▶ IPO price at the top of the range: **€37.75**
- ▶ Total proceeds for Wendel: **€1.2Bn**
- ▶ Trading now at a premium versus peers



### ■ Wendel's position

- ▶ Remains the controlling shareholder with **64% (= €2.7Bn)**
- ▶ IRR since 2004 investment: **+46% / year**
- ▶ Invested **€630M** since 1995 (net of dividends received)

### ■ Ambition for the next five years

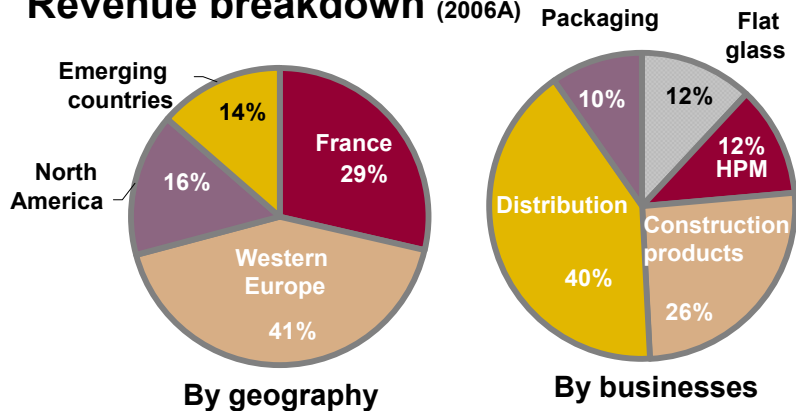
- ▶ **Double** the size of Bureau Veritas
- ▶ Increase net income by **15% to 20%** per year



# Saint-Gobain

## Meets Wendel's investment criteria

### Revenue breakdown (2006A)



#### Superior resilience

- High diversification in terms of businesses and geographies

#### Quality business model

- Leading domestic market positions
- High barriers to entry
- High quality management

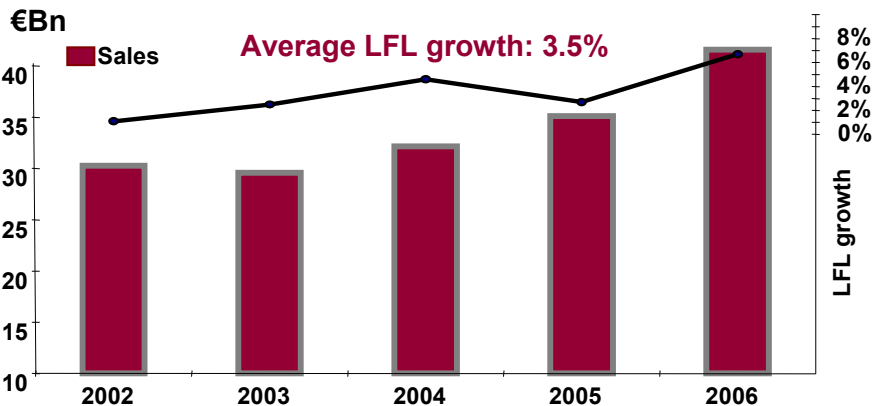
#### Attractive valuation

- < 7x LTM EBITDA, to be compared with private transactions before summer at 9 to 11x
- Anticipated return over 3 to 5 years based on Saint-Gobain's existing financial target above 12% without leverage

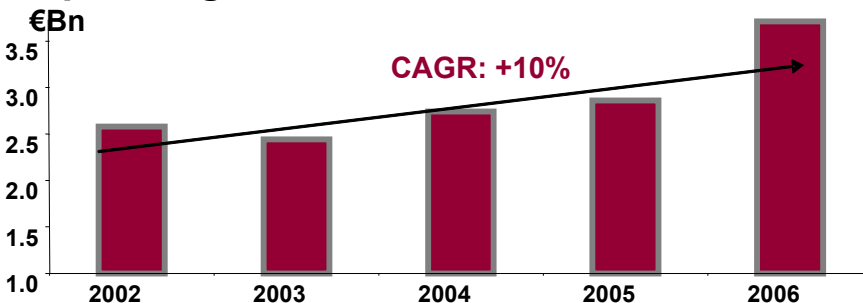
#### Acquisition of a leading stake

- Acquisition of 66.8m shares for €4.85Bn funded with €1.5Bn of own resources and with €3.35Bn non recourse debt

### Sales



### Operating income



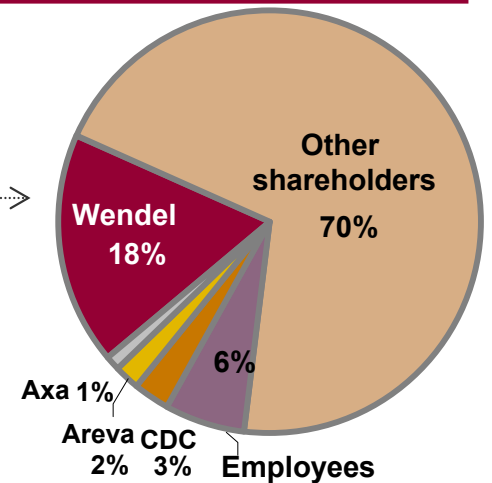
# Saint-Gobain

## Meets Wendel's investment criteria

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### Leading Shareholder

- ▶ Wendel is the leading shareholder
- ▶ Wendel supports Saint-Gobain plan and believes it can help in delivering superior value



### Growth potential

- ▶ Energy efficiency & environmental regulations
- ▶ Investments in emerging countries & selective acquisitions to improve annual organic growth **>5%**

### Improvement in operating performance

- ▶ Constructive dialogue with Saint-Gobain's management
- ▶ Significant operational upside identified by Wendel
- ▶ Wendel believes it will help Saint-Gobain's management to beat in the medium term its financial targets as communicated in July 2007

