



W E N D E L

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ENTREPRENEURSHIP AND INVESTMENT FOR THE LONG TERM

Wendel is one of Europe's leading listed investment firms. Its philosophy is to invest for the long term in industrial and service companies to accelerate their growth and help them become leaders.

Wendel is the majority or largest shareholder in these companies, be they listed or unlisted, and its management operates as an industrial and financial partner. The Group supports their highly motivated entrepreneurial teams, participates in the definition and implementation of ambitious strategies, and provides the financing required for their success.

“PARTNERSHIP BETWEEN MANAGEMENT TEAMS IS AT THE HEART OF THE VALUE CREATION PROCESS.”

The Group's investment and business development strategy is based on dialog and on the well-established partnerships that have been forged with subsidiaries' management. This partnership is at the heart of the process by which value is created. Wendel does not intervene in the day-to-day operations of its subsidiaries, for which their own management is responsible. Rather, Wendel provides constant and active support, shares risks and brings to bear its experience, as well as its financial and technical expertise. Wendel representatives sit on the Board of Directors or Supervisory Board of each company.

The objective is to increase the value of Wendel over the long term by more than 15% per year on average, while offering shareholders an equivalent increase in their dividend.

5 years of corporate milestones



2002

- > Merger of CGIP and Marine Wendel and creation of WENDEL Investissement
- > Gradual selldown of Valeo shares
- > Gradual selldown of CapGemini shares
- > Acquisition of Legrand

2003

- > Divestment of CapGemini

2004

- > Sale of Trader Classified Media shares
- > IPO and sale of bioMérieux
- > Acquisition of Editis
- > Investment in Bureau Veritas increased to 99%

“Since 2002, Wendel has undertaken profound changes in its strategy and implemented a new business model. This model combines industry focus and long-term vision with Wendel’s role as a professional shareholder exercising its responsibility to influence or control, as appropriate. Our portfolio of investments has fundamentally changed since 2002. During that time we have invested more than 2 billion euros in new companies, leaders in their markets. The value of the Group has tripled and now stands at more than 6 billion euros. The share price has risen by nearly 50% p.a.”

Jean-Bernard Lafonta
Chairman of the Executive Board



2006

- > Listing of Legrand, with Wendel retaining a 30% stake.
- > Acquisition of Materis
- > Acquisition of Deutsch in the United States
- > Acquisition of Stahl in the Netherlands
- > Acquisition of AVR in the Netherlands

2005

- > Sale of Wheelabrator Allevard
- > New governance framework (Supervisory and Executive Boards)

MESSAGE FROM THE CHAIRMAN OF THE SUPERVISORY BOARD

The results for the past year mark a new and significant improvement in our Company. Whether it be the increase in sales and earnings from our subsidiaries, or new acquisitions, in particular outside France, Wendel has strengthened its positions while maintaining a sound and healthy financial condition.

The rise in our share price in 2006 reflects the success of the work performed by your Company's Executive Board and the management team it has put in place. Skilled and motivated executives and experts, backed by an attentive and committed Supervisory Board, are carrying out a development strategy suited to globalization, source of new opportunities in several manufacturing and service sectors.

Five years ago we set out to restructure the Wendel Group by merging two holding companies, CGIP and Marine-Wendel, to create Wendel Investissement. We have become recognized



Ernest-Antoine **SEILLIÈRE**

under this name, notably through significant acquisitions (Legrand, Bureau Veritas, Editis, Materis, Deutsch, Stahl and others) that have profoundly transformed our businesses. Everyone now knows that we are an investment company focused on the long term, matching business skills acquired throughout our long history with up-to-date financial expertise.

Leveraging this recognition, we are proposing to shorten the company name to Wendel and to streamline our financial structure by eliminating the ownership loop in our balance sheet.

In the future we will continue our three-fold mission under the new simplified name: integrate new businesses, develop our subsidiaries and increase the value of our assets. We shall do this with the backing of our major shareholder SLPS, the Wendel family holding company, and the support of numerous shareholders whom I would like to thank for their investment and loyalty.

“IN ADOPTING WENDEL AS OUR NEW NAME, WE ARE REMAINING FAITHFUL TO OUR INDUSTRY SUCCESSES AND DISPLAYING OUR COMMITMENT TO ENSURING THAT OUR COMPANIES PROSPER AND THAT THE CAPITAL ENTRUSTED TO US BY OUR SHAREHOLDERS APPRECIATES.”

AN INTERVIEW WITH THE CHAIRMAN OF THE EXECUTIVE BOARD

At the end of 2006 you said that the Group's good results and the acquisitions carried out in France and abroad validated your model of an industrial, long-term investment company. What do you mean by "model"?

In a market with ever shorter time horizons, we have defined a long-term positioning that enables us to build, for each of the companies in which we invest, an ambitious business development plan. The results we have obtained in the last five years and our expansion abroad show that this model is efficient.

What sets your model apart from that of investment funds?

Wendel is a long-term investment company with capital permanently available to it. It is not subject to pressure, because it invests its own funds in the companies it acquires, not the funds of third parties, the way investment funds do. This gives us a great deal of flexibility in terms of time. Wendel would not have been able to influence the development of world leaders such as Bureau Veritas and Stallergènes without getting involved directly ten years ago, or in the case of Legrand, five years ago.

Do you think this model will stand the test of time?

The model will stand up over time, because it is efficient. We have been refocusing in this way for five years now, and the share price has appreciated by nearly 50% per year. Our market capitalization has risen fivefold. This performance demonstrates that it is possible to focus on the long term and remain profitable at the same time. We invest first and foremost in companies offering growth potential, then we amplify that potential. The Group's total sales grew by 11% in 2006. Between 7% and 8% of this growth was organic.

Was 2006 a turning point?

It was more of a new phase in the development of the Group. For the fifth consecutive year, net income from Wendel's business sectors – which reflects the performance of our companies – has increased, rising 23% to 363 million euros. But most importantly, our



Jean-Bernard LAFONTA

Group made further progress in 2006 with four acquisitions, including three internationally (two in the Netherlands and one in the United States). These initiatives taken outside France strengthened the geographical diversity of our Group, whose revenues now display a balanced breakdown between France (38%), other European countries (30%) and the rest of the world (32%). They also represent an important step in Wendel's transition. By confirming the efficiency of our model abroad, they open the door to new opportunities.

You took Legrand public again in 2006. Doesn't this change your investor profile, and are you playing the same role as before?

We have remained a core shareholder of Legrand, controlling 30% of its equity. What interests us most of all is not the nature of the capital but the nature of the company's business plan. For Wendel, there is no distinction between listed and unlisted companies. The only question that Wendel staff regularly ask themselves is whether the company has the potential to grow. Our job is to help the company's managers make the right choices to ensure the company's future and increase its growth potential. Remember, between the time we bought Legrand at the end of 2002 and the time we took it public again, its value more than tripled. And since the IPO in April 2006, Legrand's share price has risen by nearly 25% while the CAC 40 has advanced by only 5%.

Are you confident about the years to come?

Wendel aims to double its value in the next five years. We will accomplish this by boosting the growth and profitability of sizable companies with leadership positions in their markets. We plan to devote 3 billion euros to equity investments between now and 2012 in listed and unlisted companies that we bring into the Group and another 2 billion euros to the development of our subsidiaries. We will also consider taking Bureau Veritas public, with Wendel retaining control. We are confident that we can achieve these objectives, and we plan to devote our energies to them.

**“WHAT INTERESTS US MOST OF ALL IS NOT THE NATURE OF
THE CAPITAL BUT THE NATURE OF THE COMPANY'S BUSINESS PLAN.”**

SUPERVISORY BOARD AND EXECUTIVE BOARD

SUPERVISORY BOARD AT 12.31.2006

	Date of first appointment and end of term*	Principal function*	Other appointments	
ERNEST-ANTOINE SEILLIÈRE (69 years old)	<ul style="list-style-type: none"> • Member of the Board from 1985 to 2005 • Member of the Supervisory Board 2005-09 	Chairman of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement 	Chairman of the Board and Chief Executive Officer: <ul style="list-style-type: none"> • Société Lorraine de Participations Sidérurgiques Chairman of the Supervisory Board: <ul style="list-style-type: none"> • Oranje-Nassau Groep BV (Netherlands) Member of the Board: <ul style="list-style-type: none"> • Legrand • Sofisamc (Switzerland) 	Member of the Supervisory Board: <ul style="list-style-type: none"> • Bureau Veritas • Editis Holding • Gras Savoye & Cie (S.C.A.) • Hermès International (S.C.A.) • PSA Peugeot Citroën
NICOLAS CELIER (63 years old)	<ul style="list-style-type: none"> • Member of the Supervisory Board 2006-10 	Manager: <ul style="list-style-type: none"> • FKO Invest BV (Netherlands) 	Chairman: <ul style="list-style-type: none"> • Cherche-Midi Participations S.A.S. Chairman of the Supervisory Board: <ul style="list-style-type: none"> • Optimprocess SA Member of the Board: <ul style="list-style-type: none"> • Financière de Mussy • Pakers Mussy S.A.S. • Lamibois S.A.S. 	Member of the Board: <ul style="list-style-type: none"> • RSO SpA Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement
DIDIER CHERPITEL** (62 years old)	<ul style="list-style-type: none"> • Member of the Board from 2002 to 2005 • Member of the Supervisory Board 2005-07 	Chairman of the Supervisory Board: <ul style="list-style-type: none"> • Atos Origin 	Chairman of the Board: <ul style="list-style-type: none"> • Managers sans Frontières (NGO Quebec - Canada) Member of the Board: <ul style="list-style-type: none"> • Foundation of the Red Cross 	Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement
BÉATRICE DAUTRESME (61 years old)	<ul style="list-style-type: none"> • Member of the Supervisory Board 2006-10 	Executive Vice President, Corporate Communications, External Affairs and Prospective: <ul style="list-style-type: none"> • L'Oréal 	Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement 	
JEAN-MARC JANODET (72 years old)	<ul style="list-style-type: none"> • Member of the Board from 1997 to 2005 • Member of the Supervisory Board 2005-08 	Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement 	Chairman of the Board: <ul style="list-style-type: none"> • Sofisamc (Switzerland) • Trief Corporation (Luxembourg) Member of the Board: <ul style="list-style-type: none"> • Solfur 	Member of the Supervisory Board: <ul style="list-style-type: none"> • Banque de Neufelize Permanent representative of: <ul style="list-style-type: none"> • Compagnie Financière de la Trinité on the Board of Directors of Stallergènes
ÉDOUARD DE L'ESPÉE (58 YEARS OLD)	<ul style="list-style-type: none"> • Member of the Board from 2004 to 2005 • Member of the Supervisory Board 2005-09 	Member of the Board and Chief Executive Officer: <ul style="list-style-type: none"> • Calypso Asset Management SA 	Member of the Board: <ul style="list-style-type: none"> • Concorde Asset Management Ltd • Société Lorraine de Participations Sidérurgiques Member of the Supervisory Board: <ul style="list-style-type: none"> • Wendel Investissement 	External Consulting Member of the Board of Directors: <ul style="list-style-type: none"> • Praetor Management Company SA

	Date of first appointment and end of term*	Principal function*	Other appointments	
FRANÇOIS DE MITRY (41 years old)	<ul style="list-style-type: none"> • Member of the Board from 2004 to 2005 • Member of the Supervisory Board 2005-08 	Member of the Board and Chief Executive Officer: <ul style="list-style-type: none"> • Intermediate Capital Group Plc 	Member of the Board: <ul style="list-style-type: none"> • Groupe Nocibe S.A.S. • Holding Sia S.A.S. • Pro One Finance S.A.S. • Sebia International S.A.S. 	Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement
GRÉGOIRE OLIVIER (46 years old)	<ul style="list-style-type: none"> • Member of the Board from 2004 to 2005 • Member of the Supervisory Board 2005-08 	Member of the Executive Board: <ul style="list-style-type: none"> • PSA Peugeot Citroën 	Member of the Board: <ul style="list-style-type: none"> • Imérys Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement 	
FRANÇOIS DE WENDEL (58 years old)	<ul style="list-style-type: none"> • Member of the Board from 2004 to 2005 • Member of the Supervisory Board 2005-08 	Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement 	Member of the Board: <ul style="list-style-type: none"> • Burelle SA • Société Lorraine de Participations Sidérurgiques 	
GUY DE WOUTERS** (76 years old)	<ul style="list-style-type: none"> • Member of the Board from 1992 to 2005 • Member of the Supervisory Board 2005-07 	Vice-Chairman of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement 		

* As of the date of the Shareholders' meeting called to approve the financial statements of the previous year - **Terms to be renewed at the June 4, 2007 Shareholders' Meeting

EXECUTIVE BOARD

JEAN-BERNARD LAFONTA (45 years old)	May 31, 2005 May 31, 2009	Member of the Supervisory Board: <ul style="list-style-type: none"> • WENDEL Investissement 	Chairman of the Supervisory Board: <ul style="list-style-type: none"> • Bureau Veritas • Editis Holding Member of the Board: <ul style="list-style-type: none"> • Legrand • Legrand France • Valeo Chairman of the Board: <ul style="list-style-type: none"> • Winvest International (Luxembourg) 	Member of the Supervisory Board: <ul style="list-style-type: none"> • Oranje-Nassau Groep BV (Netherlands) Member of the Management Board: <ul style="list-style-type: none"> • Materis Parent Sàrl (Luxembourg) Manager: <ul style="list-style-type: none"> • Granit (SARL) • JB Mac Nortance Sàrl (Luxembourg) • Winvest Conseil Sàrl (Luxembourg)
BERNARD GAUTIER (47 years old)	May 31, 2005 May 31, 2009	Member of the Executive Board: <ul style="list-style-type: none"> • WENDEL Investissement 	Vice-Chairman of the Supervisory Board: <ul style="list-style-type: none"> • Editis Holding Member of the Supervisory Board: <ul style="list-style-type: none"> • Altineis (SCPI) • Legron BV Netherlands) Member of the Board: <ul style="list-style-type: none"> • Communication Media Partner • Stahl Holdings BV (Netherlands) • Winvest International (Luxembourg) 	Manager: <ul style="list-style-type: none"> • BG Invest • BJPG Conseil • BJPG Participations • BJPG Assets • SCI La République • Winvest Conseil Sàrl (Luxembourg)

MANAGEMENT TEAM



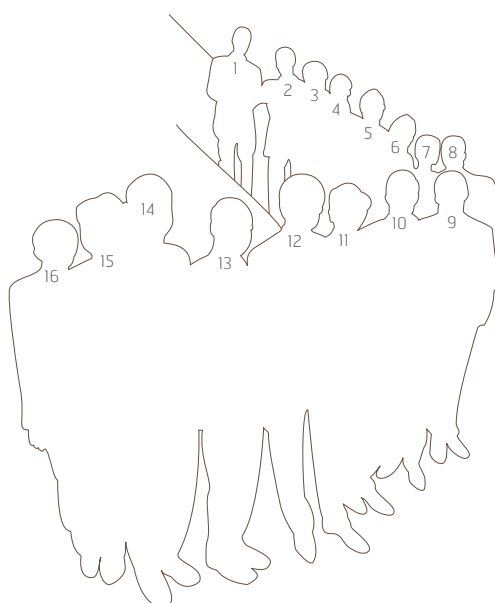
The Executive Board (Jean-Bernard Lafonta and Bernard Gautier) is assisted in the management of the Group and the implementation of the investment and development strategy by a team of professionals that has been renewed and strengthened since 2002.

The investment team currently comprises members of the Executive Board, five managing directors or investment managers combining the skills of managers and investors, and three project managers. They offer varied and complementary profiles as entrepreneurs, operational managers and consultants. They all have solid experience as investors and expertise in financial engineering gained within Wendel and their previous roles. An Investment Committee meets every week to identify investment opportunities, define development strategies and analyze the potential for growth. It works very closely with the management of Group companies, in an ongoing dialogue with an objective of gaining a detailed understanding of the operational issues on the ground.

The management team also includes finance, tax, legal, and communications managers, plus the Corporate Secretary. They work with the investment team through an Operations Committee that meets weekly and with the executives of Group companies.

Similarly to the executives of Wendel companies (see page 210), the management team is accountable, motivated and directly involved in the success of the Group through a new

system tying them to the Group's performance and that of its investments. Implemented from 2007 onwards, this new dual system combines a stock option program, under which grants will vary with growth in net asset value, with individual co-investments by senior executives – financed by their personal assets – in all Group transactions. Their interests are thus aligned with those of shareholders. Below a certain level of capital gain, Wendel executives lose their investment; above it, they participate in those gains (see pages 210-211). This system enables Wendel to be competitive with its rivals, notably those from the UK & the USA.



CHAIRMAN, EXECUTIVE BOARD

Jean-Bernard **Lafonta*** (11)

INVESTMENT

Bernard **Gautier*** (12)
 Philippe **Donnet***
 Yves **Moutran*** (8)
 Stéphane **Bacquaert*** (3)
 Olivier **Chambriard*** (10)
 David **Darmon*** (9)
 Jérôme **Michiels*** (4)
 Patrick **Bendahan** (2)
 Stanislas **Panhard** (5)
 Karim **Soud** (1)

LEGAL

Arnaud **Desclèves*** (13)
 Sébastien **Willerval**

TAX

Jean-Yves **Hémery*** (16)
 Sophie **Parise**
 Nicolas **Sabban**

FINANCE

Jean-Michel **Ropert*** (7)
 Benoit **Drillaud**
 Audrey **Turbiez**
 Stéphane **Gutierrez**
 Ouarda **Bekhouché**

COMMUNICATIONS

Christine **Dutreil*** (6)
 Gérard **Lamy*** (14)
 Philippe **Aérens**

GENERAL SECRETARIAT

Jean-Michel **Mangeot*** (15)
 Laurence **Delorme**

HUMAN RESOURCES

Gérard **Combes**

INFORMATION TECHNOLOGY

Noël **Chevaudonnat**
 Aziz **Sedrati**

SHAREHOLDER SERVICES

Jocelyne **Bensamon**

* Member of the Operations Committee

2007 HIGHLIGHTS

WENDEL EVENTS

SIMPLIFICATION OF CAPITAL STRUCTURE

In 2002, the Group took the first step in simplifying its structure by merging Marine Wendel and CGIP, thereby creating Wendel Investissement, with family shareholders controlling more than 50% of the shares. These shareholders have retained 34% of the shares of Wendel. In March 2006, when the Group announced its full-year 2005 earnings, it also announced a plan to finalize the simplification process. The objective was to simplify Wendel's share ownership even further by eliminating the 13.5% ownership loop in Wendel Participations. Wendel Participations is majority-held by the family-owned company, SLPS. At the same time, nearly 10% of the shares of Wendel Investissement, currently held in treasury, would be cancelled.

Meanwhile the family-owned company SLPS would be merged with its subsidiary Wendel Participations. Wendel management acquired 13.5% of Wendel Participations' shares by acquiring Solfur for 79 million euros, as calculated by an independent expert.

This transaction was approved by Wendel's Supervisory Board, based on the opinions of the Audit Committee and the Governance Committee.

The plan will increase the share's liquidity and be 11% accretive for all shareholders, and free-float Wendel shares will rise from 54% to 59%. Once all transactions have been completed, the family shareholders will hold around 36% of Wendel shares, via a single, merged company,

SLPS-Wendel Participations. Management will hold around 5% of the shares of Wendel. The result of these transactions will be presented to shareholders at their June 4, 2007 Shareholders' Meeting.

PLANNED IPO FOR BUREAU VERITAS

At the end of March 2007, Wendel announced, together with its full-year 2006 earnings, that it was examining a potential IPO for Bureau Veritas. Wendel has been a shareholder of Bureau Veritas since 1995 and will maintain control.



Philippe Donnet, CEO of Asia-Pacific

NEW ASIA-PACIFIC SUBSIDIARY

In April, Wendel announced its decision to create a subsidiary in Singapore to develop investments in the Asia-Pacific region, where most of Wendel's companies already have a strong presence. This subsidiary will be managed by Philippe Donnet, 46, who joined Wendel's investment team as CEO of the Asia-Pacific region. He has significant financial and operating experience as well as strong knowledge of the Asia-Pacific region.

400 MILLION EURO BOND ISSUE

In the first quarter of 2007, Wendel issued 400 million euros of eight-year (2015) bonds with a fixed coupon of 4.875%. The issue was very well received by investors, and the bonds were fully placed with a diversified base of European investors.

NET ASSET VALUE

In March 2007, Wendel Investissement announced a net asset value of 6,500 million euros, or 117 euros per share. In March 2006, net asset value was 94 euros per share. Given the dividend of 2 euros per share paid in June 2006, the return over the 12-month period was 27%.

FIRST QUARTER 2007 NET SALES: 1,254 MILLION EUROS

Wendel's consolidated net sales advanced by 8% on a proforma (1) basis in the first quarter of 2007 to 1,254 million euros. On average, the subsidiaries continued to achieve robust organic growth (2) of 9%, owing to Bureau Veritas, Materis, Deutsch and Stallergènes. Legrand, whose sales are consolidated on an equity basis, also performed very well, registering organic growth of 9%.

<i>in millions of euros</i>	Q1 2007	Q1 2006	% change
Consolidated net sales (proforma)⁽¹⁾			
Bureau Veritas	469.2	428.8	+9%
Materis	428.2	367.8	+16%
Editis	142.7	148.8	-4%
Deutsch	114.6	109.3	+5%
Oranje-Nassau	56.8	72.1	-21%
Stallergènes	42.6	35.6	+20%
Total	1,254.1	1,162.4	+8%
Consolidated net sales (as published)			
Bureau Veritas	469.2	428.8	+9%
Materis	428.2	-	na
Editis	142.7	148.8	-4%
Deutsch	114.6	-	na
Oranje-Nassau	56.8	72.1	-21%
Stallergènes	42.6	35.6	+20%
Total	1,254.1	685.3	+83%
Net sales of equity method investments			
Legrand	1,032.7	940.6	+10%
Stahl	75.1	79.3	-5%

(1) Proforma consolidated net sales included the first quarter 2006 net sales of Materis and Deutsch. (2) Organic growth is calculated excluding Oranje-Nassau, since changes in that company's net sales are linked to the price of oil and to production.

PATRONAGE

SUPPORT FOR THE HENRI CARTIER-BRESSON FOUNDATION

Wendel supports the Henri Cartier-Bresson Foundation by contributing to the HCB prize. Awarded every two years by the Henri Cartier-Bresson Foundation based on the decision of an international jury, the objective of the HCB prize is to enable a photographer who has already done significant work in a photojournalism-related discipline to undertake a project spanning several months.

The 2007 winner of the HCB prize will be announced in June 2007. His or her work will be exhibited at the HCB Foundation for the 18 months following the award.

In cultural affairs, Wendel's patronage policy is to support medium- and long-term projects. Accordingly, Wendel was a partner in the renovation of the Gustave Moreau museum and its collections. Most recently, Wendel has chosen to support the creation and promotion of contemporary photographic works over a period of several years.



Hyères, France 1932

2007 HIGHLIGHTS

SUBSIDIARY EVENTS

LEGRAND

In early January, Legrand announced the purchase of HPM, the second-largest electrical equipment manufacturer in Australia and New Zealand, subject to the approval of local regulatory authorities. With sales of nearly 100 million euros, HPM adds to the Group's presence in the Asia-Pacific region.

Following this acquisition in Asia-Pacific, Legrand continued to expand in the United States with the purchase of USec, also in January 2007.