### Investment potential

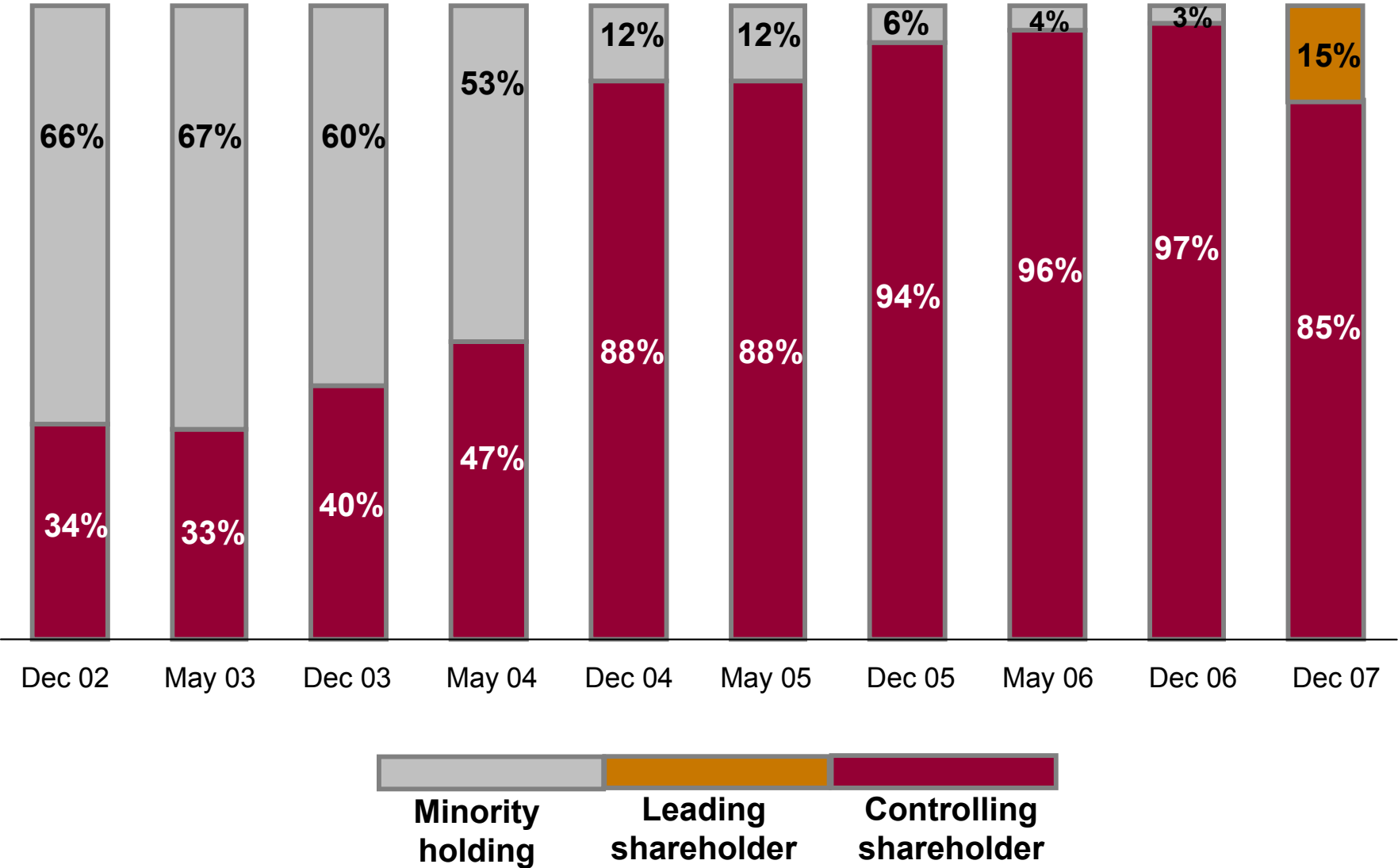
- ▶ Investment improves Wendel's Gross Asset Value diversification
- ▶ Targeted IRR above **15% / year**

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# CONSEQUENCES OF 2007 DEVELOPMENTS ON WENDEL'S PROFILE

# Enhanced control from 2002 to 2007

Control Level / % of assets\*

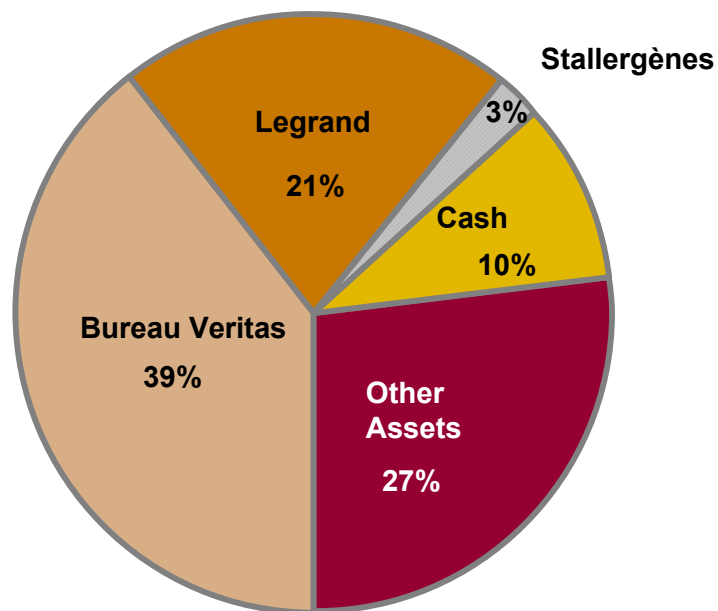


(\*) excluding WENDEL Treasury shares

# Enhanced diversification

## December 2006

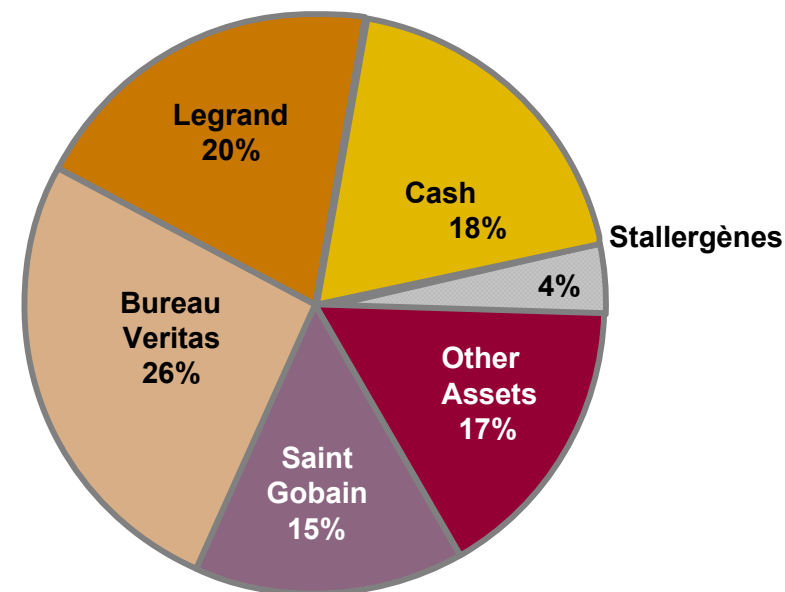
(Wendel's Gross Asset Value: €8.0Bn)