Specialized in integrated solutions for domestic "voice-data-image" networks, this company's sales are in the region of 12 million dollars.



BUREAU VERITAS

In February 2007, Bureau Veritas acquired German company Innova Product Service. Innova provides numerous electrical equipment testing and certification services for the manufacturing and consumer goods industries.

In March 2007, Bureau Veritas' Australian subsidiary launched a friendly takeover bid on CCI Holdings Ltd., a listed mining services company. This bid is currently open.



EDITIS

Having expanded its activities in literature and in distribution, Editis is developing its third line of business, education. It has strengthened its presence in Belgium with the acquisition of De Boeck, thereby beefing up its international presence. With sales of nearly 40 million euros in 2006, this Belgian publishing company is present at the secondary, university and professional levels.

MATERIS

In April 2007, Materis signed an agreement to buy Brazilian company Eliane Argamassas. Following the acquisition of Ligafix in 2006, this new addition to the Group will enable Materis to become one of the major players in the Brazilian market for floor tile grouts.



ORANJE-NASSAU

In 2005, Oranje-Nassau acquired a stake in the Buzzard oil field, which entered production on January 7, 2007. The field, which is located in the North Sea can furnish 10% of the petroleum needs of the United Kingdom. Production is expected to ramp up over the course of 2007.

In addition, Oranje-Nassau sold certain assets belonging to Edinburgh Oil & Gas for 11.5 million euros. These were composed in particular of gas storage facilities.



THE WENDEL/INSEAD CENTER

THE WENDEL/INSEAD INTERNATIONAL CENTER FOR FAMILY-OWNED ENTERPRISES

In 1996, the Wendel Group instigated education about family-owned enterprises at INSEAD, the world-renowned international business school with campuses at Fontainebleau and in Singapore. The official launch of the Wendel International Center for the study of family-owned enterprises in January 2005 injected fresh energy into this activity.

In Europe, in addition to traditional teaching and research activities, the Center has been chosen by various groups to create specialized programs, such as training family shareholders on understanding businesses.

In 2006 the Center extended its activities in Asia where it has established a significant presence as a result of managing events and independent programs that have met with great success. For example, a round table discussion involving representatives from major family-owned enterprises was held in February 2006 in Singapore. Ernest-Antoine Seillière presented the experience of the Wendel Group and the nine generations that have taken part in this family business tradition to other family business owners and students.

The Family-owned Enterprise course within the INSEAD MBA program is offered in both Asia and France.

In June 2006, participants appreciated discussions with executives from Wendel on the subject of corporate governance in a family-owned enterprise. The four-day program, called "The Challenge of Family-owned Enterprises", is taught at both campuses. It presents the results of the most recent research and best practices on the subject of family-owned enterprises. In particular, it helps participants deal in a very practical way with problems that they may face, such as inter-generational transfer, corporate and family governance, and shareholder structure.

INSEAD has developed tailor-made programs for shareholders with controlling interests in large family enterprises and for specific groups. For example, the first generation of executives want to learn how a family-owned enterprise can be made to flourish over several



The Wendel Center team

generations, leveraging the identity and the fundamental values on which it is based, while embracing the open-minded spirit needed to perpetuate itself with vitality.

The family-owned enterprise community has recognized the quality of the work performed by the Wendel Center on equitable decision processes. The article, "Fair Process: Striving for justice in family firms", describing research by Ludo Van der Heyden, Christine Blondel and Randel Carlock, received an award from Family Business Network in 2006 for the best article published on practices in family-owned enterprises. The authors recommend that family-owned enterprises concentrate on the decision process, which should be based on five principles: communication, clarity, consistency, flexibility, equity.

The Wendel Center team at INSEAD was strengthened by the creation of the André and Rosalie Hoffmann chair. Several INSEAD professors now work closely with the Wendel Center on teaching and research projects in various fields: performance, fair process, corporate governance, specific issues of family psychology and dynamics.

The team was involved in several conferences and interviews in 2006 on family-owned enterprise themes. It contributed to the publication of articles and books targeted at the academic reader or intended for the general public.



"The Wendel Group's support of our family-owned enterprise center not only represents financial backing but also a tremendous contribution of ideas, time and talent. Testimonials from family-owned enterprise executives such as Ernest-Antoine Seillière and Jean-Bernard Lafonta in the family-owned enterprise course at INSEAD give students the opportunity to share the experience of leading businessmen. This approach enriches and stimulates top level teaching."

**Randel S. Carlock, Professor,
Academic Director, Wendel Center, INSEAD**

FINANCIAL HIGHLIGHTS

WENDEL GROUP

In millions of euros (IFRS)

	2004	2005	2006
Net sales			
Consolidated net sales	523	2,782	4,273
Pro forma net sales	N/A	4,537	5,030
Net income from business sectors			
Bureau Veritas	40.9	139.6	157.2
Legrand	85.4	92.5	120.5
Oranje-Nassau	61.1	74.0	69.8
Editis	7.3	30.1	41.5
Materis	-	-	36.6
Stallergènes	10.3	13.4	14.5
Deutsch	-	-	(0.2)
Stahl	-	-	3.9
Wheelabrator Allevard	22.5	12.6	-
bioMérieux	13.2	-	-
Dividends	8.5	9.2	1.0
Operating expenses and taxes	(16.3)	(11.4)	(11.0)
Finance charges	(46.4)	(65.1)	(71.3)
Net income from business sectors*	186.5	295	362.5
Net income from business sectors (Group share)*	181.5	284.8	341.4
Income			
Net income from business sectors*	187	295	363
Non-recurring items, including goodwill and minority interests	232	121	2
Consolidated net income (Group share)	419	416	365
Investments and divestments			
Investments	1,872	392	800
Divestments	848	702	259
Per share data <i>(in euros)</i>			
Net income from business sectors (Group share)	3.27	5.81	6.90
Consolidated net income (Group share)	7.55	8.48	7.39
Ordinary dividend	1.15	1.40	1.70
Additional dividend		0.60	0.30

(*) Before non-recurring items and impact linked to the allocation of goodwill

RATING

After the merger in June 2002, Wendel Investissement sought a rating from Standard & Poor's. Following its review of the Company, Standard & Poor's issued a long-term rating of BBB+ with a stable

outlook and a short-term rating of A-2. This rating was made public in September 2002 and has been maintained by Standard & Poor's since that time.

NET ASSET VALUE

(In millions of euros)

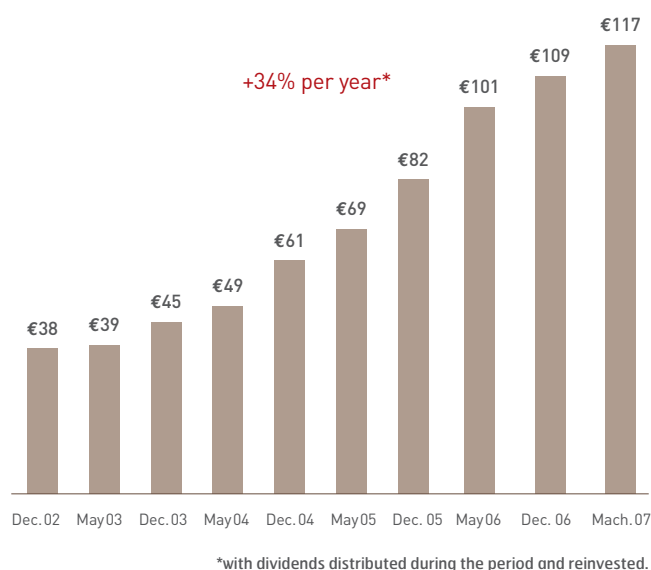
	12/2004	12/2005	12/2006
Controlled companies	3,770	4,530	6,470
Minority investments	530	300	230
Revalued gross assets	4,300	4,830	6,700
Wendel treasury shares	230	430	570
Net cash	570	820	780
Financial debt	(1,670)	(1,600)	(2,000)
Net asset value	3,430	4,480	6,050
Net asset value per share	€61	€82	€109
Net debt⁽¹⁾ / Gross asset value	24%	15%	17%

(1) Financial debt, minus net cash of Wendel Investissement and the holding companies excluding those whose debt is without recourse to the Company. Wendel treasury shares are included in the gross asset value for the purposes of ratio calculation.

NET ASSET VALUE PER SHARE PERFORMANCE

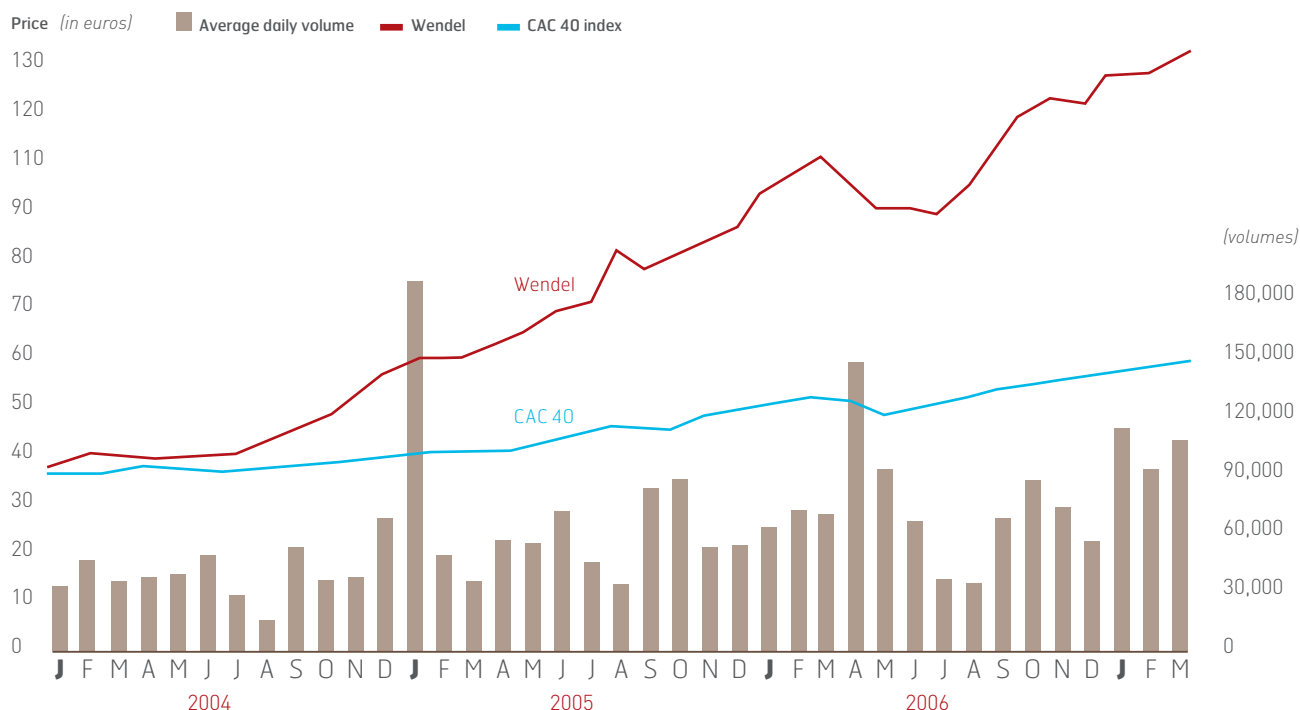
Since the creation of Wendel Investissement in June 2002, the method used in the calculation of the net asset value has been the same. The growth in net asset value from one year to the next measures the increase in value for the Wendel shareholder. Net asset value has nearly tripled during this period. The internal rate of return, assuming dividends are reinvested in Wendel Investissement shares, averaged 34% per year during this period. This strong and regular profitability illustrates the value created by the new strategy in place since the end of 2002.

Pages 213-215 in this report describe how net asset value is calculated. The Audit Committee, with the help of an independent expert, has verified the soundness of the method, while the Statutory Auditors, in accordance with professional standards, verified the consistency thereof over time.



SHARE PERFORMANCE

SHARE PRICE AND TRADING VOLUME



STOCK MARKET DATA

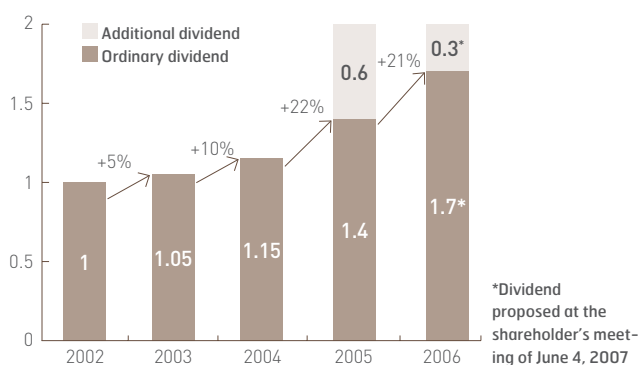
STOCK MARKET DATA (in euros)	2004	2005	2006
Highest price	54.1	88.15	115.8
Lowest price	33.7	48.9	84.2
Average price	42.01	70.27	98.06
Average price in December	51.16	84.63	112.71
(in millions of euros)			
Market capitalization in December	2,874	4,571	6,256

WENDEL IS LISTED ON Euronext Paris' Euronext, COMPARTMENT A, ISIN CODE: FR0000121204.

DIVIDEND POLICY

Wendel paid total ordinary dividends of 1.70 euros per share on 2006 earnings, an increase of 21% compared to 2005. This increase in ordinary dividend is in line with the dividend policy of Wendel which has a target for average annual growth of around 15%.

In addition, an exceptional dividend of 0.30 euros per share brought the total dividend to 2 euros. Since 2002 the total dividends paid to our shareholders has doubled and Wendel will have devoted 1,520 million euros to the buyback of shares and ordinary and additional dividends, even while increasing its market capitalization fivefold.



INVESTOR RELATIONS



2007 TIMETABLE

- Shareholders' meeting:
June 4
- Dividend payment:
June 6
- Presentation of first-half financial
statements: **September 4**
- Information meeting:
December 4

Since its creation Wendel Investissement has made information to shareholders one of its core values. The Group devotes all the communication resources necessary to provide its individual and institutional shareholders, as well as the financial community at large, with regular, comprehensive and transparent information. The 45,000 individual shareholders (a number that has increased over the past five years) have access to a toll-free number (in France only)

N° Vert 0 800 89 70 67

that allows them to obtain all information, notably of a practical nature, on the management of their shares, their rights, Group events, etc.

Information disseminated regularly throughout the year

- Distribution of press releases on the publication of full-year and first-half results, quarterly revenue figures or any other significant event



in the life of the Group and its subsidiaries. These press releases are published as advertisements in the financial press and as general information for the daily newspapers and weekly news magazines.

Meetings with analysts, fund managers, investors and journalists

- In March and September 2006, Wendel organized two meetings for the presentation of its first-half and full-year results. Jean-Bernard Lafonta, Chairman of the Executive Board, gave a detailed presentation on the situation of the Group, its current investment strategy and its prospects. These meetings were followed by a telephone conference call run by Mr. Lafonta and intended mostly for English-speaking analysts and investors.

- At the beginning of December 2006, Wendel organized the fourth annual information day on the Group's unlisted companies. Over 200 analysts, investors and journalists, both French and non-French, attended. Jean-Bernard Lafonta and all the Wendel executive team were available to the audience to answer questions. The CEOs of Bureau Veritas, Oranje-Nassau, Stahl, Deutsch, Legrand and Editis gave detailed presentations of their businesses, their strategies and their prospects. The presentations are available on the Wendel Investissement internet site.

- Meetings were held between the management team and investors, in and outside France, throughout 2006. Meetings were held with managers from the major financial institutions in Paris, London, New York, Geneva, Frankfurt and Edinburgh.

- Jean-Bernard Lafonta addressed an audience of 300 in a round table discussion at the



annual Parisian trade show for shareholders in November 2006 on the theme "Are stock market forecasts reliable?"

Internet site:

www.wendelgroup.com

communication@wendelgroup.com

All current information of a general nature about the Group and its subsidiaries as well as financial data can be consulted in English and French on the Wendel website.

All published documents are available on the Internet: press releases, shareholder information letters and information presented to analysts, investors and journalists. Wendel annual reports for the last four years can be downloaded electronically from the site. A press review for Wendel and its subsidiaries is available for consultation. The Group's current share price and historical price data can be consulted at any time. The Net Asset Value, published every quarter, is also available on the Wendel site. A shareholders' area is accessible for asking questions by e-mail.



Bureau Veritas: 99% / Legrand: 30% / Materis: 74% / Editis: 100% / Deutsch: 89% /

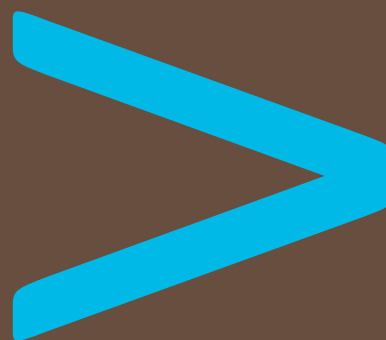
WENDEL INVESTMENTS

“The Wendel Group’s investments combine industry tradition, entrepreneurial spirit and a strong culture of technological innovation.”

All of the information concerning the market positioning and market shares held by our subsidiaries derive from the companies themselves.



Stallergènes: 47% / Stahl: 46% / Oranje-Nassau: 100%



STRATEGIC INVESTMENTS

BUREAU VERITAS

Global provider of conformity assessment services and in certification in the areas of quality, health, safety, environmental protection and social responsibility.

Wendel investment **99%**



> FINANCIAL HIGHLIGHTS

(millions of euros)	2006	2005
Net sales	1,846	1,647
Adjusted operating income ⁽¹⁾	268.3	243.7
Net income from business sectors	157.2	139.6

(1) Adjusted operating income before goodwill allocation entries, management fees and non-recurring items.

Assets (millions of euros)	12.31.2006	12.31.2005
Non-current assets	719	662
Current assets	701	656
Total	1,420	1,318

Liabilities and shareholders' equity (millions of euros)	12.31.2006	12.31.2005
Shareholders' equity	228	204
Non-current liabilities	628	617
Current liabilities	564	497
Total	1,420	1,318

- Present in 140 countries
- 26,000 employees
- More than 700 offices and laboratories

FAVORABLE ADVANCE IN NET SALES

Once again, Bureau Veritas performed well in 2006. Sales advanced by 12% to 1,846 million euros, reflecting organic growth of 7% and growth from acquisitions of 5%. Excluding government contracts, organic growth was 9%, with particularly strong contributions from the Marine, Industry Services, Certification and Consumer Products divisions. Adjusted operating income totaled 268 million euros and the operating margin stood at 14.5%.

SEVERAL MAJOR CONTRACTS

Net sales in the **Industry Services Division** totaled 240 million euros, up 20%, with particularly strong growth in the oil and gas sector. Bureau Veritas achieved a growth rate in excess of the market average, signing several large new contracts, in particular with Petrobras in Brazil, and with Shell and Maersk in the North Sea. The company also landed contracts in electricity generation in the United States, Brazil and India. Finally, Bureau Veritas expanded its expertise in inspecting mining equipment and installations with the acquisition of Intico in Australia.

The **Construction Services Division** saw moderate growth, with net sales of 368 million euros. Strong growth in Europe was offset by results that fell short of expectations in the United States, where the slowdown in real estate investment had an impact.

Net sales in the **In-service Verification Division** totaled 242 million euros. The company is

expanding by addressing two growing trends: increasing recourse to independent verification companies and the desire of certain customers to put verification of all their installations, in particular concerning electrical and fire safety, on the same footing. Improving customer service and controlling costs are among the keys to success in this business.

The **Health, Security and Environment Division** achieved net sales of 190 million euros, an increase of 30%.

Bureau Veritas has built up positions in several countries: France, the United States, the United Kingdom, Brazil, the Netherlands and Australia. In 2006, Bureau Veritas acquired three companies in Australia. Significant contracts signed throughout the world with Esso, Renault, Nestlé, Nexans, Schindler, Boeing, Petrobras, General Electric and several other groups stand as testimony to the high level of credibility Bureau Veritas has acquired.

Net sales from the **Certification Division** totaled 204 million euros. Business was strong both in the developed economies of Europe and in emerging market countries. These were some of the most significant contracts: a Brazilian suppliers audit for Petrobras, worldwide ISO 9001 quality certification and ISO 14001 environmental certification for Legrand, and an international HSE and human resources audit program for Nestlé.

GOOD PERFORMANCE IN MARINE AND CONSUMER PRODUCTS

In a context favorable for shipping and shipbuilding, net sales from the **Marine Division** rose more rapidly than the market to 209 million euros. Bureau Veritas strengthened its position as world number two, with more than 7,500 ships classified as of the end of 2006.

Its worldwide market share in the classification of ships under construction increased for the fifth consecutive year, reaching 11% in tonnage and 15.5% in number of ships.

Net sales from the **Consumer Products Division** totaled 248 million euros, and growth there was higher than the Group average. This resulted largely from strong business trends in consumer product trials and from expansion in the electric and electronic products segment. The company continued to expand in Asia, opening two new testing laboratories in China and India.

Net sales from the **International Trade Division** totaled 145 million euros, down 11%. Contracts with the governments of Venezuela and Kenya were terminated earlier than initially planned. This was partially offset by the signature of two new contracts in Cambodia and Mali, and by the development of new activities: inspection of imported merchandise using scanning technology in the Ivory Coast and verification of compliance with quality standards in Saudi Arabia.

ROBUST BUSINESS GROWTH IN EMERGING MARKETS

In several emerging markets, such as China, India, Brazil and Russia, organic growth topped 20%.