- Leading shareholder on **97%** of assets
- Controlling shareholder on **97%** of assets
- **2** assets represent **60%** of Gross Asset Value
- Net Debt<sup>(2)</sup> / GAV: **17%**
- Cash: **€0.8Bn**

## November 2007<sup>(1)</sup>

(Wendel's Gross Asset Value: €9.9Bn)



- Leading shareholder on **100%** of assets
- Controlling shareholder on **85%** of assets
- **3** assets represent **61%** of Gross Asset Value
- Net debt<sup>(2)</sup> / GAV: **18%**
- Cash: **€1.7Bn**

(1) As of 7.11.2007, pro forma of Saint-Gobain shares acquired until November 28, 2007

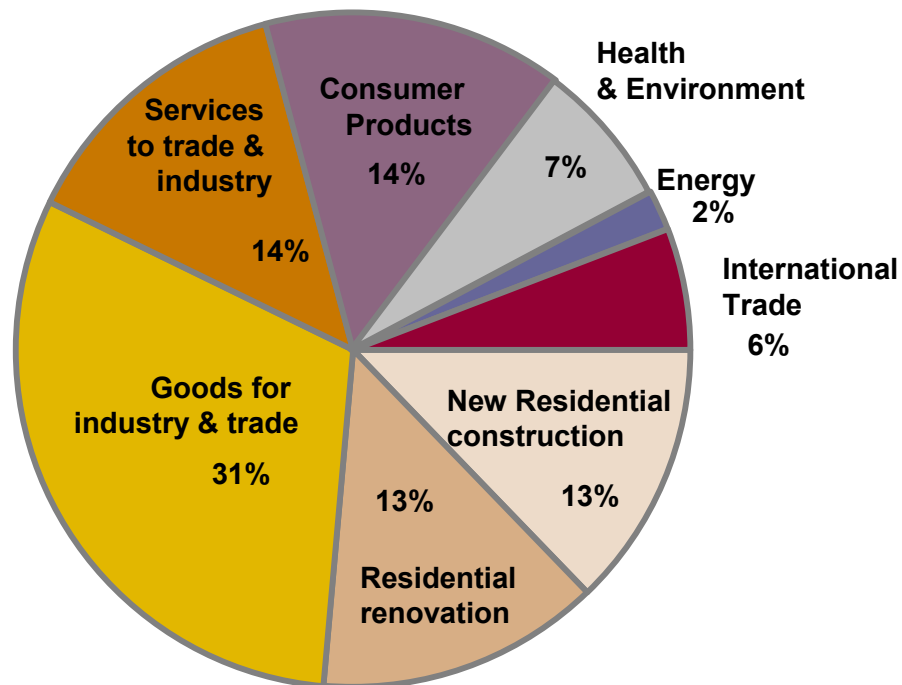
(2) Financial debt, minus cash of WENDEL and holding companies, excluding those whose debt is without recourse on WENDEL



# Balanced Group across end markets & geographic regions

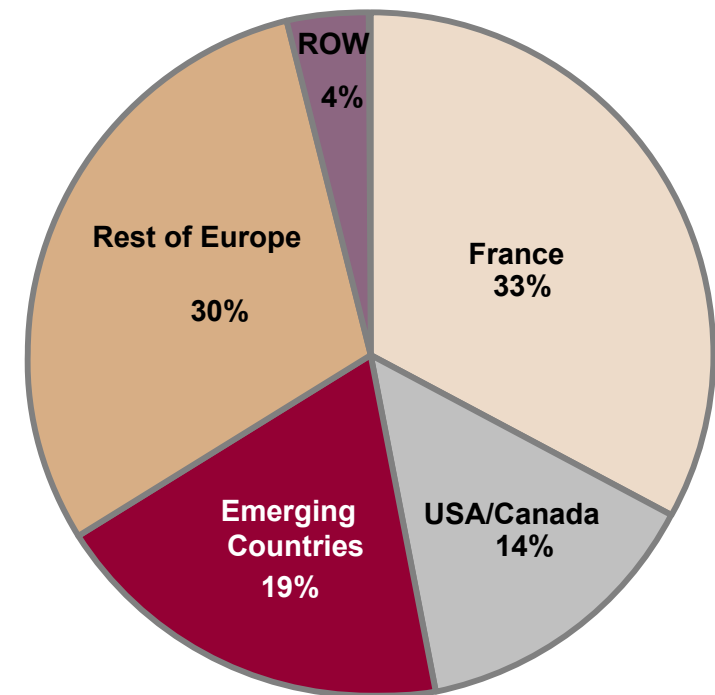
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## End markets