OUTLOOK

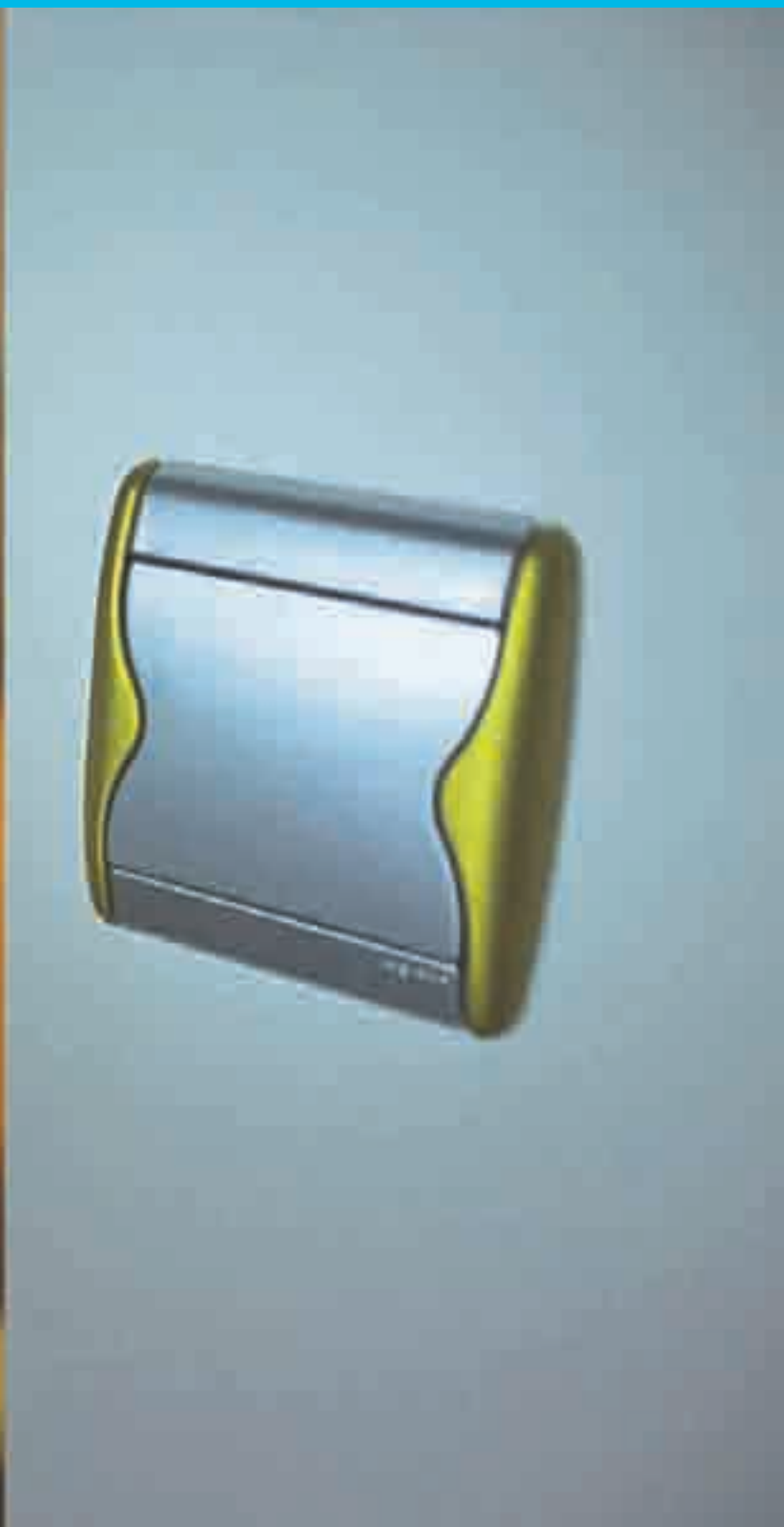
Bureau Veritas is also privileged to be one of the principal consolidators in its industry, currently very fragmented. For several years now, it has been developing its expertise in acquisitions and in the integration of acquired companies.

STRATEGIC INVESTMENTS

LEGRAND

World specialist in products and systems for low voltage installations and information networks

Wendel investment **30%**



> FINANCIAL HIGHLIGHTS

(millions of euros)	2006	2005
Net sales	3,737	3,248
Adjusted operating income ⁽¹⁾	640	547
Net income from business sectors	255	104

(1) Operating income adjusted for the entries related to the acquisition of Legrand in France in 2002 and non-recurring items

Assets (millions of euros)	12.31.2006	12.31.2005
Non-current assets	4,407	4,555
Current assets	1,529	1,338
Total	5,936	5,893

Liabilities and shareholders' equity (millions of euros)	12.31.2006	12.31.2005
Shareholders' equity	2,169	547
Non-current liabilities	1,986	4,161
Current liabilities	1,781	1,185
Total	5,936	5,893



- Sales in more than 160 countries
- 33,000 employees
- Nearly 5% of net sales committed to R&D
- 51% of investments dedicated to new products

SUSTAINED AND PROFITABLE GROWTH

In 2006 Legrand enjoyed sustained and profitable growth. Net sales increased significantly, by 15% compared to 2005, to 3.737 billion euros. This was due to organic growth of 7.8% and through a significant contribution from acquisitions of 6.6%. In particular, net sales in emerging economies, which accounted for nearly 22% of total business, grew by nearly 20% in 2006 on a like-for-like basis. Operating income was up by 17% compared to 2005 and represented 17% of net sales, one of the highest margins in the Industry. Net income of 252 million euros in 2006, was more than twice that of 2005.

SIGNIFICANT FREE CASH FLOW GENERATION

Free cash flow⁽²⁾ grew significantly, by 39% in 2006, to reach 456 million euros, or 12% of net sales. This came about as a result of very good operating performance combined with careful management of working capital

requirements and capital expenditures. Net financial debt was 1.676 billion euros at December 31, 2006, down by 17% compared to December 31, 2005.

CONTINUOUS INNOVATION AND MARKETING DRIVE GROWTH

R&D expenditure increased by 8% and capital expenditures dedicated to new products by 16% in 2006. Thus more than 250 million euros were invested to develop and manufacture new products and more than 40 new product ranges were launched in 2006.

Legrand is also looking to extend the coverage of its markets. Thus the group opened four new sales offices or subsidiaries and 13 new show-rooms, notably in emerging markets. Sales and marketing employee numbers were up by 3% on a like-for-like basis and represented 17% of total group employees compared to 15% in 2005.

ACQUISITIONS

After the acquisition in 2005 of five companies – TCL International Electrical and TCL Building Technology, ICM Group, OnQ, Van Geel and Zucchini – Legrand on January 1, 2006 announced the purchase of six other entities, all leaders in their markets:

- Shidean, the leader in audio and video door entry systems in China;
- Cemar, the Brazilian leader in consumer units and industrial enclosures;
- RM Kabelbaner, the Danish leader in metal cable management systems;
- Vantage, the number two in top-of-the-range lighting control in the United States and specialist in home automation;
- HPM, number two in wiring devices in Australia and New Zealand;

- UStec, a US firm specialized in structured wiring for homes.

These six targeted acquisitions, with sales of around 170 million euros, were financed with internal cash flow and will enable Legrand to access high-growth markets, notably in emerging economies, to add to its product offer and to extend the geographic coverage of its markets.

OUTLOOK

For 2007, Legrand is confident of its ability to grow total net sales by 7-10%, excluding the impact of exchange rate fluctuations, of which 4-5% through organic growth, and to maintain, after consolidation of recent acquisitions, high adjusted operating margins, comparable to those of 2006.

(2) Free cash flow is defined as cash flow from ongoing operations, plus net cash from asset disposals less capital expenditures and capitalized R&D.

STRATEGIC INVESTMENTS

MATERIS

One of the world's leaders in specialty chemicals for construction
(admixtures, aluminates, mortars and paints)

Wendel investment **74%**



> FINANCIAL HIGHLIGHTS

(millions of euros)	2006 (8 months)	2006	2005
Net sales	1,122	1,622	1,359
Adjusted operating income ⁽¹⁾	155	206	181
Net income from business sectors*	36.6		

(1) Adjusted operating income before goodwill allocation entries, management fees and non-recurring items.

Assets (millions of euros)	12.31.2006
Non-current assets	2,312
Current assets	663
Total	2,975

Liabilities and shareholders' equity (millions of euros)	12.31.2006
Shareholders' equity	137
Non-current liabilities	2,420
Current liabilities	418
Total	2,975



- 8,000 employees worldwide
- More than 100 brands, well-known in their local markets
- 77 manufacturing sites in 21 countries
- 320 points of sale for paints and home furnishings

BALANCE BETWEEN ORGANIC GROWTH AND ACQUISITIONS

Overall, Materis experienced strong business trends in 2006, with consolidated net sales of 1,622 million euros, up 19% compared with 2005.

Operating income for the year was 206 million euros representing a margin of 12.7%. The four divisions (admixtures, aluminates, mortars and paints) all reported good performances.

Chryso, the **Admixtures** business, made significant advances in all regions and markets, with sales up 20% compared with 2005, and net sales in this business totaled 168 million euros. Reductis, a new product launched in 2005 to reduce chromium (VI) in Portland cement, continued to gain momentum, posting particularly strong growth in the United Kingdom.

Kerneos, the **Aluminates** business, generated net sales of 293 million euros, up 15% from 2005, as sales volumes were strong, in particular in France, Germany and the United States.

These robust sales, together with tight control of industrial and logistical programs not only offset increases in shipping, raw materials and energy costs, but also enabled Kerneos to finance geographical expansion and expenditures related to expanding the company's range of products and services.

Parex Group, the **Mortars** business, had an impressive year, with net sales of 485 million euros, up 14% from 2005. This performance reflected upbeat market conditions in France, where Parex Group had an excellent year, but also a strong contribution from foreign subsidiaries.

Dust-free mortar, a noteworthy Parex innovation, was highly successful and will be adapted to other products in the range in 2007.

Materis Paints, the **Paints** business, achieved sales of 676 million euros in 2006, up 25% from 2005. This was slightly less than expected, even though the synergies deriving from the acquisition of Zolpan in 2005, a large transaction, were harnessed quicker than planned. On the whole, markets were lackluster in southern Europe and in France. Nevertheless, Materis achieved satisfactory growth in earnings in France, although overall results were held back by conditions in the Spanish and Portuguese markets.

DYNAMIC ACQUISITION STRATEGY

In 2006, Materis invested a total of 90 million euros in more than 10 acquisitions in all of its businesses.

- In the Aluminates business, Materis purchased Peramin, a company specialized in concrete and dry mortar additives for construction purposes. This acquisition bolsters the de-

velopment of innovative solutions based on calcium aluminates. In this way, Materis will be able to offer improved performance and be in a position to meet the needs of the construction market and the refractories industry.

- The Admixtures business gained valuable access to India, the world's second-largest cement market, by signing a majority joint-venture agreement with SWC.

- In acquiring Colorin in Argentina, the Paints business extended its footprint outside Europe for the first time, in a market with high growth potential. Materis Paints continued to grow in Europe with the purchase of Claessens, a well-respected Swiss company in this market.

- The Mortars business also expanded actively in 2006, carrying out five acquisitions.

- UNICAPA in Spain
- LIGAFIX in Brazil
- FERNES DAVCO, representing the division's entry into China
- TEIFS and MER-KOTE in the United States

OUTLOOK

Materis now has world-class positions in each of its four business units.

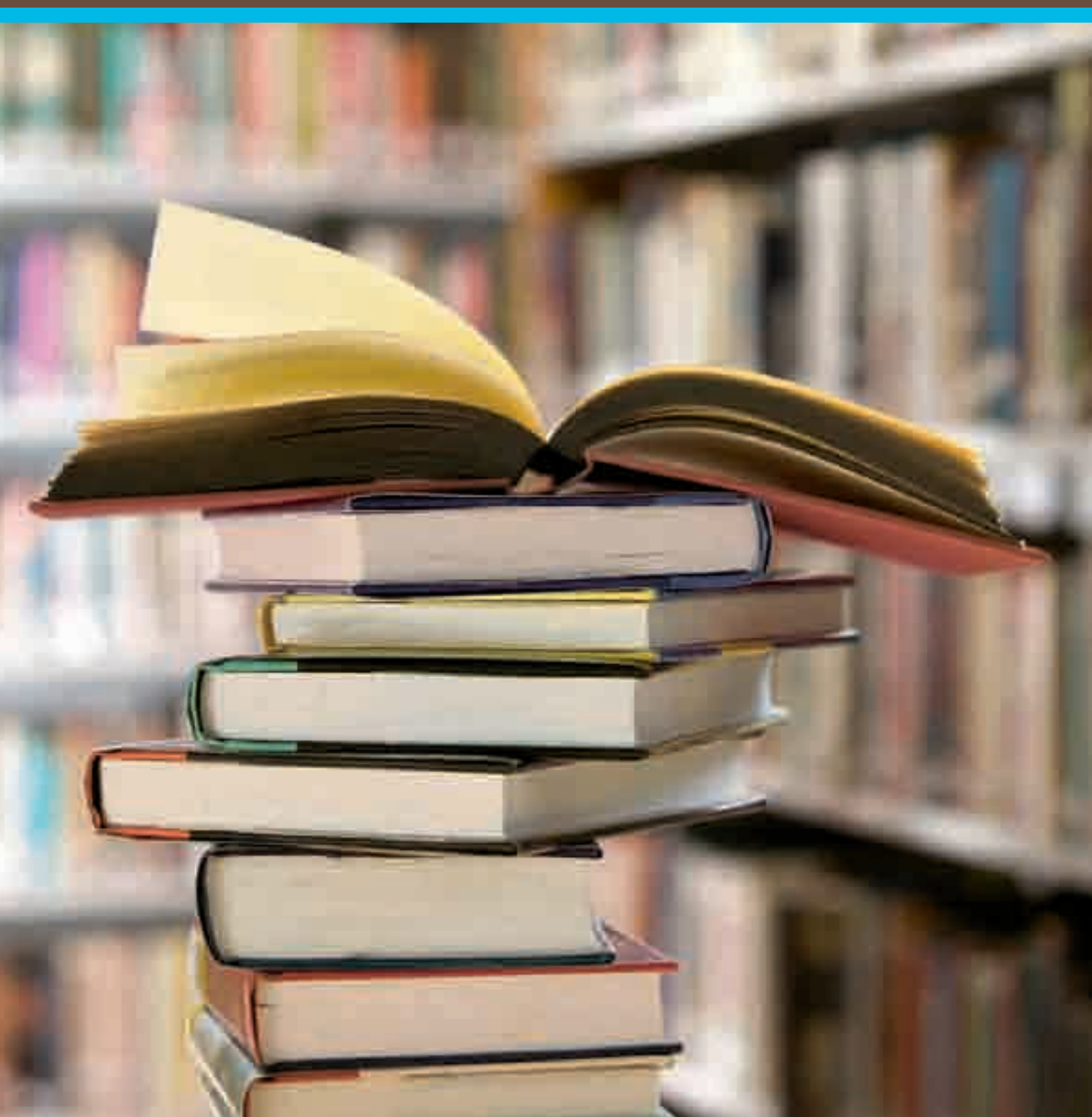
Materis will leverage its ability to generate organic growth and its value-creating expansion model to strengthen its position over the next five years as the world leader in specialty chemicals for the construction industry.

STRATEGIC INVESTMENTS

EDITIS

French publishing house

Wendel investment **100%**



> FINANCIAL HIGHLIGHTS

Assets (millions of euros)	12.31.2006	12.31.2005
Non-current assets	673	631
Non-current assets held for sale	8	9
Current assets	351	331
Total	1,032	971

(millions of euros)	2006	2005
Net sales	755	770
Adjusted operating income ⁽¹⁾	80.2	71.6
Net income from business sectors	41.5	30.1

(1) Adjusted operating income before goodwill allocations, management fees and non-recurring items

Liabilities and shareholders' equity (millions of euros)	12.31.2006	12.31.2005
Shareholders' equity	169	196
Non-current liabilities	490	428
Non-current liabilities held for sale	3	-
Current liabilities	370	347
Total	1,032	971



- 2,300 employees
- Nearly 40 publishing brands
- 9,000 titles published
- 130 million volumes distributed by Interforum

The Editis group is a leader in the French-speaking publishing market, with a presence in literature, reference materials and education (schoolbooks and books for young people). It also plays a major role in distribution through its subsidiary Interforum.

CONTINUED DEVELOPMENT

In a stable market, Editis actively continued its development in 2006. Net sales grew by 9% to 755 million euros, excluding the termination of the Larousse contract (11% of net sales) provided for in the acquisition of Editis. Meanwhile income from ordinary activities increased by 12% from 71.6 million euros to 80.2 million euros, representing a profit margin of 10.6%, or 130 basis points more than in 2005.

STRENGTHENING OF ORGANIC GROWTH

Editis posted organic growth of more than 2.5% (excluding the impact of the termination of the Larousse contract and acquisitions), related to the buoyancy of school textbook sales, the continued growth of the small paperbacks

business as well as the development of the distribution businesses.

In literature, traditional Editis group publishing houses such as Robert Laffont, Plon and Belfond stood out as a result of several bestsellers.

In paperbacks, Pocket scored numerous successes, notably with the "Da Vinci Code" and the launch of Kurokawa. In 2006 the brand celebrated its first anniversary by establishing itself among the leaders in the manga market in France.

Also of note were the significant results from Lonely Planet which, two years after entering into a licensing agreement with "Place des éditeurs", posted growth of 15% in the global travel guide segment.

Education and Reference houses have also shown their capacity for talented innovation and have seized the opportunities opened up through the continuation of reforms in French middle schools (collèges).

In 2006, the success of the "Dictionnaire culturel en langue française" (Cultural dictionary in French) continued apace. It was launched in 2005 and has sold more than 30,000 copies, a record for "Le Robert" dictionaries, which have a well-proven track record.

The distribution business was strengthened in 2006 by the conclusion of two major contracts by Interforum: one with Dargaud and Le Lombard, subsidiaries of the Média-Participations group and the other with Gallimard for the distribution titles in supermarkets and convenience stores.

CONTINUATION OF EXTERNAL GROWTH

Acquisitions accounted for growth of nearly 7% in 2006. The policy initiated in 2005 (with the acquisition of Cherche Midi and Editions First) continued in 2006 with the purchase of Editions XO and Groupe DNL in the distribution field.

Editions XO was launched in 2000 with the ambition to introduce new French novelists into international bestseller listings, with the implementation of an original concept consisting of publishing a few titles to concentrate a maximum of resources on the authors chosen. In the six years of its existence, XO has published nearly 60 titles of which 90% have entered bestseller lists and three-quarters of which have been widely sold internationally.

The refinancing of debt in the first half of 2006, as a result of the implementation of a new 700 million euro bank loan facility, gave Editis new resources for its acquisitions and led to a significant improvement in the cost of finance. In the first quarter of 2007 Editis signed an agreement to acquire De Boeck, an independent publisher and one of the leaders in the education market in Belgium.

OUTLOOK

In a stable market Editis has the challenge of maintaining its growth objectives by continuing its internal development projects and by seizing new acquisition opportunities, both within and outside France. In this context, much will be riding on the Group's ability to integrate changes associated with the internet and digital media and adapt them to its purposes.

STRATEGIC INVESTMENTS

DEUTSCH

Global specialist in high-performance connectors and relays

Wendel investment **89%**



> FINANCIAL HIGHLIGHTS

(millions of euros)	2006 (5 months)	2006 ⁽¹⁾	2005 ⁽¹⁾
Net sales	182	438	404
Adjusted operating income ⁽²⁾	30	71.9	69.7
Net income from business sectors	(0.2)		

(1) Cumulative unaudited pro-forma figures. (2) Adjusted operating income before goodwill allocations, management fees and non-recurring items. Average USD/EUR exchange rates: 1.285 for 5 months 2006, 1.255 for 2006 and 1.243 for 2005

Assets (millions of euros)	12.31.2006
Non-current assets	750
Current assets	207
Total	957

Closing USD/EUR exchange rate used at 12.31.2006: 1.317

Liabilities and shareholders' equity (millions of euros)	12.31.2006
Shareholders' equity	137
Non-current liabilities	727
Current liabilities	93
Total	957



- World leader in high-performance connectors
- Present in 25 countries
- 3,500 employees worldwide

Deutsch is one of the world leaders in electrical and optical connectors of high-power signals and electricity for use in extremely harsh environments such as industrial vehicles, aerospace, defense and offshore oil & gas platforms.

A NEW COMPANY

Deutsch was founded in California in 1938 by the Deutsch family. The company grew and developed throughout the world while remaining a family firm. 2006 was a year of transition with the purchase of Deutsch by Wendel, finalized in June.

The three companies that previously existed, Deutsch ECD in the United States, Deutsch Ltd in the United Kingdom and Compagnie Deutsch in France, operated autonomously. They were brought together in 2006 to create a global Group with 3,500 employees and sales of more than 400 million euros.

Wendel has appointed Jean-Marie Painvin, formerly CEO of the French subsidiary of Deutsch, to lead the Group. To support him, a new CFO has been appointed as well as a

team of nine executives who have occupied a variety of roles within Deutsch and have perfect knowledge of its operations.

INNOVATIVE AND QUALITY PRODUCTS

Deutsch has developed around three core areas that have contributed to its success:

Innovative products

Deutsch devises technical solutions for producing high-performance connectors, resistant to the stresses encountered in harsh environments. These include:

- withstanding a fire in an aircraft engine.
- working with construction vehicles in mud, with vibrations and under extreme temperatures,
- running a current of 900 amps and 36,000 volts through a drilling platform cable at 1,100 meters (3,600 feet) below the sea surface.

Specific products

Deutsch works closely with the R&D departments of its customers to develop products and solutions enabling them to solve the technological challenges they face.

Quality products

Deliver quality products, without any defects, to meet the expectations of customers. All factories are organized around the «zero defect» production concept, which constitutes a major challenge. Currently the US and UK divisions use continuous improvement programs. Also, the French division has introduced the Progress total quality program.

PROMISING RESULTS

Deutsch ended 2006 with a large increase in orders and billings compared with 2005. The order book, which represents nearly a

year's sales, is up by 9% compared with 2005. Sales were 438 million euros and up by 9% compared with 2005. Wendel took control of the company in the middle of 2006, and for this reason, it was consolidated for just five months. In this period sales were 182 million euros and adjusted operating income was 30 million euros, which represents a margin slightly in excess of 16%. These good performances are mainly due to the manufacturing sector and the flourishing aerospace market.

OUTLOOK

2007 will see the introduction of new synergies. With the help of two consulting firms, Deutsch will continue the rationalization of its procurement function and the implementation of its new global sales structure to create new synergies and to develop organic growth in excess of the industry average.

STRATEGIC INVESTMENTS

STALLERGÈNES

Europe's leading pharmaceutical laboratory specialized
in the treatment of allergies by immunotherapy

Wendel investment **47%**



> FINANCIAL HIGHLIGHTS

<i>(millions of euros)</i>	2006	2005
Net sales	126.6	112.0
Operating income	23.2	22.2
Net income	14.6	13.8

<i>Assets (millions of euros)</i>	12.31.2006	12.31.2005
Non-current assets	67	56
Current assets	56	48
Total	123	104

Liabilities and shareholders' equity <i>(millions of euros)</i>	12.31.2006	12.31.2005
Shareholders' equity	53	40
Non-current liabilities	22	24
Current liabilities	48	40
Total	123	104



- Number 1 worldwide in number of patients treated
- Nearly 1 million treatments prepared
- 500 employees
- More than 15% of net sales devoted to R&D

Pioneer and now leader in sublingual allergen immunotherapy, Stallergènes continues to grow and has embarked on an ambitious development program with the objective of offering sublingual immunotherapy in tablet form.

CONTINUED GROWTH IN 2006

Growth continued in 2006, with net sales up 13% at 126.6 million euros. Stallergènes has grown rapidly in France. The number of people treated by its products has increased, and the range of services offered to doctors specialized in allergies has been expanded.

At the same time, Stallergènes continued to consolidate its positions in the rest of Europe. After successfully integrating the

Spanish company IPI in 2005, Stallergènes took control of its own sales and marketing operations in the Czech Republic and Slovakia and has recently created a joint venture with a local partner in the Netherlands.

This gratifying level of net sales led to operating income before R&D of 41.2 million euros, up 16%, and after R&D of 23.2 million euros, up 5%. Net income totaled 14.6 million euros, up 6% from 2005, despite the sharp increase in R&D, product development and promotional expenses linked to the tablet program. Free cash flow remained strong, at 7 million euros, and net debt declined from 17 million euros to 12 million euros.

THE ORALAIR® TABLET PROGRAM

The research & development budget represented nearly 15% of sales, and was devoted to the development of innovative and effective immunotherapies with rapid, long-lasting action.

The Oralair® tablet sublingual allergen immunotherapy program includes three products (grass pollen, birch pollen and mites) and will make it possible to treat the allergies that strike around 70% of allergy sufferers in Europe. The effectiveness and acceptable tolerance levels of the Oralair® grass tablet were validated by the results of a clinical study finalized in 2005, and the product will undergo the mutual recognition procedure in most European countries once it has been approved by the German regulatory authorities.

The two other products, birch allergen and mites allergen tablets, are currently in development. The allergen used in the birch tablet is a recombinant allergen, produced through genetic

engineering. This procedure will make it possible to create products with specific, quantifiable and reproducible characteristics.

Development of these tablets has required significant investment. On the manufacturing side, an extension to Stallergènes' production facility is to open at the end of 2007, while the launch of Oralair® is in preparation on the marketing side. In addition, Stallergènes has concluded a partnership agreement with the Canadian company Paladin regarding the development, promotion and distribution of Oralair® tablets in Canada. This agreement represents one of the company's first inroads into a non-European country and will be followed by other projects on an international scale.

OUTLOOK

Alongside Stallergènes' tablet program is its Enhanced Allergens program. This program aims to leverage new technologies to modulate the immunological response. This innovative research program is part of Stallergènes' overall effort to use its unique expertise in allergens to improve allergen immunotherapy.

For 2007, Stallergènes projects more growth in its business and plans to devote more resources to research & development, lifting it to 17% of net sales.

STRATEGIC INVESTMENTS

STAHL

World leader in leather finishings

Wendel investment **46%**



> FINANCIAL HIGHLIGHTS

<i>(millions of euros)</i>	2006 (6 months)	2006 ⁽¹⁾	2005 ⁽¹⁾
Net sales	155	316	307
Adjusted operating income ⁽²⁾	20.1	44.4	46.3
Net income from business sectors	3.9		

(1) Unaudited pro-forma figures. (2) Adjusted operating income before goodwill allocations, management fees and non-recurring items.

Assets <i>(millions of euros)</i>	12.31.2006
Non-current assets	546
Current assets	130
Total	676

Liabilities and shareholders' equity <i>(millions of euros)</i>	12.31.2006
Shareholders' equity	73
Non-current liabilities	516
Current liabilities	87
Total	676



GROWTH OF 3% IN A SOFT MARKET

In 2006, Stahl's sales increased by 3% to 316 million euros compared with 307 million euros in 2005. Stahl enjoyed a robust 8% rise in sales in the first half of the year followed by a flat second half due to temporarily soft market conditions, notably in Asia, on the back of high hide prices and EU import restrictions on shoes from China and Vietnam.

ROBUST CASH GENERATION

Stahl has historically benefited from high cash conversion rates (in excess of 70%), due to low capex (historically below 3% of sales), and strict management of working capital requirements. Cash conversion rate ((EBITDA - CAPEX - Change in WCR) / EBITDA) increased further in 2006 to more than 80%, due to improved working capital and capex management.

ACTIVE R&D POLICY AND FOCUS ON FASHION AND INNOVATION

In 2006, Stahl has put increased focus on fashion and innovation with the recruitment of a corporate fashion consultant, the opening of a fashion center in Ciampo (Italy), and the signature of a contract with a design studio to further strengthen Stahl's leading-edge fashion image. In addition, R&D efficiency has been increased through the transfer of R&D responsibilities and staff to each business unit and the rationalization of the number of projects. R&D resources have been used to develop new chemistries and new product applications to keep Stahl at the technological forefront in the market and in compliance with EU regulations on the use of solvents and other chemicals.

FOCUS ON ASIA

In 2006, Stahl finalized the investments in its new plant in Suzhou (China). This 17.5 million US dollar investment should provide Stahl with access to parts of the Chinese market previously untapped due to high import duties, transport costs and long lead times. The unit has been on trial production since the 4th quarter and sales are expected to take off in 2007. Furthermore, leather finish sales staff has been doubled in Asia in 2006, reflecting Stahl's continuous efforts to strengthen its market positions.

OUTLOOK

Huib van Beijeren was appointed as CEO of Stahl in February 2007. He previously headed up the paper and packaging division of DS Smith (sales of 1 billion euros) and, from 1996-2005, was on the main board members of the polymer manufacturer British Vita, with responsibility for two of the three divisions of the group (over 900 million euros in sales). His first task will be to implement a new organization tailored, in the short run, to capitalize on Stahl's operational improvement potential, and in the medium run, to deliver the ambitious growth plan for the company.

- World leader in leather finishing
- Over 200 "Golden hands" technicians
- 1,500 employees in 28 countries
- 10 manufacturing sites
- 33 R&D and technical service centers

PRESENTATION OF ACTIVITIES

Stahl is the leading global producer of leather finishing chemicals and performance coatings, for use in clothing, footwear, motor vehicles, furniture, and other leather goods applications. Stahl also sells chemicals and dyes for the processing of leather.

STRATEGIC INVESTMENTS

ORANJE-NASSAU

Energy and real estate

Wendel investment **100%**



> FINANCIAL HIGHLIGHTS

(millions of euros)	2006	2005
Net sales	242	247
Adjusted operating income	154.0	155.1
Net income from business sectors*	69.8	74.0

(*) Excluding Wendel Group companies held via Oranje-Nassau.

Assets (millions of euros)	12.31.2006	12.31.2005
Non-current assets	957	892
Current assets	145	130
Total	1,102	1,022

Liabilities and shareholders' equity (millions of euros)	12.31.2006	12.31.2005
Shareholders' equity	745	676
Non-current liabilities	250	254
Current liabilities	107	92
Total	1,102	1,022



- Production of around 14,000 barrels of oil equivalent per day
- 34 production fields worldwide, mainly in the North Sea
- 67,000 m² of office and commercial space

ENERGY

Oil prices rose in 2006 for the fifth consecutive year. The reasons for the rise were the same as in 2005, specifically:

- continued strong worldwide demand, essentially in China and the United States;
- uncertainty about the level of OPEC's production capacity;
- political tensions in the Middle East, specifically in Iraq and Iran, as well as political unrest in Nigeria and Venezuela.

These factors lifted the price of a barrel of oil to a high of \$80 in August 2006.

The average price was \$65.75, 20% higher than the average price of \$54.90 recorded in 2005. Translated into euros, the average price

of a barrel of oil was 52.20 euros, compared with 43.90 euros in 2005.

Due to the natural decline of its producing fields, Oranje-Nassau's oil and gas production was 5 million barrels of oil equivalent, down 21% from 2005. Sales declined by 3% to 232 million euros in 2006. Oranje-Nassau expects production to increase in 2007, as the Buzzard oil field, acquired in 2005, comes on stream.

Owing to the high level of oil prices, the investment climate was less favorable than in 2005. Few quality assets were offered to the market.

Conversely, the market offered some attractive opportunities to sell assets, and Oranje-Nassau divested certain non-strategic holdings. Investment in exploration and development increased from 27 million euros in 2005 to 31 million euros in 2006, mainly as a result of the development of the Buzzard field.

REAL ESTATE

Rental income from real estate activities totaled 10 million euros compared with 9 million euros in the previous year. The occupancy rate of the company's properties, with a total surface area of 67,000 square meters, was over 95%.

For several years now, the company's strategy has been to reposition itself and concentrate its holdings on high-quality buildings located in and around major cities.

INVESTMENTS

In addition to its traditional energy and real estate activities, Oranje-Nassau also developed its Netherlands-based investment activities

in 2006. With support from Wendel, Oranje-Nassau made equity investments in several internationally-oriented groups.

In the first half of 2006, Oranje-Nassau carried out, on behalf of Wendel, the acquisitions of Stahl and AVR.

Stahl, a company that produces a broad range of formulated products for leather processing, was acquired in partnership with the Carlyle group.

Oranje-Nassau also acquired an 8% stake in AVR, the leading Dutch waste treatment company, alongside KKR and CVC Partners.

OUTLOOK

Oil production is set to increase again in 2007, as production from the Buzzard field comes on stream. The Group is in a favorable position for carrying out new investments and strengthening its market positions.

MINORITY SHAREHOLDINGS

AVR

Leading waste treatment firm
in the Netherlands

- 2,100 employees
- More than 4 million metric tons
of waste processed every year
- 60 sites in the Netherlands,
Belgium and Ireland

8%

Wendel investment

In January 2006 CVC Capital Partners, KKR and Oranje-Nassau purchased AVR from the city of Rotterdam for 1,400 million euros. Created in 1968 at the initiative of 23 local authorities, AVR is the leading waste treatment company in the Netherlands. It handles more than 4 million metric tons of waste per year and employs 2,100 people. In 2006 it achieved net sales of 524 million euros, up 5% from the 499 million euros it posted in 2005.

In March 2007, AVR purchased Van Gansewinkel Groep, another of Europe's largest waste treatment companies. It has net sales of 600 million euros and nearly 4,000 employees.

The company is active at all stages in the waste treatment chain: collection, processing and recycling. Initially based in the Benelux countries, Van Gansewinkel has since expanded into France, Poland, the Czech Republic, Portugal and the United Kingdom.



FINANCIAL HIGHLIGHTS

<i>(millions of euros)</i>	2006	2005
Net sales	524	499
Operating income	n.a.	71.1
Net income	n.a.	56.8

n.a.: not available

NEUF CEGETEL

- Leading French alternative operator
- Nationwide network of optical fiber covering nearly 45,000 kilometers
- Innovative range of services for consumers (more than 4 million, including 2.2 million with broadband connections) and businesses (139,000 connected sites).



2%

Wendel investment

By spreading costs and investments over a constantly growing customer base, Neuf Cegetel has been able to improve margins significantly. Control of general and administrative expenses contributed substantially to improving EBITDA, which surged 132% to 544 million euros.

Consolidated net sales totaled 2,897 million euros, up 145 million euros from pro forma 2005 figures. The company has reaped the benefits of expansion in the consumer market, with net sales there of 872 million euros, up 18%. Net sales in the corporate market meanwhile totaled 971 million euros, up 7% and net sales to operators 1,054 million euros. A million new broadband subscribers joined Neuf Cegetel in 2006. Half of these came through organic growth and the other half through the acquisition of the internet access business of AOL France.

The company's operating cash flow, in excess of 200 million euros, is a further indicator of its profitability. By the end of 2006, Neuf Cegetel's net debt had been reduced to 542 million euros, compared with 683 million euros at year-end 2005, illustrating the company's sound financial condition.

Neuf Cegetel was listed on the stock exchange on October 25, 2006, with an offer price of 22.08 euros. The transaction attracted intense investor interest and was 15 times oversubscribed.

FINANCIAL HIGHLIGHTS

<i>(millions of euros)</i>	2006	2005	2005 Pro forma
Net sales	2,897	1,826	2,752
Operating income	68	-118	-167
Net income	213	-129	-194

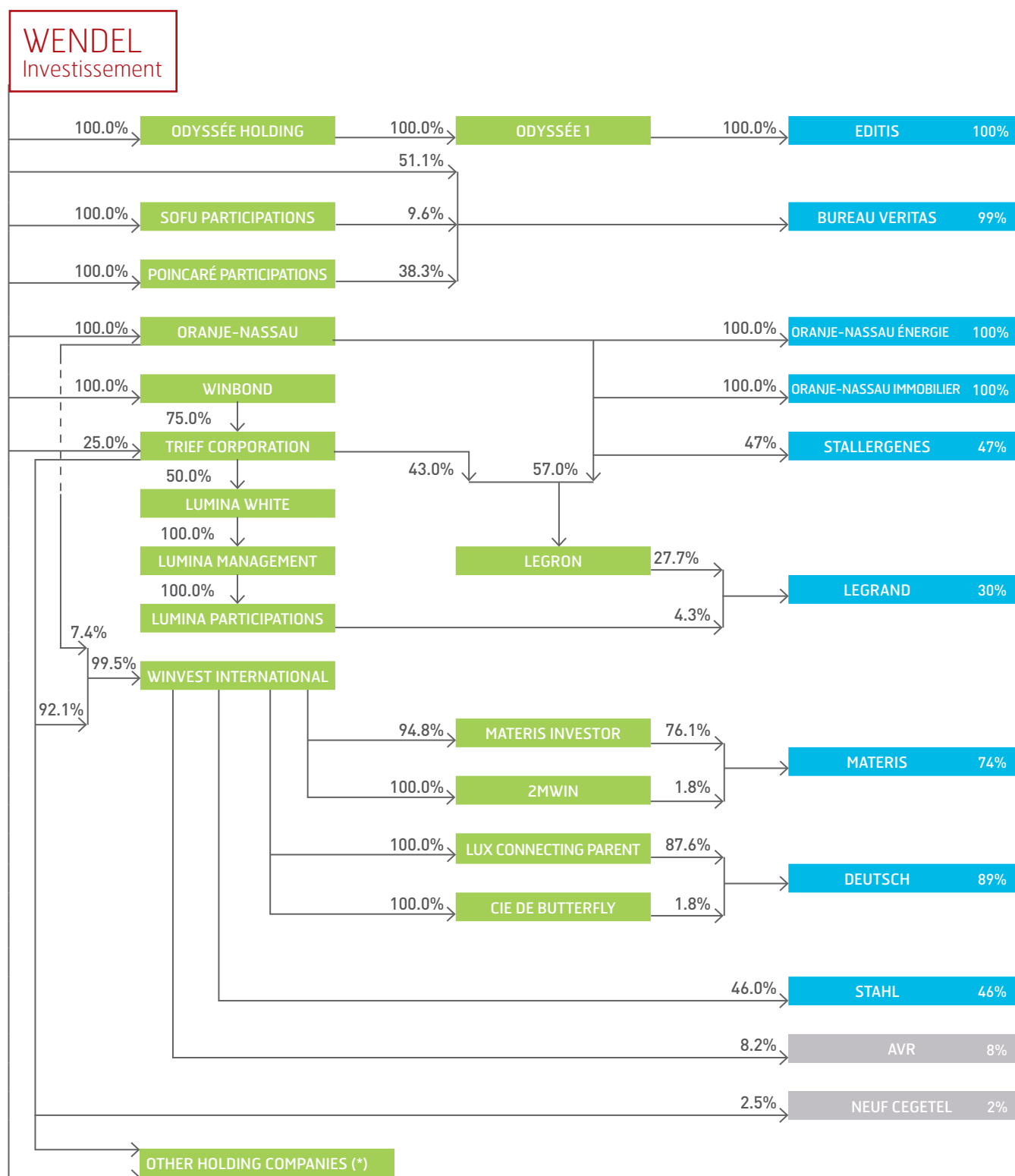
INVESTMENTS

OTHER HOLDING COMPANIES

<i>(Millions of euros, unless otherwise indicated)</i>					
Company name <i>(Shareholders)</i>	Equity interests	Equity capital (*) 12.31.2006	Total assets 12.31.2006	Net income 2006	Dividend paid in 2006
TRIEF CORPORATION (75% Winbond) (25% Wendel)	100% Sofisamc, 100% Ofilux Finance, 20% Eufor, 100% Winvest Part 1, 100% Winvest Part 2, 100% Winvest Part 3	1,259.1	1,870.0	347.1	-
WINVEST PART 1 (100% TRIEF Corporation)	-	-	79.5	-	-
WINVEST PART 2 (100% TRIEF Corporation)	-	-	15.3	-	-
WINVEST PART 3 (100% TRIEF Corporation)	32.7% Odyssee Management	-	0.9	-	-
WINVEST CONSEIL (100% TRIEF Corporation)	-	-	-	-	-
SOFISAMC (100% Trief Corporation)	-	CHF 26.3 M	CHF 26.5 M	CHF 2.9 M	-
OFILUX FINANCE (100% Trief Corporation)	75% Compagnie de l'Odyssee 61.4% Odyssee 3	13.8	16.0	-	-
ODYSSEE 3 (61.4% Ofilux Finance) (28.6% Compagnie de l'Odyssee)	-	16.6	136.6	0.1	-
COMPAGNIE DE L'ODYSSEE (75% Ofilux Finance)	28.6% Odyssee 3	4.0	4.0	-	-
ODYSSEE MANAGEMENT (32.7% Winvest Part 3)	10% Odyssee 3	2.4	2.4	-	-
EUFOR (80% Wendel) (20% Trief Corporation)	100% Froeggen, 100% Grauggen, 100% Hourggen, 100% Ireggen, 100% Jeurggen, 100% Financière de Dalaba, 100% Cie d'Alberta	-2.5	85.5	-2.7	-
FROEGGEN (100% Eufor)	-	61.1	165.7	75.4	-
GRAUGGEN (100% Eufor)	-	0.1	8.3	-	-
HOURGGEN (100% Eufor)	-	-3.1	8.3	-3.2	-
IREGGEN (100% Eufor)	-	0.1	8.3	-	-
JEURGGEN (100% Eufor)	-	0.1	8.3	-	-
FINANCIERE DE DALABA (100% Eufor)	-	0.2	0.2	-	-
COMPAGNIE D'ALBERTA (100% Eufor)	-	2.9	83.5	0.1	-
ODYSSEE HOLDING (100% Wendel)	100% Odyssee 1	90.2	244.2	-11.8	-
SOFU PARTICIPATIONS (100% Wendel)	9.6% Bureau Veritas	-10.5	145.6	-4.9	-
POINCARÉ PARTICIPATIONS (100% Wendel)	38.3% Bureau Veritas	256.3	257.0	137.0	149.3
WINVEST 1 (100% Wendel)	-	205.3	205.6	24.8	2.8
WINBOND (100% Wendel)	75% Trief Corporation	376.0	384.0	-0.2	-
COMPAGNIE FINANCIERE DE LA TRINITÉ (100% Wendel)	-	18.6	18.7	0.9	-
SIMFOR (100% Wendel)	-	1.7	1.7	-	-
WINVEST 6 (100% Wendel)	-	9.0	9.1	0.2	-
WINVEST 7 (56.2% Wendel)	-	16.0	16.0	-	-
WINVEST 3 (100% Wendel)	-	19.6	19.7	0.3	-
WINVEST 5 (100% Wendel)	-	0.3	0.6	0.1	-
SOLFUR (100% Wendel)	13.5% Wendel-Participations	19.5	23.6	4.9	3.0
SOFISERVICE (100% Wendel)	100% Lormetal	102.1	112.5	1.9	-
WINVEST 8 (100% Wendel)	-	-	-	-	-
WINVEST 9 (100% Wendel)	-	0.1	0.1	-	-
WINVEST 10 (100% Wendel)	-	0.1	0.1	-	-
WINVEST 11 (100% Wendel)	-	0.1	0.1	-	-
COBA (100% Wendel)	-	0.1	0.1	-	-
SOFE (100% Wendel)	-	0.1	0.1	-	-
COMPAGNIE DU SAHARA (100% Wendel)	-	0.1	0.1	-	-
LORMETAL (100% Sofiservice)	-	-1.7	0.1	-0.1	-

*Net income included.

CORPORATE ORGANIZATION AT DECEMBER 31, 2006

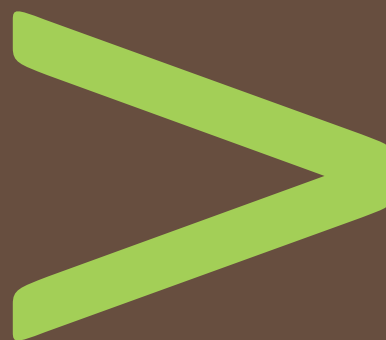


*See the list of holding companies opposite.



COMMITMENTS

“Our Group is more than 300 years old. No company can stand the test of time without a shared vision, strong values and a commitment to ethical and responsible behavior.”



CORPORATE GOVERNANCE

PREPARATION AND ORGANIZATION OF THE BOARD'S PROCEEDINGS

COMPOSITION OF THE MANAGEMENT ENTITIES

As of the Shareholders' Meeting of May 31, 2005, Wendel Investissement became a «société anonyme» with an Executive Board and a Supervisory Board. As of December 31, 2006, the Supervisory Board was comprised of ten members and the Executive Board two members. During 2006, Jean-Marc Espalioux resigned from the Supervisory Board, because his new professional responsibilities were incompatible with his position as member thereof.

The tables on pages 8 and 9 present the members of the Supervisory Board and the Executive Board, their ages and the positions they hold.

Members of the Supervisory Board are ordinarily appointed for a four-year term. In 2005, however, to avoid renewing the terms of all Board members at once when the Company adopted the Supervisory Board structure, term renewals were staggered. As a result, the Board members terms expire as follows:

2007 (Annual Shareholders' Meeting at which shareholders approve 2006 financial statements):

- Didier CHERPITEL
- Guy de WOUTERS

2008 (Annual Shareholders' Meeting at which shareholders approve 2007 financial statements):

- Jean-Marc JANODET,
- François de MITRY
- François de WENDEL

2009 (Annual Shareholders' Meeting at which shareholders approve 2008 financial statements):

- Ernest-Antoine SEILLIÈRE
- Édouard de l'ESPÉE,
- Grégoire OLIVIER

2010 (Annual Shareholders' Meeting at which shareholders approve 2009 financial statements):

- Nicolas CELIER,
- Béatrice DAUTRESME.

The term of appointment of the members of the Executive Board expires on May 31, 2009.

RULES OF OPERATION

The Executive Board is collectively responsible for managing the Company. To this end, it has extensive management and decision-making powers.

Pursuant to the Company's by-laws, the Supervisory Board exercises ongoing oversight of the Executive Board's management of the Company. The Executive Board presents a detailed report to the Supervisory Board at least once a quarter on the Company's situation and prospects. In particular, it presents the performance of the subsidiaries in the investment portfolio (net sales, key income statement ratios and principal balance sheet items), projected or executed financial transactions and all other transactions that might affect the Company.

Every quarter, the Executive Board also presents the change in net asset value per share, indicating the value created by the Company, share price performance, as well as items indicating the Company's performance relative to its peers and to the principal equity market indices.

The Executive Board also informs the Supervisory Board every quarter about changes in the share capital and voting rights, about the Company's proposed acquisitions or divestments and any other plans that might have a material impact on the financial condition of the Company. The Executive Board must obtain the Supervisory Board's approval for such plans. Similarly, the Supervisory Board must approve any significant acquisition or divestment of subsidiaries.

The Supervisory Board may conduct any verification it deems appropriate. The Executive Board presents the annual parent company and consolidated financial statements to the Supervisory Board, which presents its report and observations on the financial statements and on the Executive Board's detailed report to shareholders at their Annual Meeting. The Supervisory Board is responsible for the appointment and revocation of members of the Executive Board. It also sets, on the basis of proposals from its Governance Committee, the policy regarding the compensation and bonuses paid to members of the Executive Board. It also renders its opinion, based on the recommendations of the Executive Board on proposed profit-sharing and other performance-based awards.

In addition to the responsibilities conferred by law, the Company's by-laws require the

Supervisory Board to approve amendments to the by-laws and any transaction that changes, directly or indirectly, the share capital of the Company. It must also approve any decision to appropriate earnings or pay dividends.

To discharge its responsibilities, the Supervisory Board may create specialized committees composed of its members to monitor certain activities of its choosing.

In addition, at every meeting of the Supervisory Board, the Executive Board reports on its strategy and on the situation of the Company and other Group companies.

PROCEEDINGS OF THE SUPERVISORY BOARD

The Supervisory Board meets regularly and at least four times per year. In 2006 and through March 2007, the Supervisory Board met 11 times (vs. seven times in the previous year). Average attendance was over 95% for Supervisory Board meetings and no member of the Board was absent more than three times. The average length of Supervisory Board meetings was more than two hours.

To discharge its responsibilities under optimal conditions, the Board's charter stipulates that its discussions shall be prepared in certain fields by specialized committees. There are two such committees: the Audit Committee and the Governance Committee.

Once a year, the Board meeting includes a discussion of how the Supervisory Board's working sessions were prepared and organized. At each meeting, the situation of the Company and other Group companies is examined, as are investment, divestment and financing proposals.