2006 End-markets EBITDA exposure\*

## Geographic breakdown

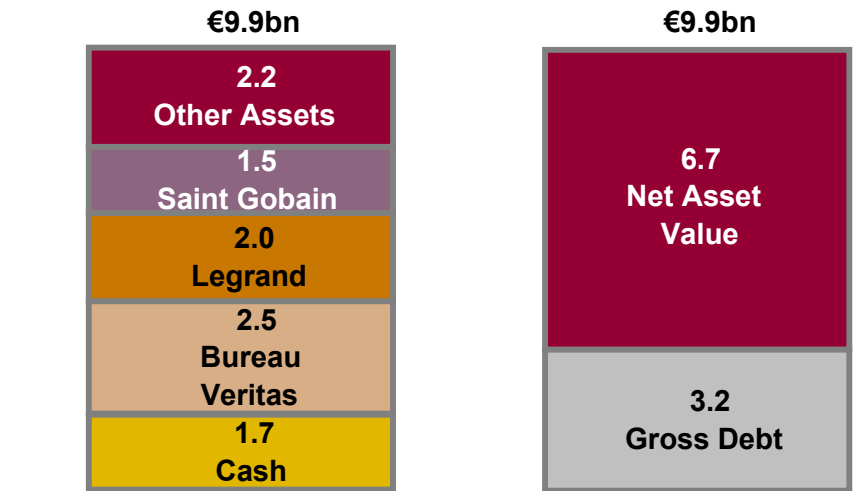


2006 revenue breakdown\*

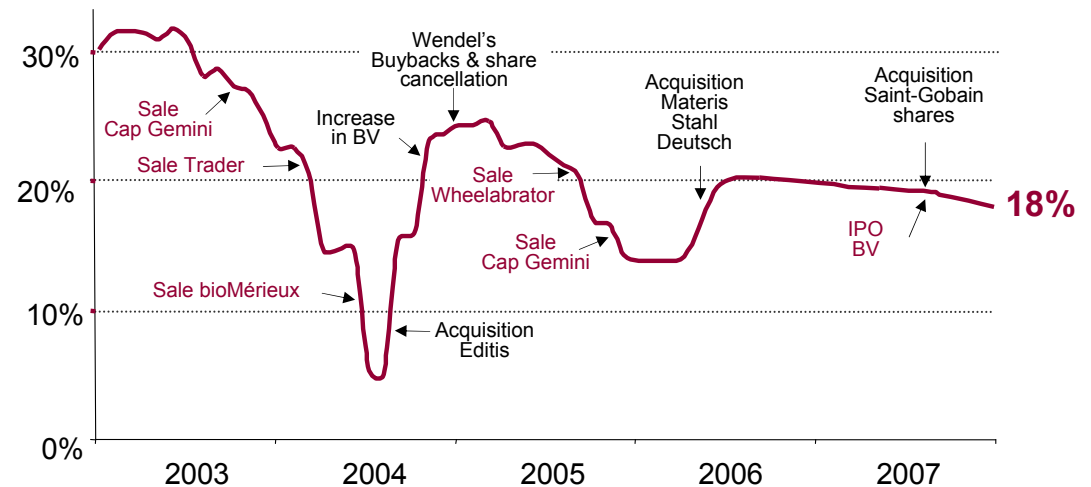
\*weighted by Gross Asset Value components, excluding cash

# Monitor financial flexibility

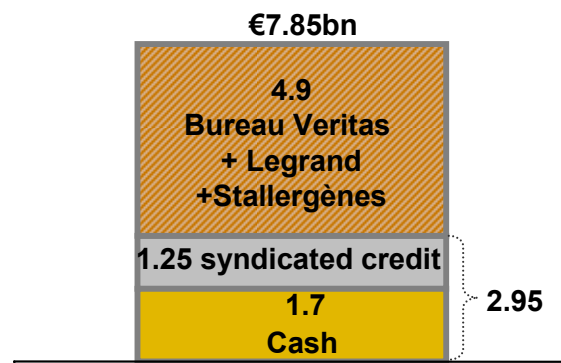
## Gross Asset Value <sup>(1)</sup>



## Net debt to GAV Ratio <sup>(2)</sup>



## Enhanced financial liquidity



- ▶ €2.95Bn of available cash and 7-year syndicated credit facility
- ▶ €4.9Bn of listed stakes with Bureau Veritas, Legrand and Stallergènes

1. As of November 7, 2007, pro forma acquisition of Saint-Gobain shares until November 28, 2007. Stallergènes, Legrand and Bureau Veritas at market value (20-days average)  
 2. Financial debt minus cash of Wendel and holding companies, excluding those whose debt is without recourse on Wendel

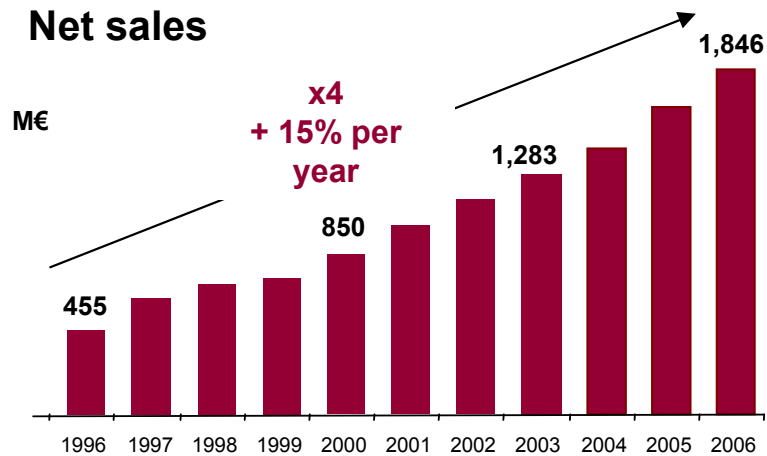
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# WENDEL'S KEY TRACK RECORD: AMPLIFYING THE PERFORMANCE OF RESILIENT LEADERS

# Bureau Veritas

## Building a world leader

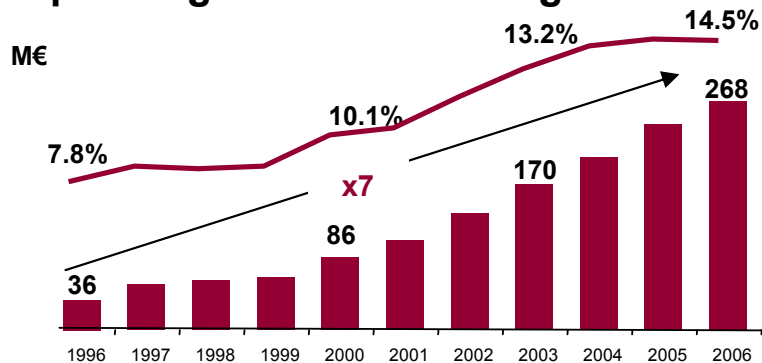
### Net sales



#### Growth

- ▶ Sales increase of **+30%** from 2004 to 2006  
Target: **double** 2006 sales by 2011 & increase net income **by 15/20%** per year
- ▶ External growth cumulated over last 2 years: **€270M** for **25** companies (2006/2007 YTD)  
Target: **€100M** per year acquisitions

### Operating income and margin



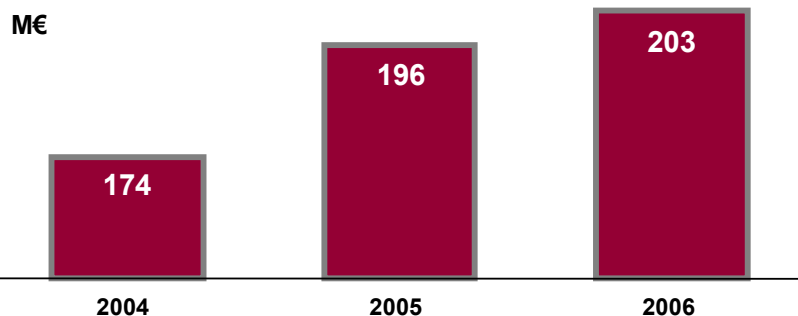
#### Emerging countries

- ▶ Asia, Middle East, Russia & Latin America represent **29%** of net sales in 2006, with growth of **+22%** per year since 2004