THE COMMITTEES

The committees' responsibilities and procedures are detailed in each committee's charter and included in the Supervisory Board's Code of Conduct.

The Audit Committee

From January 1 to May 29, 2006, the Audit Committee was composed of three members:

- M. Jean-Marc JANODET (Chairman)
- M. Édouard de L'ESPÉE
- M. Grégoire OLIVIER

Since May 29, 2006, the Committee has had four members:

- M. Jean-Marc JANODET (Chairman)
- M. Nicolas CELIER
- M. Édouard de L'ESPÉE
- M. Grégoire OLIVIER

Each member of the Audit Committee has the financial and accounting expertise necessary to be a member of the committee insofar as they occupy or have occupied senior executive positions in several industrial or financial companies. Grégoire Olivier is considered to be an independent Committee member, as defined by the "Bouton report".

Responsibilities of the Audit Committee

The Committee's responsibilities are as follows:

- Ensure that the accounting policies chosen are appropriate and properly applied to the parent company and consolidated financial statements;
- Verify the accounting treatment of any significant transactions conducted by the Company;
- Ensure that internal data collection and control procedures make it possible to guarantee the quality and sincerity of the Company's accounts;
- Serve as liaison with the Statutory Auditors;
- Review all accounting and financial documents to be issued by the Company before they are published;
- Inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are submitted for approval;
- Oversee the Statutory Auditor selection process and submit the results of the selection to the Supervisory Board;
- Review the audit and consulting fees paid by the Company and the companies in the Group over which it exercises control to the Statutory Auditors and their networks and submit a report to the Supervisory Board.

Organization and procedures

The Audit Committee meets as frequently as

it deems necessary, and at least twice a year, prior to the Supervisory Board's review of the semi-annual and annual financial statements. The Audit Committee has access to all the resources it considers necessary to fulfill its responsibilities. In general, its meetings are held sufficiently in advance of Board meetings (generally a week) to allow for an in-depth examination of any subject requiring the Committee's attention. Accordingly, documents are addressed to Committee members in advance, usually a week before the meeting. In particular, the Audit Committee may interview the accounting staff as well as the Statutory Auditors and, if it so desires, independently of the presence of the Company's management. It may also hire experts to perform specific tasks falling within the scope of its responsibilities. In this regard, the Committee has engaged a recognized independent expert, Associés en Finance, to evaluate the Company's net asset value every six months.

After every committee meeting, a report is drawn up and sent to the Supervisory Board.

The Audit Committee met six times in 2006 and the first three months of 2007 (vs. three times in 2005). Attendance was 100%, and meetings lasted on average three hours.

February 23, 2006 – Agenda:

- Net asset value: presentation by Associés en Finance of its valuation estimate for each company;
- Review of treatment of goodwill related to Bureau Veritas and Editis;
- Indebtedness.

March 23, 2006 – Agenda:

- 2005 financial statements and interview of Statutory Auditors;
- 2006 outlook;
- Net asset value as of March 15;
- Review of financial communication documents;
- Review of corporate governance and internal control reports;
- Statutory Auditors' fees.

September 14, 2006 – Agenda:

- Net asset value as of August 31, 2006 and

CORPORATE GOVERNANCE

review of the report of Associés en Finance;
• Parent company and consolidated 2006 semiannual financial statements and interview of Statutory Auditors;

- Indebtedness;
- Presentation of investments carried out during the first half of the year;
- Review of questions raised by the AMF on the 2005 annual report and the responses submitted.

November 22, 2006 – Agenda:

- Definition of a Statutory Auditor selection process and approval of the requirements therefor and the list of candidate firms;
- Review of the financial authorizations the Supervisory Board has given to the Executive Board.

January 24, 2007 – Agenda:

- Selection of Statutory Auditors: review of responses to the call for tenders and candidate selection;
- Proposal to divest Solfur: report of Associés en Finance

March 28, 2007 – Agenda:

- 2006 consolidated and parent company financial statements;
- Financial situation;
- Net asset value;
- Financial communication;
- Review of draft corporate governance and internal control reports.

Governance Committee

Until May 29, 2006, the Governance Committee was composed of four members:

- M. Guy de WOUTERS, Chairman
- M. Didier CHERPITEL
- M. François de MITRY
- M. François de WENDEL.

At the Shareholders' Meeting, the number of members was increased to five:

- M. Guy de WOUTERS, Chairman
- Mme Béatrice DAUTRESME
- M. Didier CHERPITEL
- M. François de MITRY
- M. François de WENDEL.

The Governance Committee includes two independent members, as defined by applicable

legislation and the "Bouton" report: Béatrice Dautresme and Didier Cherpitel.

Responsibilities of the Governance Committee

- Propose candidates for Supervisory Board membership and/or appointment as corporate officers after reviewing all factors that must be taken into account. These include the desired balance between the composition of the Board and the shareholders of the Company, in particular the desired number of members with no direct or indirect link with the Company.
- Propose compensation packages for members of the Executive Board, including benefits in kind;
- Review the methods for apportionment of director's fees among the members of the Supervisory Board;
- Review the co-investment policy proposed to management and its application;
- Express an opinion on any question related to the governance of the Company or the functioning of its governing bodies;
- Review any question concerning business ethics raised by the Supervisory Board.

Organization and procedures

The Committee met five times in 2006 and the first three months of 2007 (vs. twice in 2005). Attendance at the meetings was 100%. The meetings lasted on average two hours.

March 29, 2006 – Agenda:

- Extension of the Governance Committee's employee relations responsibilities;
- Selection of new members of the Supervisory Board;
- Apportionment of directors' fees;
- Review of co-investments proposed by senior management.

May 29, 2006 – Agenda:

- Proposed constitution of an investment vehicle;
- Compensation of the members of the Executive Board;
- Review of the Supervisory Board's Code of Conduct.

December 6, 2006 – Agenda:

- Review of progress in the proposed constitution of a investment company;

- Compensation package for the Chairman of the Supervisory Board;
- 2007 compensation packages for the members of the Executive Board;
- Comments on stock option and bonus share grant policies;
- Review of the principle of co-investment by Wendel executives.

January 29, 2007 – Agenda:

- Review of proposal to divest Solfur;
- Comments on stock option grant policies.

March 28, 2007 – Agenda:

- Renewal of the terms of appointment of members of the Supervisory Board;
- Review of the draft report on corporate governance;
- Commitment of corporate officers to hold shares obtained through the exercise of stock options;
- Equity stakes of corporate officers and employees of the company.

RULES GOVERNING THE MEMBERS OF THE SUPERVISORY BOARD

RELATIONS BETWEEN MEMBERS OF THE BOARD AND THE COMPANY

The Supervisory Board uses the Bouton report's definition of "independent member": "A director is independent when he or she has no relationship of any kind with the Company, its group or its management." As it did last year, the Supervisory Board examined the situation of each of its members to ensure that they:

- were not employees or corporate officers of the Company, its parent company or a consolidated company, either currently or during the last five years;
- did not act as the Company's investment or commercial banker;
- did not have family ties with a member of the Board;
- have not been members of the Board for more than 12 years.

At its March 28, 2007 meeting, the Supervisory Board examined the independent character of its members, as defined by the Bouton report, and found that, following the resignation of

Jean-Marc Espalioux, three members satisfied the criteria: Béatrice Dautresme, Didier Cherpitel and Grégoire Olivier.

THE SUPERVISORY BOARD'S CODE OF CONDUCT

The Code of Conduct details the procedures of the Supervisory Board and its committees, specifies the rights and responsibilities of its members and the minimum number of shares they must own (100). It also reminds members of the rules for trading shares of Wendel Investissement and of listed companies where the Group is represented on the Board of Directors or the Supervisory Board.

COMMITMENTS

No member of the Supervisory Board has been convicted for fraud, declared bankrupt or been forbidden from acting as a corporate officer. The same applies for members of the Executive Board.

Similarly, no member of the Supervisory Board or Executive Board has been elected or nominated to his or her position through prior arrangement with a third party. The details about related parties on pages 87-88 indicate that there are no conflicts of interest for corporate officers. In addition no corporate officer is tied by a service contract to Wendel Investissement or any of the subsidiaries that it controls.

TRADING IN COMPANY SHARES AND MARKET TRANSPARENCY

Members of the Board must not trade any Wendel Investissement shares in the market during the 30 calendar days preceding the publication of semiannual and annual results, and prior to any major event affecting the Company that might influence its share price.

The Supervisory Board has also decided to prohibit its members from holding shares in listed companies of which the Group is a shareholder. In accordance with a decision of the Executive Board, the same rule applies to employees of the Group.

Similarly, each member of the Supervisory Board has been informed of the procedures for preventing illegal insider trading that have been in place since the end of 2006.

The Code of conduct complies with the rec-

ommendation of the Autorité des Marchés Financiers (AMF) concerning the disclosure of transactions by corporate officers. It requires that Board members hold their shares in nominative form and disclose all transactions they execute either directly, through an agent, or through a company they control.

Since January 1, 2005, pursuant to article L. 621-18-2 of the Financial and Monetary Code, the Company must publish, via press release, financial instrument transactions disclosed by executives. This information must be furnished on an individual and nominative basis within five trading days from the date the Company receives disclosure of the transactions. The Company has also decided, in an effort to increase transparency, to publish all of these transactions on its website.

In 2006, corporate officers carried out the following 29 transactions:

CORPORATE GOVERNANCE

Nbr. and date of AMF filing	Corporate officer	Financial instrument	Type of transaction	Date	Number	Unit price (in euros)	Gross transaction amount (in euros)	Market	AMF disclosure number
2006-01 01/25/06	Jean-Bernard Lafonta	Call options on shares	Purchase ⁽¹⁾	01/19/06	39,540	€9.89	391,050	Luxembourg	2006-01
2006-01 01/25/06	Jean-Bernard Lafonta	Shares	Sale ⁽²⁾	01/19/06	4,500	€86.65	389,925	Euronext Paris	2006-01
2006-02 01/31/06	Jean-Bernard Lafonta	Call options on shares	Purchase ⁽³⁾	01/27/06	20,000	€10.44	208,800	Luxembourg	2006-02
2006-02 01/31/06	Jean-Bernard Lafonta	Shares	Forward sale ⁽⁴⁾	01/27/06	2,700	€86.4457	233,403	Euronext Paris	2006-02
2006-03 02/8/06	Jean-Bernard Lafonta	Put options on share	Purchase ⁽⁵⁾	02/6/06	50,000	€1.51	75,738	Euronext Paris	2006-03
2006-04 02/17/06	Jean-Bernard Lafonta	Shares	Contribution ⁽⁶⁾	02/13/06	80,000	€89.15	7,132,000	Luxembourg	2006-04
2006-05 04/7/06	Jean-Bernard Lafonta	Shares	Forward sale ⁽⁷⁾	03/31/06	-	€99.32	322,489	Euronext Paris	2006-05
2006-06 04/7/06	Jean-Bernard Lafonta	Options	Purchase ⁽⁸⁾	03/30/06	-	€16.12	322,432	Euronext Paris	2006-06
2006-07 04/19/06	Bernard Gautier	Shares	Purchase	04/18/06	400	€97.90	39,160	Euronext Paris	206D1846
2006-08 04/19/06	Jean-Marc Janodet	Shares	Sale	04/6/06	6,500	€105.80	687,700	Euronext Paris	206D1575
2006-09 05/22/06	Bernard Gautier	Shares	Purchase	05/18/06	322	€93.15	29,993	Euronext Paris	206D1847
2006-10 05/22/06	Bernard Gautier	Shares	Purchase	05/22/06	250	€93.00	23,250	Euronext Paris	2006-10
2006-11 05/23/06	Jean-Bernard Lafonta	Shares	Purchase	05/22/06	3,000	€90.38	271,140	Euronext Paris	206D1848
2006-12 05/23/06	Jean-Bernard Lafonta	Shares	Purchase	05/23/06	1,500	€86.75	130,125	Euronext Paris	206D1849
2006-13 05/24/06	Bernard Gautier	Shares	Purchase	05/24/06	110	€89.50	9,845	Euronext Paris	206D1850
2006-14 06/12/06	Jean-Bernard Lafonta	Shares	Purchase	06/9/06	1,000	€86.70	86,700	Euronext Paris	206D0701

2006-15 06/15/06	Jean-Bernard Lafonta	Shares	Purchase	06/15/06	2,500	€84.86	212,150	Euronext Paris	206D0746
2006-16 07/24/06	Ernest-Antoine Seillière	Shares	Subscription	07/3/06	223	€72.81	16,236	Euronext Paris	206D1651
2006-17 07/24/06	Jean-Bernard Lafonta	Shares	Subscription	07/3/06	3,223	€72.81	234,666	Euronext Paris	206D1652
2006-18 07/24/06	Bernard Gautier	Shares	Subscription	07/3/06	2,154	€72.81	156,832	Euronext Paris	206D1653
2006-19 11/30/06	Jean-Marc Janodet	Shares	Sale	11/28/06	2,138	€110.00	235,180	Euronext Paris	206D4180
2006-20 12/22/06	Jean-Marc Janodet	Shares	Subscription	12/18/06	13,152	€24.59	323,407	Euronext Paris	206D4734
2006-21 12/22/06	Ernest-Antoine Seillière	Shares	Subscription	12/18/06	65,070	€37.1	2,414,097	Euronext Paris	206D4735
2006-22 12/22/06	Ernest-Antoine Seillière	Shares	Subscription	12/18/06	91,121	€44.23	4,030,281	Euronext Paris	206D4736
2006-23 12/22/06	Ernest-Antoine Seillière	Shares	Subscription	12/18/06	90,854	€24.59	2,234,099	Euronext Paris	206D4737
2006-24 12/22/06	Ernest-Antoine Seillière	Shares	Subscription	12/18/06	65,070	€37.1	2,414,097	Euronext Paris	206D4738
2006-25 12/22/06	Ernest-Antoine Seillière	Shares	Subscription	12/18/06	171,612	€39.98	6,861,047	Euronext Paris	206D4739
2006-26 12/22/06	Ernest-Antoine Seillière	Shares	Acquisition	12/18/06	99,157	€33.35	3,306,885	Euronext Paris	206D4740
2006-27 12/22/06	Ernest-Antoine Seillière	Shares	Subscription	12/18/06	141,328	€25.96	3,668,875	Euronext Paris	206D4774

(1) Purchase of American options expiring on January 19, 2011, with an exercise price of 120 euros, by JBMN Sarl, in which Jean-Bernard Lafonta is the principal shareholder and officer.

(2) Sale of shares by JBMN Sarl, in which Jean-Bernard Lafonta is the principal shareholder and officer.

(3) Purchase of American options expiring on January 27, 2011, with an exercise price of 120 euros, by JBMN Sarl, in which Jean-Bernard Lafonta is the principal shareholder and officer.

(4) Forward sale of shares, expiring on February 27, 2007, by JBMN Sarl in which Jean-Bernard Lafonta is the principal shareholder and officer.

(5) Purchase of American put options with an exercise price of 30 euros and an expiration date of February 7, 2011.

(6) Capital contribution to JBMN Sarl, in which Jean-Bernard Lafonta is the principal shareholder and officer.

(7) Forward sale of shares, expiring on April 30, 2007, by JBMN Sarl, in which Jean-Bernard Lafonta is the principal shareholder and officer.

(8) Purchase of options with an exercise price of 130 euros and an expiration date of March 30, 2012 by JBMN Sarl, in which Jean-Bernard Lafonta is the principal shareholder and officer.

CORPORATE GOVERNANCE

WENDEL INVESTISSEMENT SHARES HELD BY CORPORATE OFFICERS

As of December 31, 2006, corporate officers held the following Wendel Investissement shares:

Supervisory Board	Number of shares
Ernest-Antoine SEILLIÈRE	844,463
Nicolas CELIER	503
Didier CHERPITEL	1,957
Béatrice DAUTRESME	100
Jean-Marc JANODET	29,935
Édouard de L'ESPÉE	3,706
François de MITRY	85
Grégoire OLIVIER	100
François de WENDEL	174,163
Guy de WOUTERS	342
Executive Board	
Jean-Bernard LAFONTA	362,908
Bernard GAUTIER	10,559

APPORTIONMENT OF DIRECTORS' FEES

At the Shareholders' Meeting of May 29, 2006, the total annual amount of directors' fees was set at 700,000 euros. On an annual basis, the breakdown was as follows:

Basic director's fee: 32,000 euros

Additional fee for committee membership: 10,000 euros

Fee paid to the Chairman of each committee: 48,000 euros.

The Chairman of the Supervisory Board receives compensation for his position as Chairman, pursuant to Article L.225-81 of the Commercial Code, equivalent to four times the basic director's fee. He also receives a basic director's fee.

The Company pays no director's fees to members of the Executive Board. Director's fees paid to them by the Group's subsidiaries are deducted from their annual compensation.

COMPENSATION POLICY

Wendel Investissement complies with the AFEP/MEDEF recommendations of January 2007. This subject is addressed in more detail in this report under the heading "Supplemental information" (page 204). The compensation policy was submitted to the Supervisory Board for approval at its meeting of March 28, 2007, after approval of the Governance Committee.

THE EXECUTIVE BOARD

The Executive Board, composed of Jean-Bernard Lafonta and Bernard Gautier, meets regularly. It met 13 times in 2006 with an attendance rate of 100%.

The meeting agendas were as follows:

January 30, 2006

- Capital increase;
- Changes to the by-laws;
- Amendment to Bureau Veritas' senior loan agreement
- Proposed bond issue
- Acquisitions and divestments;
- Related-party transactions.

February 13, 2006

- Approval of Q4 2005 net sales;
- Group shareholdings;
- Proposed investments.

March 23, 2006

- Q4 2005 business report;
- Approval of the 2005 parent company financial statements;
- Approval of the 2005 consolidated financial statements;
- Preparation of 2005 management and supplementary reports;
- Proposed appropriation of earnings;
- Determination of the date of the Shareholders' Meeting and of the agenda therefor;
- Preparation of the draft text of the resolutions;
- Presentation of 2006 budget;
- Proposed investments.

March 29, 2006

- Invitation to May 29, 2006 Shareholders' Meeting (ordinary and extraordinary);
- Financial communication;
- Group shareholdings.

April 10, 2006

- Group shareholdings;
- Proposed investments;
- Bond issue;
- Review of proposal to create an investment vehicle.

May 9, 2006

- Approval of Q1 2006 net sales;
- Q1 2006 business report;
- Group shareholdings;
- Employee relations issues.

May 22, 2006

- Proposed investments;
- Group shareholdings;
- Employee relations issues;
- Status of plans to create an investment vehicle.

June 15, 2006

- Group savings plan;
- Guarantees;
- Other issues.

August 7, 2006

- Approval of H1 2006 net sales;
- Status of plans to create an investment vehicle;
- Delegation of powers;
- Purchase of a real estate property.

September 4, 2006

- Group business trends and H1 2006 financial statements;
- Q2 2006 business report;
- Financial communication;
- Financing: amendment to the May 25, 2005 syndicated loan agreement;
- Group shareholdings;
- Group treasury management.

October 9, 2006

- HR policies;
- Group shareholdings;
- Structure proposal;
- Status of plans to create an investment vehicle;
- Preparation for the Operations Committee seminar.

October 27, 2006

- Approval of Q3 2006 net sales;
- Group shareholdings.

December 4, 2006

- Preparation for the unlisted companies day;
- NAV / share price;
- HR policies;
- Capital increase;
- Group shareholdings;
- Proposed acquisitions and divestments;
- Creation of an investment company;
- Purchase of a real estate property.

January 29, 2007

- Q3 2006 business report;
- NAV and share price;
- Capital increase;
- Proposed simplification of shareholding structure;
- Group shareholdings;
- Related-party transactions.

February 5, 2007

- Approval of consolidated proforma 2006 net sales;
- Group shareholdings.

February 21 and 23, 2007

- Bond issue.

March 19, 2007

- Q4 2006 business report;
- Approval of the 2006 parent company financial statements;
- Approval of the 2006 consolidated financial statements;
- Preparation of 2006 management and supplementary reports;
- Determination of the date of the Shareholders' Meeting and of the agenda therefor;
- Preparation of the draft text of the resolutions;
- Proposed appropriation of earnings;
- Presentation of 2007 budget;
- Status report on acquisition and divestment projects.

INTERNAL CONTROL

INTERNAL CONTROL PROCEDURES

The internal control procedures in place in the Company are designed to ensure that management decisions, operations and employee conduct are in conformity with applicable legislation and regulations and with the company's internal values, standards and rules.

One of the goals of the internal control system is to prevent and control risks arising from the company's activities and risks of error and fraud, in particular in the accounting and financial fields. As with any system of control, it cannot, however, provide an absolute guarantee that such risks have been totally eliminated.

CORPORATE OBJECTIVES IN TERMS OF INTERNAL CONTROL PROCEDURES

Corporate internal control objectives involve, firstly:

- safeguarding the company's assets through monitoring and control of:
 - the activity and strategy of each Group company,
 - the choice of investments/divestments,
 - the company's financial situation;
- preventing and controlling risks related to the Company's activities and its status as a company that issues securities to the public:
 - protection of confidential information,
 - illegal insider trading,
 - risk of financial fraud,

and, secondly, verifying that the accounting and financial information communicated by the Company and to its management entities fairly represents the Company's business and financial situation.

SUMMARY DESCRIPTION OF CONTROL PROCEDURES IN PLACE

The Wendel Group is decentralized. Each entity in the Group has management autonomy, subject to detailed regular reports on its finances to Wendel Investissement. Moreover, because Wendel is an investment company, it does not have its own internal audit function but relies on those of its subsidiaries, on reporting from subsidiaries and on the Statutory Auditor network that audits the subsidiaries (see page 217 related to fees paid to Statutory Auditors). Within this framework, the internal control procedures set up by the Company are as follows:

PROCEDURES DESIGNED TO MONITOR THE COMPANY'S ASSETS

Since the creation of Wendel Investissement through the merger of CGIP and Marine-Wendel, an Investment Unit, with a staff of ten at 31 December 2006 (including a managing director, four investment managers and three analysts), has had responsibility, with close scrutiny from the Executive Board, for both monitoring Group subsidiaries and for acquisition and divestment transactions.

MONITORING THE EXISTING PORTFOLIO

For each investment, a team of two to four people is responsible for assisting the Executive Board in monitoring activities (choice of strategic direction, business plan, operational reporting) and development (acquisitions, partnerships, sales of subsidiaries or business lines).

Each team has one or two senior members who coordinate all Wendel Investissement relations with the subsidiary's senior managers and the work performed by the team.

The monitoring of the existing portfolio is ensured through:

- monthly operational reporting;
- a monthly work session with management whose agenda includes, in addition to a review of the business, an in-depth review of an important topic (procurement policy, optimization of business assets, research and development, analysis of the situation of major subsidiaries, existence and organization of internal control, etc.);
- an annual budget meeting;
- numerous exchanges or meetings organized with members of the subsidiary's management if required.

The senior members of the Investment Unit meets twice-monthly with the Executive Board for coordination purposes. Each member presents a summary of the investment monitoring work for which he or she is responsible and makes recommendations where significant decisions concerning an investment need to be made.

Over the last two years the Executive Board has sought to ensure as a matter of course that members of the Operations Committee are represented on the Boards of subsidiaries and, in particular, on their audit committees, of which the CFO (or one of his direct reports) is a full member. This is in order to reinforce the control on subsidiaries, better understand their operational situation and share in the concerns of their management.

At each meeting of the Wendel Supervisory Board the Executive Board gives a presentation on the situation of the Company and the companies in the Group. The corporate governance report details the activities of the Supervisory Board, its committees, the Executive Board, both on an ongoing basis and during 2006, as well as their reports (see pages 44 to 51).

In all companies controlled by Wendel the choice of the CEO and his senior executives is undertaken in agreement with Wendel Investissement management.

Moreover, the Executive Board monitors the compensation of subsidiaries' senior managers closely and ensures its incentive character. It ensures the alignment of interests between the Company and management of subsidiaries through provisions for co-investments (see chapter related to co-investments of subsidiary management in Group investments).

NEW INVESTMENTS AND DIVESTMENTS

An Investment Committee composed of all the investment teams and the Executive Board meets every week to examine the progress of acquisition and divestment transactions and any potential opportunities. For the review of each proposed transaction, a team is formed by the Executive Board according to the expertise required. A participating senior member acts as coordinator and assumes responsibility for the investment/divestment recommendation.

Once the project analysis has been finalized and approved by the Executive Board, it is presented to the Supervisory Board. If it is approved, the Executive Board supervises the successful execution of projects by the team responsible.

COMPANY'S FINANCIAL SITUATION

These procedures put in place by executive management are designed to provide continuing reasonable assurance that financial transactions are secure and in accordance with the objectives set:

- The CFO designs a system for monthly reporting of the cash position of the parent company and the consolidated holding

companies with an analysis of movements circulated to the Executive Board and the Chairman of the Audit Committee.

- All cash transactions related to day-to-day operations require two signatures. Transactions involving significant sums are initiated solely by the Chairman of the Executive Board or under his direct control;
- Issues of bonds or any other form of debt are presented to the Supervisory Board;
- Schedules showing cash position, debt positions and bank covenants are forwarded to the Audit Committee.
- The Chairman of the Audit Committee reports regularly to the Supervisory Board on the work of the Committee on the Company's financial situation.
- In addition, the Company mandated Standard and Poor's to rate the Company in September 2002. This rating is updated at least twice a year.

PROCEDURES DESIGNED TO PREVENT AND CONTROL RISKS RELATED TO THE COMPANY AND ITS STATUS AS A COMPANY THAT ISSUES SECURITIES TO THE PUBLIC

Because of the Company's activities, employees may have knowledge of information that is not publicly available and that is covered by business confidentiality, and whose disclosure and/or use is likely to be detrimental to the Company. When such confidential information concerns companies whose shares are traded on a regulated market, it becomes inside information, whose direct or indirect use constitutes illegal insider trading.

To inform employees of the laws in force relative to the use of inside information, the Code of Ethics was revised during 2006 and distributed to all employees. In this way, the Company aims to avoid being implicated – or having its employees implicated – in situations that constitute stock exchange violations or, more generally, generate disputes. The Code reiterates the rules for protection of confidential information inside and outside the Company, explains what inside information is, details its "specific", "non-public" and

"sensitive" characteristics, specifies the rules for refraining from stock exchange transactions during the 30 calendar days prior to the announcement of semiannual or annual results (blackout periods) and at any time when an employee has inside information about the Company, an investment or a company that is being analyzed for investment.

In a concern for transparency and prudence, the Code of Ethics requires employees to declare transactions on securities issued by the Company as well as any related derivatives, except for transactions conducted through the Group savings plan, which are subject to prior approval by the Corporate Secretary.

It also comprises a handbook reminding each employee of the rules and restrictions in force under current legislation and, if necessary, their application to Wendel Investissement where they are more restrictive. In this regard, the Executive Board has laid down the principle forbidding the ownership or trading at all times in securities of Group subsidiaries where these are listed.

The Corporate Secretary is responsible for enforcing compliance with the Code of Ethics.

PROCEDURES AIMED AT PREVENTING AND CONTROLLING THE RISKS OF FINANCIAL FRAUD

Given the activity of the Wendel Investissement holding company, cash movements are non-existent and the risks of fraud or cash misappropriation are non-existent. Nevertheless, in order to prevent any risk, the company has put strict rules in place:

- Issue of checks or funds transfer orders is restricted to the Corporate Accounting and Finance Department;
- Two signatures required on any check or transfer, list of primary and secondary signatory updated regularly, so that there are two signatories at all times;
- Standardized expense and/or reimbursement vouchers with supporting documentation;
- Operations Committee member in charge systematically checks invoices to ensure they match estimates;

INTERNAL CONTROL

- Negotiation of supplier estimates is limited or undertaken under the control of members of the Operations Committee.

INTERNAL CONTROL PROCEDURES FOR ACCOUNTING AND FINANCIAL INFORMATION

Internal control procedures designed to ensure that the annual and semiannual financial statements (parent company and consolidated) present a true and fair representation of the results of operations as well as the Company's financial situation and net assets are as follows:

Procedures for the preparation and consolidation of financial statements

- In coordination with the Finance department of each subsidiary, a timetable is determined for the submission of financial statements with the supplementary information required for the preparation of the parent company financial statements;
- The Company's CFO meets with the CFO of each subsidiary to review the highlights of the period as well as any significant or exceptional transactions.

Internal control procedures for financial statements

At the subsidiary level

- Networks of auditors of the Group's subsidiaries are harmonized to ensure better communication with the parent company's auditors;
- The Corporate Accounting and Finance Department is involved in end-of-audit meetings of fully-controlled subsidiaries and receives details of audit and internal control observations raised by the subsidiaries' auditors during the course of their assignment;
- One or more members of the Executive Board, the Investment Unit and/or Corporate Accounting and Finance Department attend subsidiaries' Board of Directors / Supervisory Board meetings and/or Audit Committee meetings.

At the parent company level

- The Group CFO is responsible for accounting policies, and in particular, checking compliance with accounting rules in the holding company

and subsidiary companies. If required, he can commission audit engagements under his authority;

- **Audit Committee:** The Committee's purview, its mode of operation and its activity during the financial period are presented in detail in the report on corporate governance. It can decide to take independent expert advice to confirm its views on the financial position of the Company and, in particular, asks an independent expert to determine the net asset value of the Company twice a year, independently of the figures prepared by the Company. It also meets regularly with the Statutory Auditors to ensure with them the reliability and completeness of the figures consolidated by each subsidiary and by the parent company. The auditor's ability to make use of a global network and communicate, if necessary, on possible uncertainties encountered in a local entity consolidated by a subsidiary of the Group were key factors in the selection of Statutory Auditors. The Audit Committee successfully concluded this selection process during the end of 2006 and the beginning of 2007. The Committee also ensures that accounting policies remain consistent or are amended and settles any difference in the interpretation of standards that might arise between the Company and its Statutory Auditors.

Internal control procedures for financial information

All financial announcements and publications (annual report, press releases, shareholders' letters, documents distributed to analysts) are submitted for approval to the Audit Committee before being examined by the Supervisory Board and the Statutory Auditors.

In particular, the auditors ensure that the policies used for the valuation of assets, which enable the net asset value to be determined, are consistently applied over time, and they report thereon to the Audit Committee.

STATUTORY AUDITORS' REPORT

prepared in accordance with Article L. 225-235 of the French Commercial Code, on the report prepared by the Chairman of the Supervisory Board of Wendel Investissement on the internal control procedures relating to the preparation and processing of financial and accounting information

To the shareholders,

In our capacity as Statutory Auditors of Wendel Investissement, and in accordance with Article L. 225-235 of the French Commercial Code (Code de Commerce), we report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-68 of the French Commercial Code for the year ended December 31, 2006.

It is the Chairman's responsibility to give an account, in his report, of the conditions under which the work of the Supervisory Board was prepared and organized and of the internal control procedures in place within the Company.

It is our responsibility to report to you our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

We performed our procedures in accordance with French professional standards. These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

These procedures consisted principally of:

- obtaining an understanding of the objectives and general organization of internal control, as well as the internal control procedures relating to the preparation and processing of financial and accounting information, as set out in the Chairman's report;
- obtaining an understanding of the work performed to support the information given in the report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the report of the Chairman of the Supervisory Board, prepared in accordance with Article L. 225-68 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, April 30, 2007

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier **THIBAUT**

ERNST & YOUNG Audit
François **CARREGA**

SUSTAINABLE DEVELOPMENT

ENVIRONMENTAL POLICY

WENDEL

As Wendel is an investment company, it has no industrial activities and therefore no specific environmental protection policy. Wendel applies the principles of sustainable development – growth that, according to the definition in the Brundtland report of the United Nations “meets the needs of the current generation while protecting those of future generations” – with regard to both social and environmental issues. This process is activated when investment decisions are made and when the activities of the Group’s business sectors are monitored.

Compliance of Group companies with current environmental and International Labor Organization regulations is studied and evaluated, as is the ability of managers in subsidiaries and affiliates to ensure long-term management of social and environmental responsibilities. When an audit is conducted prior to an acquisition, environmental risks and the target company’s prevention policy undergo thorough evaluation and, if necessary, inspection. The Wendel Group is made up of companies operating in diverse business sectors and in numerous geographic regions. The Group is organized in a decentralized manner. Each entity has management autonomy, and the officers of these subsidiaries and affiliates assume full responsibility for their company’s sustainable development policy.

We present below a summary of the environmental policies of the companies of which the Group is the majority shareholder and whose financial statements are therefore fully consolidated by Wendel.

BUREAU VERITAS

Attention to the environmental impact and to sustainable economic development form an intrinsic part of the business and corporate culture of Bureau Veritas.

The group proposes its services to organizations of all sizes so as to help them obtain certification of their operating systems in terms of quality (ISO 9001), environment (ISO 14001), health and safety (OHSAS 18001) and social responsibility (SA 8000). Bureau Veritas also audits the sustainable development reports of large companies. In addition, Bureau Veritas helps companies reduce greenhouse gas emissions and is accredited to help companies required to control these emissions within the framework of the European Emissions Trading Scheme (EU ETS), as well as those wishing to validate their emission reductions via the United Nations Clean Development Mechanism (UN CDM).

Internally, Bureau Veritas has been ISO 9001 certified for 10 years in all countries for all its activities (except for system certification, which cannot itself be certified but is subject to specific accreditation).

By virtue of the nature of its service business, Bureau Veritas produces little waste or emissions, and pollution risks related to its activities are considered very limited. Nevertheless, initiatives have been undertaken to help protect the environment through responsible use of natural resources. These relate in particular to waste management:

- Products tested in our laboratories are subsequently destroyed through specific waste treatment or recycling methods;
- Gas or liquid samples analyzed at customer sites are subsequently treated according

to the site’s established waste treatment procedures;

- Office consumables undergo recovery after use.

In addition, particular attention is paid to responsible and limited use of paper:

- Bureau Veritas publications subject to large runs, such as the annual report or the internal magazine sent to all employees worldwide, are printed on recycled paper or paper that meets FSC (Forestry Stewardship Council) standards. These guarantee that the wood used to make the paper came from responsibly-managed forests;
- Other initiatives have also led to a gradual reduction in the use of paper reports, including assignment reports drafted on site on tablet PCs and transmitted immediately to the client over a wireless network and client consultation of inspection or test results over an extranet;
- Archives are gradually being digitized.

Finally, initiatives are underway to gain better control of energy consumption:

- Certain subsidiaries, such as Bureau Veritas UK, have received ISO 14001 environmental certification in recognition of their specific efforts to save energy.
- Energy consumption evaluations have been undertaken in Bureau Veritas’ buildings in France.
- Efforts to reduce and optimize employee travel have had an impact on total mileage, and therefore on the amount of fuel consumed by company cars.

MATERIS

Materis is active in protecting the environment on the one hand, and the health and safety of its employees on the other. For more than

ten years now, these two dimensions have been combined in an overall management approach, enabling Materis to make a great deal of progress.

This approach is described in the "Environmental handbook" and the "Safety handbook", and all managers are familiar with it. These documents indicate the principles under which products, processes and equipment can be developed while protecting health, safety and the environment. To make this approach consistent throughout the world, Materis is working on projects aimed at preventing industrial risks and controlling the negative impact of production on its employees and the environment.

Environmental and safety issues are coordinated directly by senior management and handled by a dedicated team. This team helps operational personnel integrate good practices at all levels in the company. It also helps implement local action plans and measures their effectiveness.

Materis is currently developing a comprehensive environmental reporting system summarizing the data already collected at each of the group's production sites.

EDITIS

With its numerous publishing houses, brands and collections, Editis is one of the leading publishers in France and in French-speaking markets.

The Group produces more than 100 million individual copies of its products per year. Consequently, to procure materials, it relies on highly specialized suppliers in the publishing value chain, i.e. paper manufacturers, printers and bookbinders.

Every year, Editis buys more than 40,000 tons of paper from the world's largest paper manufacturers and is very sensitive to the impact this industry has on the environment. The paper manufacturers that supply Editis only use paper pulp from forests managed with selection cutting methods, which enable them to grow and regenerate. The pulp obtained from wood processing is bleached with oxygen, virtually eliminating the use of

chlorine-based products, whose effluents are harmful to the environment. Using sustainable forest management policies in developed countries and many other parts of the world, the paper industry has already solved a great number of environmental problems and has strengthened its commitment in the following areas:

- rapid increase in the proportion of forest resources consumed in compliance with international environmental standards, such as the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC);
- continuous increase in recovery and recycling rates;
- ongoing development of eco-efficient production technologies, especially in water treatment and energy recovery, leading to a decline in consumption;
- compliance of production processes with ISO 14001 and Emas standards.

For printing, Editis calls upon specialized suppliers who are conscious of the impact their activities have on the environment. Particular attention is paid to optimizing printing operations, and in particular to minimizing paper waste.

Through the organized collection of printing rejects and the destruction of worn copies and unsold inventory, the book publishing industry contributes recycled fibers that are used in the production of newsprint and cardboard packing materials.

To protect the environment even further, Editis has decided to:

- use in part, beginning in 2007, FSC or PEFC eco-certified paper. These internationally recognized labels attest to proper forest management based on the related ecological, economic and social factors. They tell consumers that they are buying products that derive from sustainably-managed forests;
- undertake a strategy to increase the use of 100% recycled paper for certain publications;
- encourage all of its publishing industry suppliers to embrace these environmental protection principles and obtain certification from specialized agencies.

DEUTSCH

Deutsch has implemented Environmental Management Systems (EMS) at its manufacturing sites so as to track the consumption of resources. Each site has an SME correspondent with the authority to bring problems directly to the attention of the site manager. In this context, the group is actively improving its energy efficiency. In particular, in 2006 it implemented the following projects:

- Overhaul of a wastewater treatment operation in a surface treatment workshop;
- Installation of a condensation separator at the output of a compression unit;
- Chemical storage cabinet to reduce pollution risks;
- Water supply disconnectors.

The measures Deutsch has taken to reduce the impact of its activities on the environment concern not only improved energy efficiency but also waste management. In 2006, more than 80% of waste was recycled, incinerated with energy recovery or underwent physical-chemical treatment, in accordance with regulations.

An additional production site was ISO 14001 certified in 2006, bringing the total to six out of 10 sites. Deutsch aims to obtain this certification for all its production sites worldwide.

In 2006 overall spending on the environment exceeded 1 million euros.

ORANJE-NASSAU

Oranje-Nassau operates in three sectors: energy, real estate and investment of private funds, managed with a single objective of profitable, long-term growth. Only the first of these involves environmental risks.

The group participates in the research, development and extraction of hydrocarbons, in partnership with other investors in Europe, Africa and the Middle East.

All activities in the energy sector are carried out on behalf of third parties, which work together under joint venture arrangements. Oranje-Nassau associates only with qualified operators with extensive experience in the oil & gas sector. In such projects, every precaution is taken to limit risks, including the selective recruitment of qualified staff; targeted, regular training in all aspects of the

business; and strict application of health, safety and environmental regulations, whatever the size of the business.

The principal environmental risks are linked to oil and gas drilling, production and transmission. Any technical incident or human error can have an impact on the environment, property or human health. The operators and joint venture partners take out the customary insurance policies necessary to cover pollution and other risks deriving from oil drilling and extraction.

STALLERGÈNES

The allergens used to make Stallergènes' products derive from raw materials of plant or animal origin and are obtained by saline solution extraction, then purified by filtration. This activity generates almost no emissions or effluents to air, water or soil, and practically no noise or disagreeable odor. The risk of pollution can be considered very limited to nonexistent.

In this context, the group's environmental expenditures are limited to waste recycling costs of around 100,000 euros per year. All waste is processed by specialized companies accredited by FNADE, the French environmental remediation federation. There are four types of waste: ordinary industrial waste (approximately 1,000 m³/year), chemical waste (approximately 2 m³/year), bacteriological waste (approximately 250 m³/year) and radioactive waste (approximately 0.5 m³/year). The radioactive waste results from the use of an antibody marked with iodine 125 as a reagent for laboratory assessment of the allergenic activity of the principal agents (RAST tests). Since 2004, ELISA tests have replaced 90% of RAST tests. As a result, this type of waste has declined dramatically and is expected to disappear altogether by June 2007. Internal management of such waste is entrusted to a company employee who has been trained and certified by INSTN, a subsidiary of the French Atomic Energy Commission. Radioactive waste is eliminated by a national organization, Agence Nationale des Déchets Radioactifs (ANDRA).

SOCIAL POLICIES

WENDEL

As it is an investment company, Wendel has a small workforce. Parent company headcount data for 2006 were as follows:

1. Employment as of December 31, 2006

	Non-mgmt. level	mgmt. level	Total
Women	19	5	24
Men	6	23	29
Total	25	28	53

2. Staff hired during fiscal year 2006

	Non-mgmt. level	mgmt. level	Total
Women	1	3*	4
Men		4	4
Total	1	7	8

* including two changes in employment status

3. Departures during fiscal year 2006

	Non-mgmt. level	mgmt. level	Total
Women	2*	2	4
Men			
Total	2	2	4

* including two changes in employment status

4. Temporary employment during fiscal year 2006

0.65 employees, equivalent to one employee performing secretarial, accounting and administrative services tasks and working two-thirds of a full schedule.

WORK SCHEDULE

Wendel's workforce is divided into three categories:

- executives who are members of the Operations Committee, with no hourly worktime restrictions;
- managers who work a set number of days in the year (218);
- non-management employees, who worked 1,723 hours in 2006, i.e. 1,600 hours plus 7 hours for the national "solidarity day" and 116 hours of overtime. They benefited from days allotted through the worktime reduction program.

A total of 2,649 hours of overtime were paid during the year.

Absences (in hours)

	Non-mgmt. level	mgmt. level	Total
Illness	2,196	367	2,563
Work-related accidents	23	0	23
Maternity leave	0	0	0
Other leave	210	214	424
Total	2,429	581	3,010

COMPENSATION IN 2006

in thousands of euros

Payroll	8,107
Social welfare contributions	3,247

There was a general increase in salaries of 2.5% as of January 1, 2006.

LABOR RELATIONS

There are four employee representatives:

- two representing management-level employees,
- two representing non-management-level employees.

HEALTH AND SAFETY

Wendel employees work in a building that complies with health and safety standards.

TRAINING IN 2006

Number of people trained	47
Number of hours paid	195
Expenditure (in euros)*	83 864

* excluding payment to a collecting organization of €57,187.

EMPLOYEES WITH DISABILITIES

There are no employees with disabilities at Wendel.

In 2006, the Group contributed 9,593 euros to AGEFIPH, a private organization that promotes employment of people with disabilities.

EMPLOYEE SERVICES

The Company paid 99,501 euros for employee services in 2006.

SUBCONTRACTING

Wendel uses subcontractor services, mainly for building operation and maintenance (security, of-

fice cleaning, receptionists, switchboard, etc.). The Company endeavors to maintain long-term, quality relationships with these service providers and attempts to ensure that their personnel are well received. For the most part, these service providers have signed multi-year contracts with Wendel.

NON-DISCRIMINATION

Because the Company has so few employees, there is no need for a formal non-discrimination policy. Nevertheless, Wendel feels strongly that all employees should be treated equally, regardless of their political or religious orientation. Specifically, the Company employs people from the principal monotheistic religions and sees to it that they can obtain time off from work when required by their religious beliefs and meals that comply with their requirements.

BUREAU VERITAS

In a year's time, the number of employees at Bureau Veritas increased by 10.7% to nearly 26,200 at end-December 2006. This figure included 18,300 employees in operational positions and 7,900 employees in administrative functions. Worldwide, the breakdown between men and women was two-thirds / one-third.

One-quarter of employees are located in France, around 20% in the rest of Europe, a third in Asia and around 10% in North America.

Headcount data for the parent company and French subsidiaries were as follows:

EMPLOYMENT

1. Workforce as of December 31, 2006

	Non-mgmt. level	mgmt. level	Total
Women	1,889	543	2,432
Permanent staff	1,790	533	2,323
Fixed-term contracts	99	10	109
Men	1,809	2,565	4,374
Permanent staff	1,736	2,541	4,277
Fixed-term contracts	73	24	97
Total	3,698	3,108	6,806
Permanent staff	3,526	3,074	6,600
Fixed-term contracts	172	34	206

2. Staff hired during fiscal year 2006

	Fixed -term	Perm- anent staff	Total
Women	222	209	431
Men	123	528	651
Total	345	737	1,082

3. Departures during fiscal year 2006

	Women	Men	Total
Dismissal	33	59	92
Transfers	35	54	89
Resignation	235	256	491
Retirement	23	76	99
Total	326	445	771

4. Temporary employment during fiscal year 2006:

101.38 full time equivalent positions in 2006.

WORK SCHEDULE

The French companies of Bureau Veritas apply the worktime reduction program agreements in effect in France.

The general principles are as follows:

- 5 hours per week for sedentary non-management employees;
- Annual envelope of 1,701 hours or 35 hours per week for itinerant non-management employees;
- Annual envelope of 211 days or 1,701 hours or 35 hours per week for management employees.
- The agreement covering executives makes no reference to a number of hours.

The absence rate in 2006 was 3.4%.

COMPENSATION IN 2006

In thousands of euros

Payroll	232,786
Social welfare contributions	109,410

LABOR RELATIONS

- Employee representatives
- There were 142 employee representatives (works council members and elected representatives) as of December 31, 2006.
- Collective bargaining agreements signed in 2006:
 - Framework agreement for election of members of the works council;

- Framework agreement for election of employee representatives;
- An agreement to extend the term of office of works council members and employee representatives;
- An agreement to extend the term of office of members of the Health, Safety and Working Conditions Commission (CHSCT) ;
- 2006 wage agreements;
- Agreement on the exercise of labor union rights and the functioning of employee representative bodies.

HEALTH AND SAFETY

Bureau Veritas employees work in premises that comply with health and safety standards. Employees, especially those newly-hired, receive general information on Bureau Veritas' health and safety policies.

	2004	2005	2006
Frequency	4.98	5.44	6.29
Seriousness	0.0824	0.1103	0.1398

Frequency:

(number of accidents with disability leave x 1,000,000) / (Number of hours worked)

Seriousness:

(Number of days of disability x 1,000) / (Number of hours worked)

TRAINING IN 2006

Number of people trained: 3,300
Training expense: 8,700,000 euros.

EMPLOYEES WITH DISABILITIES

Ninety-four disabled employees work at Bureau Veritas in France.

EMPLOYEE SERVICES

Bureau Veritas paid 4,011,000 euros for employee services in 2006.