#### Improved productivity

- ▶ Operating margin **14.5%** in 2006
- ▶ Leverage group scale
- ▶ Integration of acquisitions

### Net cash generated from operating activities



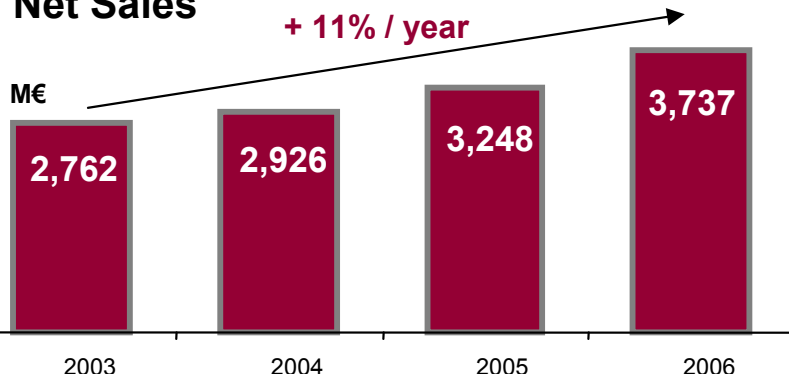
#### Low capital intensity

- ▶ Cash conversion rate: around **80%**
- ▶ Capex: around **2.5%** of sales
- ▶ Working capital: around **5.6%** of sales

# Legrand

## Strengthening profitable growth

### Net Sales



### Growth

- ▶ Ability to identify and buy market leaders: **14** acquisitions since 2004
- ▶ Target @ IPO: **4/5%** organic growth **doubled** by self-financed acquisitions from 2005

### Product innovation

- ▶ Close to **100** new product ranges launched in the last four years
- ▶ ~ **5%** of sales invested in R&D

### Emerging countries

- ▶ Increasing weight of emerging countries: up from **17%** in 2004 to **24%** in 2007 (9m)

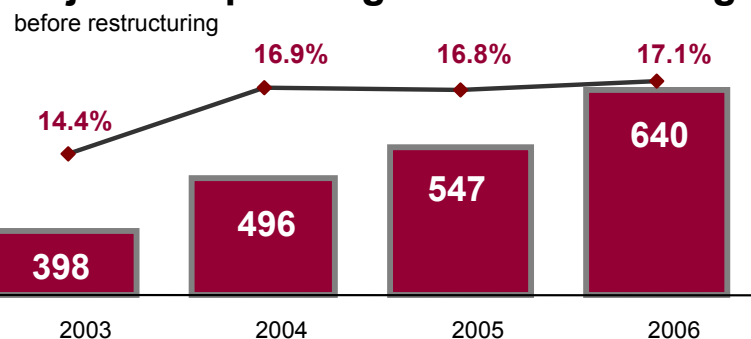
### Profitability

- ▶ Operating margin<sup>(1)</sup>: **17.1%** in 2006
- (1) Adjusted operating margin before restructuring

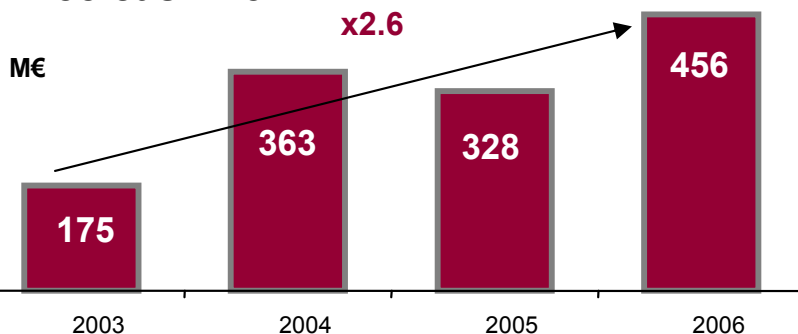
### Enhanced business model

- ▶ Strong cash flow generation: Capex optimization: **4.1%** in 2006
- ▶ Working capital control from **15.9%** in 2003 to **11.7%** in 2006

### Adjusted operating income and margin before restructuring



### Free cash flow

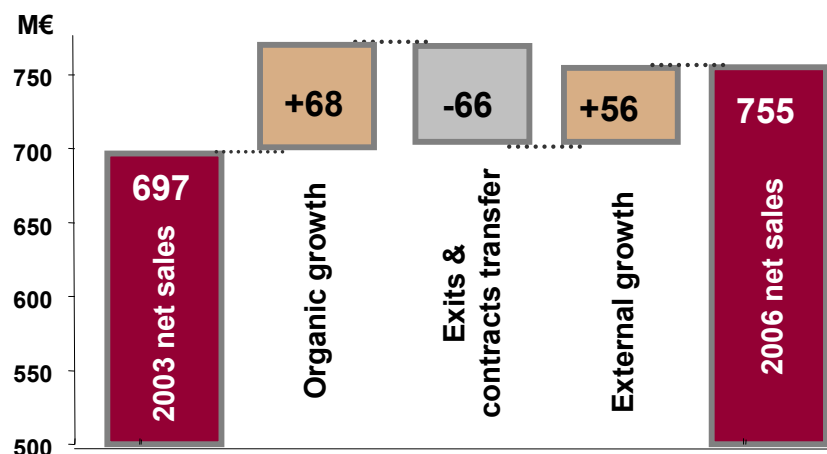




# Editis

## Market outperformer

### Additional revenues from organic & external growth



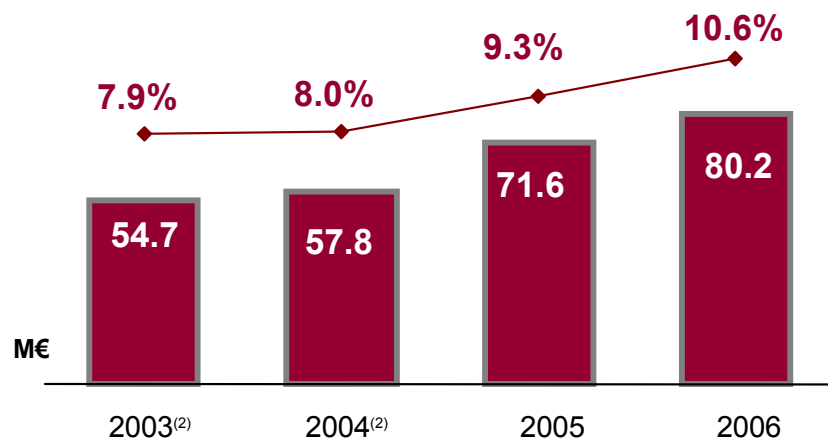
#### Growth

- ▶ 7 major acquisitions: Cherche Midi and First in 2005, Xo and DNL in 2006, De Boeck, Gründ and Paraschool in 2007
- ▶ Market outperformance: **+3% to +4%** above the market
- ▶ Development of school books and new segments (mangas, tourism)