NON-DISCRIMINATION

Bureau Veritas has taken the following steps to prevent discrimination and promote equality:

- All employees must adopt Bureau Veritas' values, which advocate respect for all individuals.
- Employment contracts refer to these values, which are reviewed during the annual performance review.

SUSTAINABLE DEVELOPMENT

- Employees who do not respect them cannot remain with Bureau Veritas.
- The recruiting guide, prefaced by the Chairman of the Executive Board, reminds managers of the importance of adhering to the Group's values and specifies that "Bureau Veritas is an equal opportunity employer that will not tolerate unfair or inequitable treatment."

The following communication materials promote and enforce this policy:

- A guide to Bureau Veritas' values is issued to each newly-hired employee.
- A brochure entitled "How to win the talent race" explaining the rules that must be followed in recruiting is distributed to managers.
- The Bureau Veritas website informs employees of the rules in force in the company and the available communication and feedback materials.

MATERIS

EMPLOYMENT

1. Workforce as of 12/31/2006

Total	8,158
France	3,893
Rest of Europe	1,536
United States	399
Latin America	654
Asia	1,473
Australia	113
Africa	90

	Non-mgmt. level	mgmt. level	Total
Women	1,829	332	2,161
Permanent staff	1,681	313	1,994
Fixed-term contracts	148	19	167
Men	4,677	1,320	5,997
Permanent staff	4,264	1,301	5,565
Fixed-term contracts	413	19	432
Total	6,506	1,652	8,158
Permanent staff	5,945	1,614	7,559
Fixed-term contracts	516	38	599

2. Staff hired during fiscal year 2006

	Non-mgmt. level	mgmt. level	Total
Women	195	403	598
Men	568	1 155	1,723
Total	763	1,558	2,321

3. Departures during fiscal year 2006

	Women	Men	Total
Dismissal	99	378	477
Resignation	127	355	482
Retirement	14	47	61
Total	240	780	1,020

4. Temporary employment during fiscal year 2006

212 temporary employees worked 230,571 hours.

WORK SCHEDULE

The breakdown by country / continent may change, depending on the actual number of hours worked.

Hours worked (average/full-time/week)

France	35
Rest of Europe	38-42
United States	40-48
Latin America	39-48
Asia	40-45
Australia	38
Africa	40

The absence rate in 2006 was 2.3%.

COMPENSATION IN 2006

In thousands of euros

Payroll	230,509
Social welfare contributions	86,997

The average salary increase varied from 2.1% to 12% depending on the country.

LABOR RELATIONS

Several collective bargaining agreements were signed concerning certain French companies in the Group:

- Collective performance bonus agreements (Laris, Materis Paints);
- Salary agreements (Materis Paint, Kernéos);
- Improvements in employee healthcare benefits (Materis Paint);
- Worktime agreements (Materis Paint, Kernéos);
- Term of office of employee representatives (Kernéos);

Materis Group employees work in premises that comply with health and safety rules.

In 2006 an assessment of compliance with

procedures of integration was carried out worldwide.

New procedures for integrating new employees, temporary employees and sub-contractors were implemented, in compliance with local and Group rules.

TRAINING IN 2006

Number of employees trained: 5,351

Training expenses: 2,933,000 euros.

EMPLOYEES WITH DISABILITIES

Sixty-five disabled employees work in the Materis Group.

EMPLOYEE SERVICES

The Materis Group allocated 2,018,000 euros to employee services in 2006.

In some countries the Group conducts campaigns to help people in need. In Brazil, Materis organizes the collection of toys and games for poor children and also makes donations to help in the construction of homes for orphans.

EDITIS

EMPLOYMENT

1. Workforce as of 12/31/2006

	Non-mgmt. level	mgmt. level	Total
Women	757	843	1,600
Permanent staff	672	803	1,475
Fixed-term contracts	85	40	125
Men	279	510	789
Permanent staff	251	500	751
Fixed-term contracts	28	10	38
Total	1,036	1,353	2,389
Permanent staff	923	1,303	2,226
Fixed-term contracts	113	50	163

2. Staff hired during fiscal year 2006

171 employees were hired on permanent contracts in 2006.

3. Departures during fiscal year 2006

186, including 87 at the employer's initiative and 99 retirements and other voluntary departures.

4. Number of overtime hours worked during fiscal year 2006

5 812.

5. Temporary employment during fiscal year 2006

277,565 hours.

WORK SCHEDULE

The French companies in the Editis Group apply the worktime reduction program agreements in effect in France.

The average workweek for full-time employees is 35 hours.

In general:

- non-management employees work a specified number of hours weekly and benefit from worktime reduction days on a yearly basis;
- management-level employees work an unrestricted number of hours per day and benefit from worktime reduction days on a yearly basis;
- members of executive management work an unrestricted number of hours and are excluded from worktime reduction agreements.

Absences totaled 31,234 days, of which 22,100 were for illness.

Compensation In 2006

(thousands of euros)

Compensation:	93,736
Social welfare contributions	41,499
Profit-sharing and collective performance bonuses	6,270

In 2006, salary increases (collective and individual) were set at 2% of payroll, at constant structure.

LABOR RELATIONS

1. Employee representatives

There were 119 employee representatives (works councils and elected representatives).

2. Collective bargaining agreements signed in 2006

Several collective bargaining agreements were signed concerning certain Group companies.

These agreements related in particular to equality between men and women and to collective performance bonuses.

In addition, two agreements related to imple-

mentation of a Group works council.

HEALTH AND SAFETY

Editis group employees work in premises that comply with health and safety rules.

A large percentage of the employees of the group's publishing houses work either in new premises or in upgraded buildings.

TRAINING IN 2006

Training expenditures in 2006 totaled 1,008,000 euros. 1,312 employees received training.

EMPLOYEES WITH DISABILITIES

Twenty-one disabled employees work at the Editis group.

EMPLOYEE SERVICES

The Editis group allocated 1,353,000 euros to works councils in the period.

NON-DISCRIMINATION

Diversity is a fundamental value at Editis and is visible first and foremost in the plurality of its brands and its authors. Internally, diversity manifests itself in these ways:

- A majority of employees are women;
- The age structure of the workforce is balanced.

The human resources departments of the various entities in the Group ensure that the principles of non-discrimination and applicable legislation are adhered to. Editis is also present in countries where these principles have been in force for several years (Canada, Switzerland, Belgium).

Employees are hired on the basis of the skills and experience required for each open position.

The average breakdown of Group employees by sex is 33% men and 6% women.

An agreement on professional equality was signed in 2006 in the Group's Education and Reference arm, which employs more than 700 people.

Every year, many open positions are notified to organizations specialized in the placement of people with disabilities. In addition, several entities in the Group sub-contract work to

sheltered workshops, in particular for the handling of unsolicited job applications.

DEUTSCH

EMPLOYMENT

1. Workforce as of 12/31/2006

	Blue-collar	Non-Mgmt.	Mgmt.	Total
Women	1,450	314	51	1,815
Permanent staff	1,216	301	51	1,568
Fixed-term contracts	195	2	-	197
Temporary employees	39	11	-	50
Men	1,141	541	237	1,919
Permanent staff	917	518	237	1,672
Fixed-term contracts	204	14	-	218
Temporary employees	20	9	-	29
Total	2,591	855	288	3,734
Permanent staff	2,133	819	288	3,240
Fixed-term contracts	399	16	-	415
Temporary employees	59	20	-	79

2. Staff hired during fiscal year 2006:

	Permanent staff	Fixed-term contracts	Total
Women	598	197	795
Men	490	203	693
Total	1,088	400	1,488

N.B.: The high number of new hires was due to the nature of the business and to the type of contract in use in the United States.

3. Departures during fiscal year 2006

	Women	Men	Total
Dismissal	327	335	662
Resignation	252	296	548
Retirement	26	8	34
Total	605	639	1,244

N.B.: The high number of departures was due to the nature of the business and to the type of contract in use in the United States.

SUSTAINABLE DEVELOPMENT

WORK SCHEDULE

The French companies in the Deutsch Group apply a 35-hour workweek, with different company-wide agreements and application methods.

The non-French companies apply work schedules in compliance with legislation in force in the respective countries.

The absence rate was approximately 3%.

COMPENSATION IN 2006

Payroll (including social welfare contributions): 105 million euros (this figure is an extrapolation, as the Deutsch Group was formed on June 22, 2006).

The average salary increase was around 4% in 2006

LABOR RELATIONS

Meetings with employee representative bodies in French companies were held monthly (works council, employee representatives) or quarterly (Health, Safety and Working Conditions Commission).

Non-French companies adhered to the rules applicable to the labor legislation in force in their respective countries.

In 2006, the collective performance bonus agreement in a French company was renewed and employee representatives were elected with an average voter turnout of 78.52%.

HEALTH AND SAFETY

Health and safety conditions were tracked in each of the French sites through the meetings of the Health, Safety and Working Conditions Commission and the works council.

TRAINING IN 2006

On average, approximately 3% of the payroll of the French companies in the Group was devoted to training.

In all Group companies, a training plan is developed on the basis of the needs of the divisions.

EMPLOYEES WITH DISABILITIES

The companies in the Group employed more than 45 people with disabilities, including 28 in France.

NON-DISCRIMINATION

The Deutsch group endeavors to combat discrimination. In the US, group companies adhere to non-discrimination laws, regularly audit operations to verify that these laws are applied and prepare reports thereon. In France, professional equality is tracked and presented to the works council.

ORANJE-NASSAU

Oranje-Nassau has a long-standing policy to maintain a small, pluridisciplinary workforce that is highly qualified and motivated. The Group complies with all current labor regulations, as defined by the Dutch work code.

EMPLOYMENT

1. Workforce as of 12/31/2006

	Non-mgmt. and mgmt. level	Senior mgmt.	Total
Women	13	-	13
Permanent staff	12	-	12
Fixed-term contracts	1	-	1
Men	18	3	21
Permanent staff	18	3	21
Fixed-term contracts	-	-	-
Total	31	3	34
Permanent staff	30	3	33
Fixed-term contracts	1	-	1

2. Temporary employment during fiscal year 2006

The company employed a temporary IT employee three days per week and a temporary secretary/receptionist 2.5 days per week.

WORK SCHEDULE

The workweek was 37.5 hours long.

Absences: 100 sick days.

COMPENSATION IN 2006

(in thousands of euros)

Salaries	4,304
Other social welfare contributions	1,219

An overall 1.75% salary increase was granted as of January 1, 2006.

LABOR RELATIONS

There is no trade union representation or works council at Oranje-Nassau.

HEALTH AND SAFETY

Oranje-Nassau employees work in a building that complies with health and safety standards

TRAINING IN 2006

	Mgmt. and non-mgmt. level	Senior Mgmt.	Total
Women	3	-	3
Men	4	-	4
Total	7	-	7

Employee training expenditures totaled 6,000 euros in 2006.

EMPLOYEES WITH DISABILITIES

There are no disabled employee at Oranje-Nassau.

STALLERGÈNES

EMPLOYMENT

1. The workforce as of December 31, 2006 included 617 salaried employees in the following categories:

Women	403
Men	214
Permanent staff	581
Fixed-term contracts	36
Permanent staff	550
Fixed-term contracts	67

The number of employees increased by approximately 10%. Female employees continued to represent the large majority of the workforce, as is the case in the pharmaceutical industry in general.

2. Change in the number of employees in 2006

The number of new permanent staff hires increased significantly in 2006 to 101. Eighteen employees were dismissed.

WORK SCHEDULE AND TEMPORARY EMPLOYMENT

All the Group's French companies apply work-time reduction agreements. In general:

- non-management employees work a specified number of hours weekly and benefit from worktime reduction days on a yearly basis;
- management-level employees work an unrestricted number of hours per day and benefit from worktime reduction days on a yearly basis;
- members of executive management work an unrestricted number of hours and are excluded from worktime reduction agreements.

The number of full-time hours per year is 1,654. Overtime totaled 0.46% of hours worked and absences 3.96%. The company had, on average, 28 temporary employees.

COMPENSATION

In thousands of euros

Payroll and social welfare contributions	35,866
Profit-sharing and bonuses	4,051

TRAINING

Constant efforts to promote training, beyond the required minimums, ensure that new hires are integrated rapidly, employees are always learning new skills as required by the company's evolving businesses, and half of all job openings are filled internally.

In 2006, external employee training expenditures totaled 374,000 euros.

LABOR RELATIONS

There is broad consensus in the company on the compensation policy. For three years now, salary increases have been subject to agreement with labor unions.

Company-wide agreements exist on work schedules, the Company savings plan, the profit-sharing plan and the collective bonus plan.

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ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of WENDEL Investissement include:

- fully consolidated companies. These are holding companies and subsidiaries in which WENDEL Investissement exercises exclusive control

and include Bureau Veritas, Editis, Oranje-Nassau and Stallergènes on the one hand and the Deutsch and Materis groups since mid-2006;

- companies accounted for by the equity method (associates). These are companies over which WENDEL Investissement has significant influence, specifically Legrand and Stahl (since mid-2006);

- income from divested subsidiaries (Wheelabrator Allevar in 2005). Pursuant to IFRS, this is presented in a separate income statement line entitled "Net income for the year from discontinued operations and operations held for sale" for each year presented.

CONSOLIDATED INCOME STATEMENT

In millions of euros	2006	2005
Net sales	4,273	2,782
Operating income	657	352
Net financial income	- 238	- 18
Income taxes	- 118	- 119
Net income/loss from equity method investments	69	37
Net Income from continuing operations	369	251
Income from discontinued activities	- 6	175
Net income (loss)	363	426
Net income, minority interests	- 2	10
Net income, Group share	365	416

CONSOLIDATED BALANCE SHEET

In millions of euros	12.31.06	12.31.05	In millions of euros	12.31.06	12.31.05
Assets			Liabilities & shareholders' equity		
Goodwill	3,356	1,935	Shareholders' equity	1,830	1,503
Tangible and intangible non-current assets	2,664	1,063	Minority interests	97	115
Net financial assets	477	502	Provisions	423	330
Equity method investments	526	436	Net financial liabilities	4,489	1,843
Working capital requirements	302	7	Net deferred tax liabilities	486	152
	7,325	3,943		7,325	3,943

BREAKDOWN OF PRINCIPAL VARIATIONS

In millions of euros	
Goodwill as of December 31, 2005	1,935
Acquisition of Materis	+ 913
Acquisition of Deutsch	+ 400
Acquisitions by Bureau Veritas	+ 31
Acquisitions by Editis	+ 56
Acquisitions by Materis	+ 45
Other	- 24
Goodwill as of December 31, 2006	3,356

Tangible and intangible non-current assets as of December 31, 2005	1,063
Materis enters scope of consolidation	+ 1,258
Deutsch enters scope of consolidation	+ 350
Acquisitions	+ 188
Disposals	- 20
Depreciation, amortization and provisions recognized during the year	- 248
Other	+ 73
Tangible and intangible non-current assets as of December 31, 2006	2,664

Equity method investments as of December 31, 2005	436
Acquisition of Stahl	+ 28
Share in net income for the year	+ 69
Dividends paid	- 36
Other	+ 29
Equity method investments as of December 31, 2006	526

Working capital requirements as of December 31, 2005	7
Materis enters scope of consolidation	+ 201
Deutsch enters scope of consolidation	+ 126
Other	- 32
Working capital requirements as of December 31, 2006	302

Consolidated shareholders' equity as of December 31, 2005	1,503
Net income for the year	+ 365
Dividend paid by WENDEL Investissement	- 99
Other	+ 61
Consolidated shareholders' equity as of December 31, 2006	1,830

Provisions as of December 31, 2005	330
Materis enters scope of consolidation	+ 46
Deutsch enters scope of consolidation	+ 18
Other	+ 29
Provisions as of December 31, 2006	423

Net financial debt as of December 31, 2005	1,843
Cash flow for the year	- 406
Acquisition of securities	+ 902
Acquisition of tangible and intangible non-current assets (net of disposals)	+ 146
Securities sold	- 259
Dividend paid by WENDEL Investissement	+ 99
Materis and Deutsch enter scope of consolidation	+ 2,219
Other	- 55
Net financial debt as of December 31, 2006	4,489

Net deferred taxes as of December 31, 2005	152
Materis enters scope of consolidation	+ 330
Deutsch enters scope of consolidation	+ 32
Other	- 28
Net deferred taxes as of December 31, 2006	486

2. PRO FORMA FINANCIAL INFORMATION

The pro forma income statement is intended to show the impact of the acquisition of Deutsch and Materis as if they had taken place on January 1, 2006. This income statement is hypothetical and is presented for illustrative purposes only. In no way does it represent the actual results of the Group in 2006, nor does it represent what would actually have been recognized in the consolidated statements if the acquisitions had taken place on January 1, 2006.

BASIS OF PREPARATION:

The pro forma financial information was prepared in accordance with the WENDEL Investissement Group's accounting methods. They were prepared using WENDEL Investissement's consolidated IFRS financial statements for the 12 months ended December 31, 2006. Data provided by the management of the acquired companies, prepared in accordance with WENDEL Investissement's accounting methods, and information based on the assumptions below, were used to calculate the pro forma adjustments, as follows:

- acquisitions were assumed to have taken place on January 1, 2006;
- goodwill was recognized as of January 1, 2006 on the basis of amounts determined on May 1, 2006 for Materis and on August 1, 2006 for Deutsch;
- goodwill was amortized from January 1, 2006;
- financing was put in place on January 1, 2006;
- related financial expense was calculated on the basis of average 3-month LIBOR and 3-month EURIBOR for the year;
- a normative tax rate of 34.43% was used to represent taxation of the earnings of Deutsch and Materis.

CONSOLIDATED FINANCIAL STATEMENTS

PRO FORMA 2006 INCOME STATEMENT

In millions of euros	Actual	Ajustments	Proforma
Net sales	4,273	757	5,030
Other income from operations	59	- 2	57
Operating expenses	- 3,822	- 674 ⁽¹⁾	- 4,496
Income from ordinary activities	510	81	591
Other operating income and expenses	147	- 2	145
Operating income	657	79	736
Income from cash and cash equivalents	23	- 8	15
Finance costs, gross	- 311	- 66 ⁽²⁾	- 377
Finance costs, net	- 288	- 74	- 362
Other financial income and expenses	50	-	50
Income tax expense	- 118	24	- 94
Share of net income of equity method investments	68	-	68
Net income from continuing operations	369	29	398
Net income from discontinued operations	- 6	-	- 6
Net income (loss)	363	29	392

(1) includes 15 million euros in amortization of goodwill.

(2) includes 66 million euros in interest expense.

3. ECONOMIC PRESENTATION OF THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement reflects the aggregate earnings of the various equity investments held by WENDEL Investissement. These are either fully consolidated or accounted for on an equity basis. As such, the accounting presentation of the income statement does not allow for a direct, in-depth analysis. For this reason, WENDEL Investissement regularly provides an income statement prepared on an economic basis.

- “Net income from business sectors” is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Oranje Nassau, Editis, Materis, Stallergènes, Deutsch and Wheelabrator) and WENDEL Investissement’s share in the net income of investments accounted for by the equity method (Legrand and Stahl) before non-recurring items and the impact of goodwill allocations.

- “Financing costs”, “Overheads” and “Taxes” consist of the overhead expenses of WENDEL Investissement and the holding companies, the cost of servicing debt contracted by WENDEL Investissement and the holding companies, and the tax expense and income related to these items. The amounts indicated are those recognized by WENDEL Investissement and by all consolidated financial holding companies (excluding operating subsidiaries).

- “Non-recurring income (loss)” includes, for the entire scope of consolidation, the amounts (net of tax) of capital gains and losses on the disposal of assets, changes in fair value, debt restructuring costs, operational restructuring costs, income and expenses related to shareholder loans extended to operating subsidiaries at acquisition, currency effects linked to Oranje-Nassau’s oil & gas business, items linked to goodwill allocations and other significant non-recurring items not related to the operating activities of the subsidiaries.

ECONOMIC PRESENTATION OF THE CONSOLIDATED INCOME STATEMENT

Net income from business sectors, which reflected the performance of Group companies, totaled 363 million euros, an increase of 23% compared with 2005. Non-recurring income (loss) in 2006 was 0. It included a gain of 133 million euros recognized at the time of Legrand’s IPO and the impact of goodwill allocation. Non-recurring income was 132 million euros in 2005, reflecting the capital gain on the sale of Wheelabrator Allevar.

In total, the Group share of consolidated net income was 365 million euros.

In millions of euros	2006	2005
Bureau Veritas	157	140
Legrand	121	93
Oranje-Nassau	70	74
Editis	42	30
Materis	37	-
Stallergènes	15	13
Deutsch	- 0	
Stahl	4	
Wheelabrator Allevar	-	13
Income from equity investments	444	362
WENDEL Investissement financing costs	- 71	- 65
Overheads	- 27	- 25
Taxes	16	14
Dividends	1	9
Net income from business sectors	363	295
Gain or loss on divestments	166	288
Debt restructuring costs	- 55	-
Impact of goodwill allocation	- 140	- 98
Other	29	- 58
Non-recurring income	0	132
Consolidated net income	363	427
Net income, minority interests	- 2	11
Net income, Group share	365	416

CONSOLIDATED FINANCIAL STATEMENTS

CONVERSION FROM ACCOUNTING PRESENTATION TO ECONOMIC PRESENTATION

The following table shows how the line items in the 2006 income statement in its accounting presentation are allocated to the various headings used in the economic presentation.

In millions of euros	Income from equity investments	Holding company costs	Non-recurring income	Consolidated net income
Operating income	701	- 28	- 16	657
Finance costs, net	- 170	- 74	- 44	- 289
Other financial income and expenses	- 3	6	47	50
Income tax expense	- 200	16	66	- 118
Net income from equity method investments	117	-	- 49	69
Net income from discontinued operations	- 2	-	- 4	- 6
Consolidated net income	444	- 81	0	363
Net income, minority interests	21	-	- 24	- 2
Net income, Group share	423	- 81	24	365

STATUTORY AUDITORS' REPORT

ON PRO FORMA INFORMATION

To the Chairman,

In our capacity as Statutory Auditors and in accordance with EC regulation 809/2004, we have prepared this report on the pro forma information provided by Wendel Investissement on the 2006 fiscal year, included on pages 67 and 68 of its reference document dated May 23, 2007.

This pro forma information was prepared solely to illustrate the effect that the acquisitions of the Materis and Deutsch groups could have had on Wendel Investissement's 2006 consolidated income statement if these transactions had taken place on January 1, 2006. By their very nature, pro forma statements describe a hypothetical situation and are not necessarily representative of the financial situation or performance that would have prevailed had the transaction or event taken place at a date earlier than that at which it actually took place.

You are responsible for the content of the pro forma information, pursuant to EC regulation 809/2004 and CESR recommendations relative to pro forma information.

It is our role to express a conclusion on the basis of our work and in the terms required by Appendix II point 7 of EC regulation 809/2004 about whether this pro forma information is appropriate.

We performed our procedures in accordance with professional guidelines applicable in France. This work, which did not include a review of the underlying financial information used to prepare the pro forma information, consisted principally in verifying that the basis of preparation for this pro forma information was in accordance with the source documents, as described in the notes to the pro forma financial statements (basis of preparation), in examining the significant items presented in support of pro forma adjustments and in meeting executives of Wendel Investissement to collect information and obtain the explanations we deemed necessary.

In our opinion:

- the pro forma information was properly prepared on the indicated basis,
- this basis is in accordance with the issuer's accounting methods.