#### New distribution contracts

- ▶ Additional distribution agreements: close to **30** new contracts with third party publishers

### Adjusted operating income<sup>(1)</sup>



#### Increased profitability

- ▶ EBITA: **+47%** between 2003 and 2006
- ▶ Continued cost reduction
- ▶ Strong reduction in debt interest: about **€10M** of annual savings
- ▶ Decrease in working capital: about **-€30M**

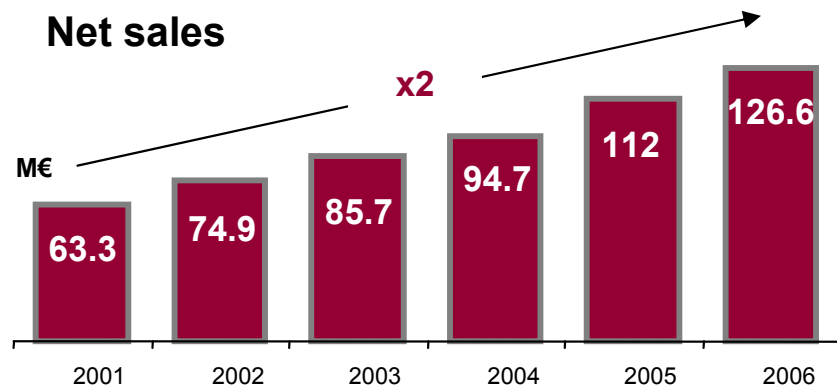
(1) Adjusted operating income excluding the allocation of goodwill, management fees and non-recurring items

(2) Proforma French GAAP

# Stallergènes

## Building a leader

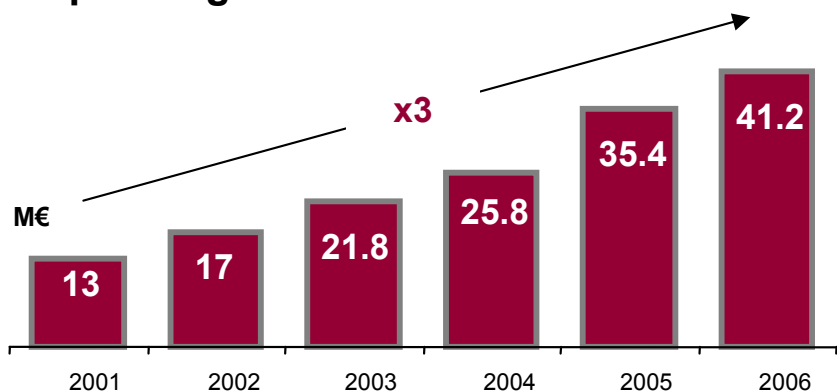
### Net sales



### Growth & Profitability

- Sales **x2** in 5 years
- Operating income before R&D: **x3**

### Operating income before R&D



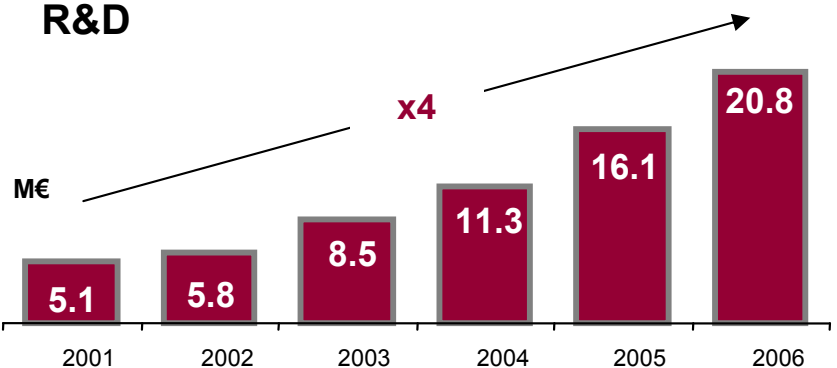
### Oralair tablet program

- R&D: **x4**
- Tablet desensitization
- Key benefits: safety, efficacy, ease of use and long-lasting action
- Launch in 2008

### Increased scope

- Partnership agreement with the Canadian company Paladin
- Building a partnership to enter the US market

### R&D



### Tablet pipeline

- 2nd-generation therapy: Enhanced Allergens program

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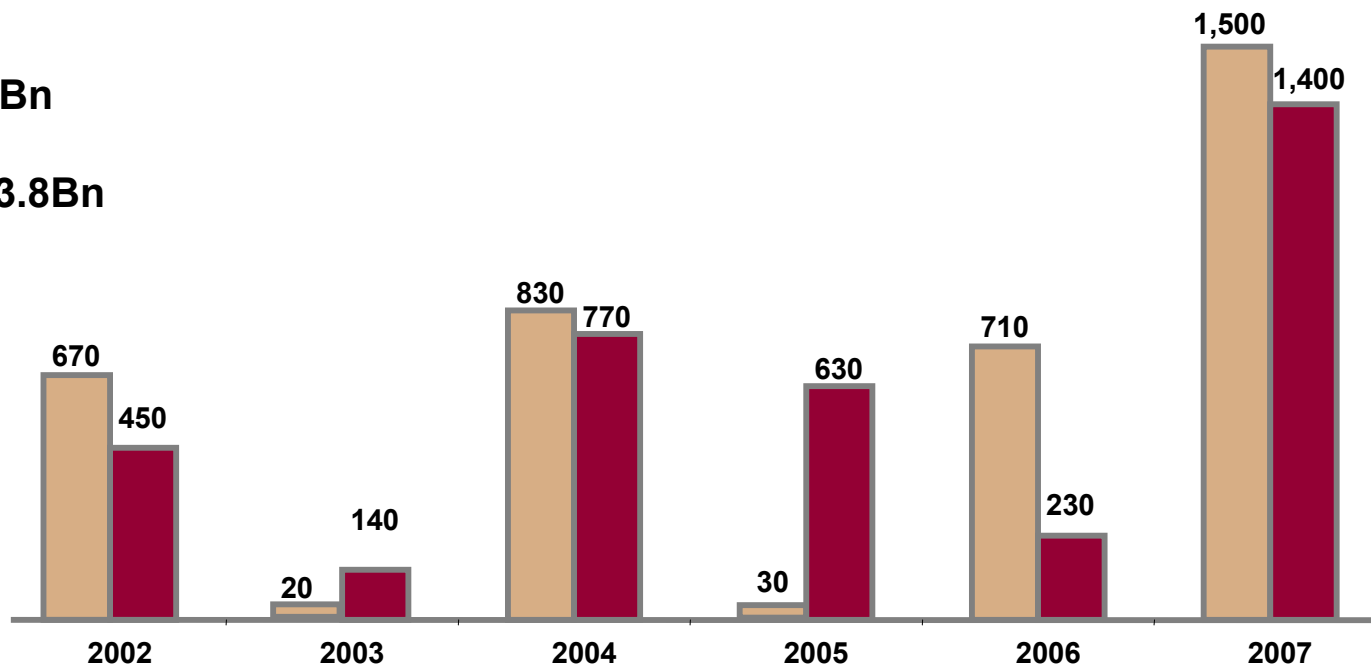
# WENDEL'S VALUE CREATION FINANCIAL ANALYSIS

# An active Group's portfolio management

Asset turnover from 2002 to 2007: **€7.4Bn**

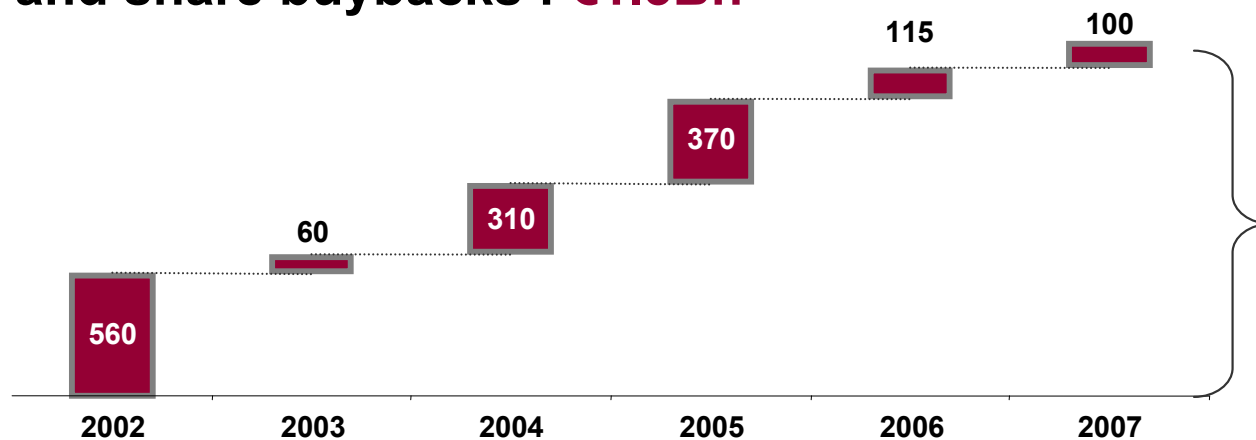
■ Total Disposals: €3.6Bn

■ Total Acquisitions: €3.8Bn



Dividends and share buybacks : **€1.5Bn**

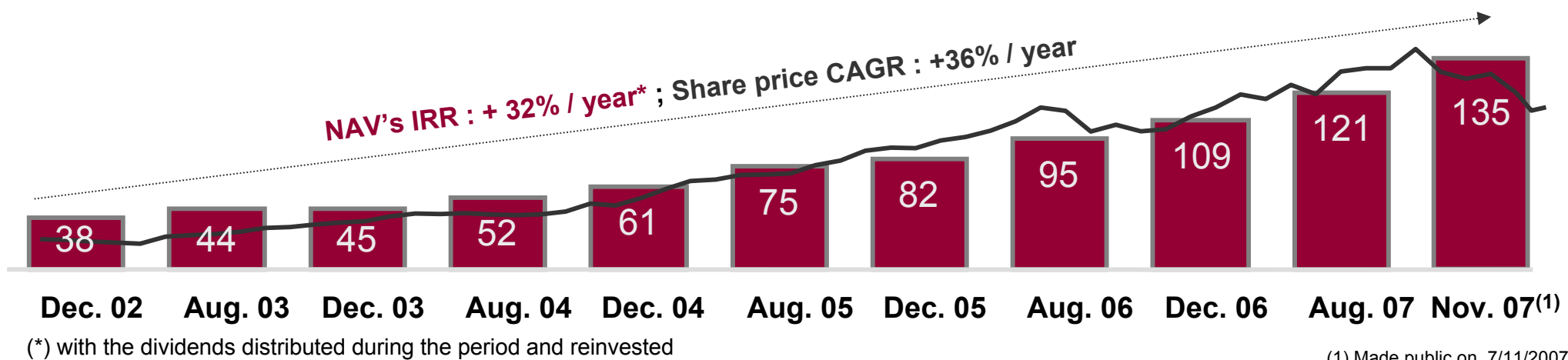
(M€)



**€1.5Bn** returned to shareholders from 2002 to 2007

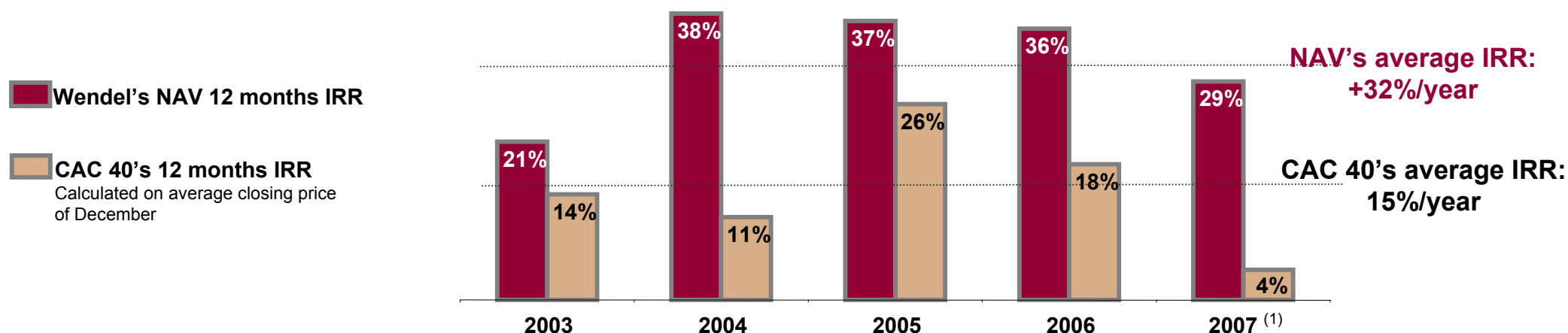
# Net Asset Value drives share price outperformance over the long term

## Net Asset Value & Share price (€)



## Net Asset Value IRR\* from December 2002 to November 2007: +32% / year

Wendel's NAV average IRR is twice as strong as CAC 40 index



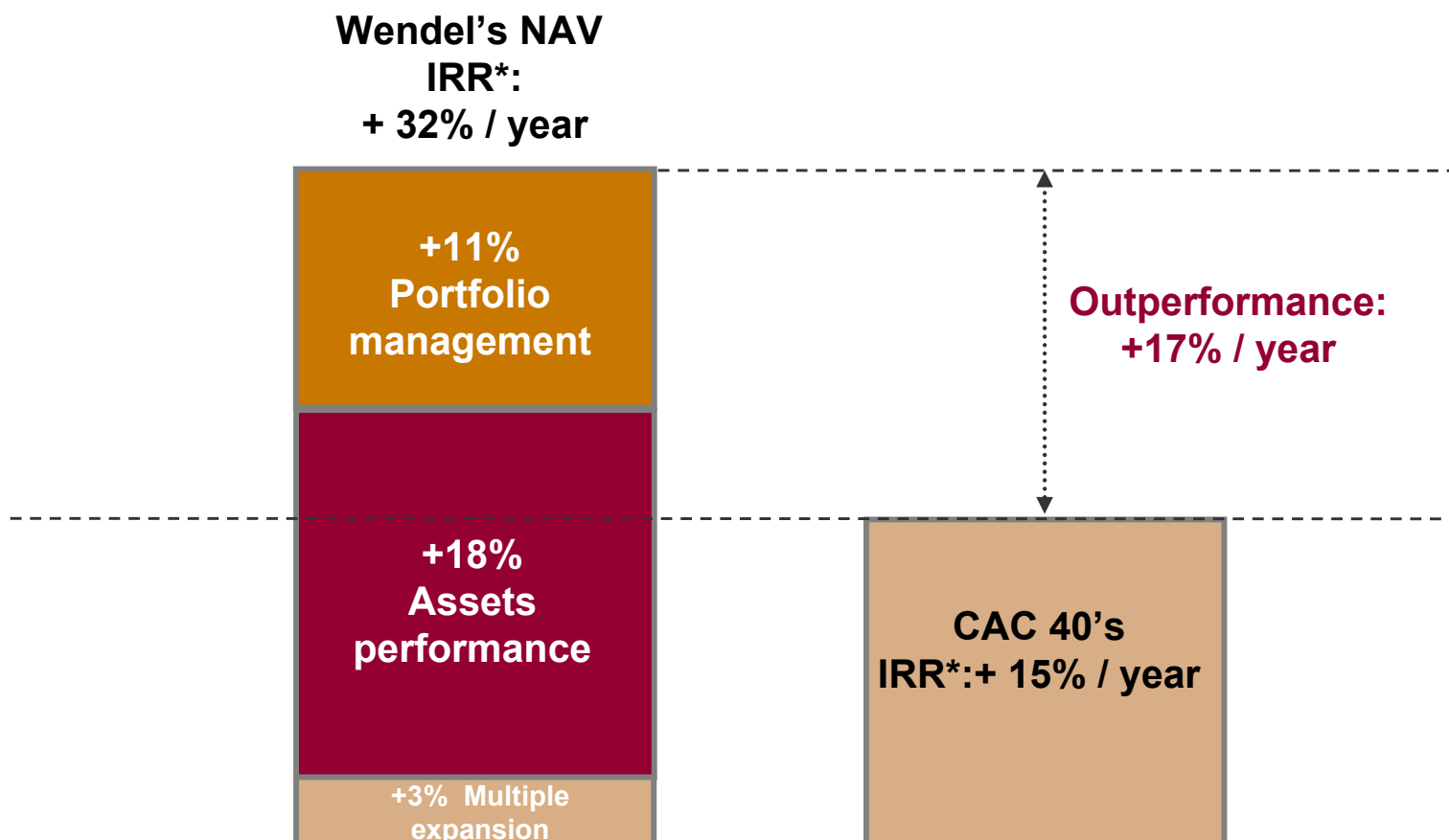
\*From December 2002 to November 2007 with the dividends distributed during the period and reinvested

(1) Made public on 7/11/2007

# Wendel's portfolio management drives superior value creation: +17% / year over CAC 40

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- **Performance of Net Asset Value, + 32%** per year since 2002, due to:



\* Average IRR calculated from December 2002 to November 2007

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# BUSINESS TARGETS 2012



# Our main target, increase Wendel's intrinsic value

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## Objectives 2012\*

- Double Wendel's NAV in 5 years: **≥ €200** per share
- Ensure an average increase in the dividend of **15%** per year

\* As disclosed in December 2006

## Means

- Invest in equity **€3Bn** at the level of Wendel

- Invest in Groups

- in France and internationally
- unlisted / listed
- with an enterprise value of more than **€1Bn**
- with high potential

- Improve the Group's profile

- increase diversification while remaining very selective

- Amplify the growth of our subsidiaries

- invest **€2Bn** through subsidiaries to accelerate external growth

■ **€1.5Bn** invested in Saint-Gobain  
■ **€1.7Bn** cash on the balance sheet  
■ **€1.25Bn** of syndicated credit facility

■ **€700M** invested since January 07

# Calendar 2008

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**February 7, 2008**

**2007 net sales**

**March 26, 2008**

**2007 Annual results**

**June 9, 2008**

**Annual Shareholders' Meeting**

**July 30, 2008**

**First half 2008 net sales**

**August 28, 2008**

**First half 2008 results**