This report is issued solely for the filing of the reference document with the AMF and for any public offering in France or another European Union country in which a prospectus including this reference document, approved by the AMF, would be presented, and may not be used in any other context.

Neuilly-sur-Seine and Paris-La Défense, May 22, 2007

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
François Carrega

CONSOLIDATED BALANCE SHEET

Assets

In thousands of euros	Note	12.31.2006	12.31.2005	12.31.2004
Goodwill, net	1	3,356,498	1,934,982	1,836,544
Intangible assets, net	2	1,560,343	609,865	679,627
Property, plant and equipment, net	3	985,304	357,475	276,801
Investment properties	4	118,263	95,823	105,040
Non-current financial assets	5	610,806	428,600	775,015
Equity method investments	6	525,948	436,498	355,046
Deferred tax liabilities	16	125,983	91,360	106,302
Total non-current assets		7,283,145	3,954,603	4,134,375
Assets and operations held for sale		7,655	8,552	836
Inventories and work-in-progress	7	408,355	110,771	154,946
Trade receivables	8	1,036,265	603,179	599,904
Other current assets	9	192,266	122,991	125,636
Current income tax assets	16	56,992	81,139	47,306
Other current financial assets	5	153,177	180,313	39,974
Cash and cash equivalents	10	1,026,865	1,029,599	958,345
Total current assets		2,873,921	2,127,992	1,926,111
TOTAL ASSETS		10,164,721	6,091,147	6,061,322

Liabilities and shareholders' equity

In thousands of euros	Note	12.31.2006	12.31.2005	12.31.2004
Share capital		222,029	218,854	224,732
Share premiums		228,638	203,649	281,688
Retained earnings and other reserves		1,014,225	664,613	535,809
Net income for the year		365,369	415,703	419,001
		1,803,261	1,502,819	1,461,230
Minority interests	11	97,056	114,593	92,962
Total shareholders' equity		1,927,317	1,617,412	1,554,192
Long-term provisions	12	394,345	312,125	316,072
Long-term borrowings	13	5,300,632	2,819,203	2,435,110
Other non-current financial liabilities	5	188,442	87,835	45,517
Deferred tax liabilities	16	611,967	242,958	282,676
Total non-current liabilities		6,495,387	3,462,121	3,079,375
Liabilities of operations held for sale		3,108	-	-
Short-term provisions	12	28,591	18,389	20,641
Short-term borrowings	13	214,958	53,594	520,714
Other current financial liabilities	5	98,344	19,666	2,952
Trade payables	14	618,120	354,343	359,882
Other current liabilities	15	647,677	438,903	399,060
Current income tax liabilities	16	131,221	126,719	124,506
Total current liabilities		1,738,910	1,011,614	1,427,755
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		10,164,721	6,091,147	6,061,322

CONSOLIDATED INCOME STATEMENT

In thousands of euros	Note	2006	2005	2004
Net sales	18	4,273,497	2,782,143	523,673
Other income from operations	18	58,650	57,610	5,425
Operating expenses	19	- 3,822,411	- 2,491,279	- 418,720
Income from ordinary activities	20	509,736	348,474	110,378
Other operating income and expenses	21	147,625	3,150	- 9,551
Operating income		657,361	351,624	100,827
Income from cash and cash equivalents		22,546	19,035	17,549
Finance costs, gross		- 311,033	- 151,631	- 78,749
Finance costs, net	22	- 288,487	- 132,596	61,200
Other financial income and expenses	23	50,111	114,277	44,052
Tax expense	24	- 118,214	- 119,258	- 34,458
Share of net income from equity method investments	25	68,545	37,215	51,196
Net income for the year from continuing operations		369,315	251,262	100,417
Net income for the year from discontinued operations and operations held for sale	26	- 6,412	175,309	324,592
Net income	27	362,903	426,571	425,009
Net income (share of minority interests)		- 2,466	10,868	6,008
Net income (Group share)	27	365,369	415,703	419,001
Basic earnings per share (in euros)	28	7.39	8.48	7.55
Diluted earnings per share (in euros)	28	7.25	8.35	7.50
Basic earnings per share from continuing operations (in euros)	28	7.52	4.90	1.70
Diluted earnings per share from continuing operations (in euros)	28	7.37	4.82	1.68
Basic earnings per share from discontinued operations (in euros)	28	- 0.13	3.58	5.85
Diluted earnings per share from discontinued operations (in euros)	28	- 0.13	3.53	5.82

STATEMENT OF RECOGNIZED INCOME AND EXPENSES

WENDEL Investissement has chosen to apply the amendment to IAS 19 from January 1, 2006, enabling actuarial differences relating to defined benefit plans to be recognized. The statement of recognized income and expenses is as follows:

In thousands of euros	2006	2005	2004
Translation reserves	- 13,035	3,572	- 10,978
Actuarial gains and losses	1,604	-	-
Gains and losses on assets available for sale	50,626	7,235	9,375
Hedging reserves	10,599	- 24,955	1,318
Wendel-Participations securities and derivatives	- 7,411	17,755	18,306
Tax effects	- 5,447	12,455	- 584
Income and expenses directly accounted for in shareholders' equity (A)	36,936	16,062	17,437
Net income for the year (B)	362,903	426,571	425,009
Total income and expenses recognized for the period (A) + (B)	399,839	442,633	442,446
Attributable to:			
- shareholders of WENDEL Investissement	419,263	416,470	436,487
- minority interests	- 19,424	26,163	5,959

The changes in shareholders' equity are shown in note 11.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)	Notes	2006	2005	2004
Cash flows from operating activities				
Net income (loss)		362,903	426,571	425,009
Elimination of non-cash items:				
• Share of net income from equity method investments		- 68,545	- 37,215	- 63,054
• Depreciation, amortisation, provisions, and other non-cash items		411,873	162,206	70,622
• Gains on disposals of non-current assets and operations		- 245,515	- 290,696	- 288,713
Elimination of investing and financing activities:				
• Dividends received from non-consolidated companies		- 6,974	- 10,654	- 8,595
• Finance costs, net (excluding non-cash items)		255,384	116,820	47,126
• Other financial expenses		- 19,349	38,182	- 11,209
• Interest received on loans		- 7,854	- 3,139	- 3,253
• Acquisition costs of fixed assets not capitalized		9,222	12,361	1,585
Deferred taxes (IAS)		118,214	119,258	43,884
Cash flow from consolidated companies before tax		809,359	533,694	213,402
Change in operating working capital requirement		- 14,940	16,791	87,830
NET CASH FLOWS FROM OPERATING ACTIVITIES		794,419	550,485	301,232
Cash flows from investing activities				
Outflows:				
• Acquisition and stock option investments	29	- 800,287	- 392,337	- 1,871,648
• Acquisitions of intangible assets and property, plant and equipment	30	- 196,194	- 103,314	- 40,695
• Loans granted	31	- 129,662	- 12,147	- 7,089
Inflows (based on sale price):				
• Disposals of investments	32	258,758	701,694	847,579
• Disposals of intangible assets and property, plant and equipment	33	49,883	26,811	21,666
• Loans and receivables		50,578	50,798	12,907
Dividends received from affiliates and non-consolidated companies		49,426	20,984	44,260
Interest received on loans		7,854	3,139	1,033
Acquisition costs of fixed assets not capitalized		- 9,222	- 8,050	- 1,585
Other		- 18,497	-	-
Impact of changes in Group structure and operations held for sale	34	101,221	- 20,465	200,915
Change in working capital related to investing activities		27,235	7,963	- 26,563
NET CASH FLOWS FROM INVESTING ACTIVITIES		- 608,907	275,076	- 819,220
Cash flows from financing activities				
Proceeds from issuance of shares		37,378	40,253	10,189
Share buybacks		- 8,160	- 335,775	- 251,881
Dividends paid	35	- 102,700	- 59,841	- 60,018
Net change in borrowings and other financial debts	36	243,997	- 80,583	1 807,804
Finance costs, net		- 255,384	- 116,820	- 47,126
Other financial expenses		19,615	- 39,942	11,209
Change in working capital requirement related to financing activities		38,266	972	- 15,118
NET CASH FLOWS FROM FINANCING ACTIVITIES		- 26,988	- 591,736	1,455,059
Cash flows related to tax				
Current tax		- 171,618	- 131,169	- 96,505
Change in tax assets and liabilities (excluding deferred taxes)		19,197	- 36,766	12,681
NET CASH FLOWS RELATED TO TAX		- 152,421	- 167,935	- 83,824
Impact of fluctuations in currency rates		- 8,837	5,364	- 2,173
CHANGE IN THE CASH POSITION		- 2,734	71,254	851,074
CASH AT THE BEGINNING OF THE PERIOD		1,029,599	958,345	107,271
CASH AT THE END OF THE PERIOD		1,026,865	1,029,599	958,345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

WENDEL Investissement is a public limited company (société anonyme) governed by French law, registered in Paris Companies Register 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 corporations to accelerate their growth and development.

The consolidated financial statements of WENDEL Investissement cover the 12-month period from January 1, 2006 to December 31, 2006. All amounts are in thousands of euros, unless otherwise specified.

GENERAL INFORMATION

In accordance with EC Regulation no. 1606/2002 of the European Parliament and of the Council enacted July 19, 2002 relating to the application of international accounting standards, the consolidated financial statements of WENDEL Investissement for the 2006 fiscal year have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at December 31, 2006.

The amendment to the IAS 19 – “Employee benefits” §93A – was applied in 2006. It allows for actuarial gains and losses to be recognized in shareholders’ equity. The impact for 2006 corresponds to an expense net of deferred tax of 1.227 million euros recognized in shareholders’ equity. The impact on previous periods is considered to be immaterial and has therefore not lead to the restatement of previous periods.

Application of the other mandatory standards in 2006 did not have a material impact on the financial statements:

- IAS 39 “Fair Value Option” and amendments to IAS 39 “Financial Instruments”: “Accounting and valuation” and “Hedging of cash flows of an intra-group transaction”;
- amendments to IAS 21 “The effects of changes in foreign exchange rates”;
- IFRS 6 “Exploration for and evaluation of mineral resources”;
- amendments to IFRS 1 “First-time adoption” and IFRS 6 “Exploration for and evaluation of mineral resources”;
- IFRIC 4 “Determining whether an arrangement contains a lease”;
- interpretation of IFRIC 5 “Rights to interests arising from funds for the decommissioning, restoration and rehabilitation of the environment”;
- IFRIC 6 “Liabilities arising from participating in a specific market-waste electrical and electronic equipment”.

At December 31, 2006, certain new standards and interpretations had been adopted by the European Union and/or published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) that are mandatory for accounting periods beginning on or after January 1, 2007. The Group has decided against early adoption of these standards and interpretations.

The Group has also elected not to adopt in advance any standards or interpretations issued by the IASB or the IFRIC but not adopted by the European Union at December 31, 2006.

These are:

- IAS 1 “Amendments in relation to the disclosures about capital” mandatory adoption from January 1, 2007;
- IFRS 7 “Financial instruments: Disclosures” mandatory adoption from January 1, 2007;
- IFRIC 7 “Applying the restatement approach to financial statements under IAS 29” mandatory adoption for financial periods beginning on or after March 1, 2006;
- IFRS 8 “Operating segments” effective for periods beginning on or after January 1, 2009;
- IFRIC 7 “Applying the restatement approach under IAS 29 ‘Financial reporting in hyperinflationary economies’ ” mandatory adoption for financial periods beginning on or after March 1, 2006;
- IFRIC 8 “Scope of IFRS 2” mandatory adoption for financial periods beginning on or after May 1, 2006;
- IFRIC 9 “Reassessment of embedded derivatives” mandatory adoption for financial periods beginning on or after June 1, 2006;
- IFRIC 10 “Interim financial reporting and impairment” mandatory adoption for financial periods beginning on or after November 1, 2006;
- IFRIC 11 IFRS2 “Group and treasury share transactions” mandatory adoption for financial periods beginning on or after March 1, 2007;
- IFRIC 12 “Service concession arrangements” adoption for financial periods beginning on or after January 1, 2008;

WENDEL Investissement is currently assessing the potential impact of the adoption of these new texts on the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

Companies that are controlled exclusively by Wendel Investissement are fully consolidated.

Companies in the Energy sector of Oranje-Nassau Groep, which are jointly controlled, are consolidated using the proportionate method.

Companies in which WENDEL Investissement are accounted for using the equity method.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

FINANCIAL STATEMENTS USED AS THE BASIS FOR THE CONSOLIDATION

The consolidated financial statements of WENDEL Investissement have been prepared based on:

- the consolidated financial statements for the fiscal year ending on December 31, 2006 for Oranje-Nassau Groep, Stallergenes, Legrand, Odysee 1 (Editis) and Bureau Veritas;
- the consolidated financial statements of the Materis group (Materis Parent) for the eight months between the date of acquisition by WENDEL Investissement and the closure as of December 31, 2006;
- the consolidated financial statements of the Deutsch Group (Matinvest2) for the five-month period between August 1, 2006 and the closure as of December 31, 2006. Before acquisition by WENDEL Investissement, this group was made up of several entities that were not consolidated, notably in the United States, France and the United Kingdom. As a result of the structure of this group before its acquisition by WENDEL Investissement, the consolidation process for this group could only be put in place effective from August 1, 2006, approximately a month after the acquisition by WENDEL Investissement;
- the consolidated financial statements of the Stahl group for the six months between the date of acquisition by WENDEL Investissement and the closure as of December 31, 2006;
- the individual company financial statements for the 12-month period ending on December 31, 2006 for all the Group's other companies.

The IFRS financial information relating to these subsidiaries has been prepared in accordance with IFRS recognition and measurement rules.

INTERCOMPANY ASSET SALES AND TRANSFERS

Gains and losses on the sale or transfer of assets between consolidated companies are eliminated in the consolidated income statement and the assets concerned are stated at their initial value in the financial statements of the transferor. However, an impairment loss is recognized in the income statement when a sold or transferred asset is deemed to have suffered a prolonged impairment in value.

TRANSLATION OF THE FINANCIAL STATEMENTS OF NON-FRENCH COMPANIES

The Company's functional currency is the euro.

Assets and liabilities of Group entities with a functional currency other than the euro are translated into euros at the exchange rate prevailing at the balance sheet date, and income and expense items are translated using the average exchange rate for the period. All resulting exchange differences are recognized as a separate component of shareholders' equity under "Translation adjustments."

When a non-euro currency entity is sold, the exchange differences that were recorded in shareholders' equity are recognized in the income statement as part of the gain or loss on sale.

The following exchange rates, expressed in euros, were used to translate the consolidated financial statements of non-euro entities:

	Closing rate		Average rate	
	12.31.2005	12.31.2006	2005	2006
US dollar	1.1797	1.317	1.2441	1.2556

CHANGE IN THE PERCENTAGE INTEREST IN A SUBSIDIARY WITHOUT GAIN OR LOSS OF CONTROL

As these are transactions that do not constitute clear assumption of control, they do not fall within the scope of IFRS 3 "Business combinations" and are not dealt with by IAS 27, IAS 28 or IAS 31 either. In the absence of standards addressing this subject, WENDEL Investissement has adopted the economic entity approach, which has been retained in connection with the Business combinations project - phase 2. According to this approach, transactions with minority shareholders should be analyzed as transactions between shareholders as owners of the shareholders' equity of the same economic entity. In this way no purchased goodwill is recognized during an increase in the percentage interest and there is no impact on the income statement during a decrease in the percentage interest, with all impact being recognized in consolidated reserves.

USE OF ESTIMATES

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in the financial statements. These estimates and judgments are regularly evaluated on the basis of past experience of group management and various other factors that are considered to be reasonable, such as market data and whether an independent expert is used. Actual results may differ significantly from the estimates and assumptions used.

The estimates and judgments used in order to prepare these financial statements primarily concern goodwill, impairment tests, provisions, provisions for employee benefits, deferred taxes, share-based payment (stock options), investment properties, unlisted securities and derivatives.

MEASUREMENT RULES

GOODWILL

Goodwill represents the excess of the cost of acquiring the shares of consolidated companies, including transaction expenses, and the fair value of the Group's share of the net identifiable assets at the date of acquisition. Any adjustments to provisional values of the assets and liabilities of the acquired companies are made within 12 months of the acquisition date.

Goodwill is evaluated at its cost, reduced if necessary by the cumulative recognized loss in value.

Goodwill recognized on the acquisition of affiliates is recorded in the balance sheet under "Equity Method Investments".

Goodwill is not amortized. Instead, it is tested for impairment at least annually at the year-end, or more frequently if there is any indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units, which represent the Group's operating entities – Bureau Veritas, Materis, Editis, Deutsch, Oranje-Nassau Groep and Stallergenes. Goodwill impairment losses are recorded in the income statement under "Other operating income and expenses" and are not reversed.

When an impairment loss is identified by an operational subsidiary out of purchased goodwill shown within its consolidation scope, this loss is maintained at the WENDEL Investissement level of consolidation, this even if the analysis made by WENDEL Investissement on the purchased goodwill shown for this subsidiary does not generate a loss. This position has been adopted so that WENDEL Investissement may avoid having to take unrealized losses into account as soon as they appear, even though these would inevitably be recognized in the event of the sale by the subsidiaries of their cash generating unit showing such losses.

INTANGIBLE ASSETS

Editorial design costs of the Editis group

Editorial design costs include all expenses incurred during the initial design phase of a publication. The editorial stage covers the period devoted to designing, creating and developing the finished layout. Where these editorial costs involve significant amounts, they may be classed as development expenses and recognized as an asset in the balance sheet.

The capitalization of these costs must meet the following criteria:

- the costs are connected to specific individual projects;
- these projects have genuine chances of technical success and commercial profitability;
- their cost can be clearly established;
- the company has adequate resources to complete these projects.

Moreover, expenses are capitalized once the decision to complete the work is taken, and this decision is irreversible. On the other hand, costs corresponding to budget and market studies are considered as expenses of the period concerned.

For all projects, a schedule of external costs has been established and these are allocated by project.

Editorial costs are amortized from the date of publication over the estimated life of the product (3 to 5 years), according to the sales cycle. Internal and external costs are subject to the same amortization rules.

An impairment test of capitalized expenses is performed annually and may lead to a write-down.

Editorial design costs concerning solely multimedia products are amortized 100% in the first year.

Bureau Veritas, Deutsch group, Materis group and Editis group brands

These brands are valued by the relief-from-royalty approach, which consists of discounting to perpetuity royalty cash flows determined at a theoretical rate based on sales generated by the brands. These brands are considered as having an indefinite useful life as there is no foreseeable time limit on their potential to generate cash flow. Therefore they are not amortized but instead are tested for impairment on annual basis.

Contracts and customer relationships of the Bureau Veritas, Materis group, Deutsch group and Editis group brands

The value of these assets corresponds to the margin expected to be generated over the residual lives of contracts in force at the date of acquisition/transfer of control, taking into account contract renewals where such renewals are considered probable based on historical statistical data. These contracts and customer relationships are therefore amortized over the period used for the calculation of each contract category (up to 30 years according to the contract and the subsidiary) or over their useful life.

Other intangible assets

The costs of developing software intended for internal use and other development costs are capitalized when it is probable that the expenditure concerned will generate future economic benefits. These costs are amortized over the estimated useful life of the asset.

Stallergenes' development costs have not been capitalized, as the company's development projects do not meet the asset recognition criteria under IAS 38. In accordance with IAS 38 and standard practice in the pharmaceutical industry, development costs incurred prior to obtaining full market approval for the related drugs are not capitalized.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized at their historical acquisition cost, determined at the time of acquisition of these assets or business combination.

Property, plant and equipment, other than land and investment properties, is amortized using the straight-line method over a period corresponding to its estimated useful life. The amortization basis of property, plant and equipment corresponds to its historical acquisition cost reduced by its residual value, the residual value being equal to the disposal value expected at the end of the asset's useful life after allowing for disposal costs.

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The principal useful lives of property, plant and equipment are as follows:

Buildings	10 to 50 years
Plant	3 to 10 years
Equipment and tooling	3 to 10 years

Assets acquired under long-term or other leases where the substantial risks and rewards of ownership have been transferred to the Group are accounted for as finance leases, and are depreciated on a straight-line basis over their estimated useful life as described above.

IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

In accordance with IAS 36 – “Impairment of Assets”, the value in use of property, plant and equipment and intangible assets is tested where there is an indication that the value of an asset may be impaired. Impairment tests are carried out at least once a year for assets with indefinite useful lives, which, for the WENDEL Investissement Group, are limited to brands and goodwill. Any impairment losses are recorded under “Other operating income and expenses” in the income statement.

INVESTMENT PROPERTIES

Investment properties, which are primarily held by Oranje-Nassau Groep, are recognized at fair value in the balance sheet with changes in fair value being recorded in the income statement under “Operating income”. The fair value of these properties is determined by the management team of Oranje-Nassau Groep with the assistance of independent experts.

MEASUREMENT OF OIL ASSETS

Oranje-Nassau Groep's oil investments are measured using the successful efforts method. Exploration costs are expensed until such time as a productive field is discovered. Subsequent costs are capitalized. Amortization for each production unit is calculated on the basis of remaining reserves. At each balance sheet date, the net book value of property, plant and equipment must be less than the estimated present value of reserves, after deduction of future production expenses. An additional amortization charge is created up to the excess of the carrying amount over present value.

Future dismantling and removal costs of oil exploration and production equipment give rise to provisions for liabilities and charges. The contra-entries for these provisions are fixed assets of the same amount. The amortization of these assets is also calculated by production unit on the basis of remaining reserves. These provisions and assets are adjusted to reflect any changes in the present value of the estimated future costs. The impact of the passage of time on these provisions is recorded in “Other financial income and expenses.”

FINANCIAL ASSETS AND LIABILITIES

Financial assets include investments in non-consolidated companies, operating receivables, debt securities, marketable securities, derivatives,

cash and cash equivalents. Financial liabilities include borrowings, other forms of financing and bank overdrafts, derivatives and operating liabilities. Financial assets and liabilities are recognized and measured in accordance with IAS 39 – “Financial instruments: recognition and measurement.”

Financial assets at fair value through profit or loss

These assets include, notably, investments whose characteristics do not correspond to those of cash equivalents. These assets are measured at fair value at the balance sheet date, and gains and losses arising from changes in fair value are recognized through profit or loss.

Available-for-sale financial assets

The financial assets available for sale comprise mainly Neuf Cegetel and Wendel-Participations.

In accordance with IAS 39.9, classifying a financial asset as available for sale does not necessarily signify that the WENDEL Investissement Group actually intends to sell it. Therefore this category includes all non-derivative financial assets that are designated as available for sale or that are not classified in any of the other categories of financial assets.

Available-for-sale financial assets are measured at fair value and gains or losses arising from changes in fair value are recognized in shareholders' equity. Any prolonged decline in the fair value of these financial assets below their cost is considered as an indicator that the investment is impaired, and an impairment loss is recorded in the income statement. This impairment cannot be written back through the income statement except in the event of sale.

Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments that the Group intends to hold to maturity. They are stated at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are stated at amortized cost using the effective interest method. Their carrying amount represents outstanding capital adjusted for any un-amortized transaction costs, premiums or discounts. Loans and receivables are tested for impairment at least once a year at the balance sheet date, or whenever there is an indication that they are impaired – i.e. that their recoverable amount is lower than their carrying amount. The impairment loss is recorded in the income statement.

Financial liabilities

All borrowings and other financial liabilities are stated at amortized cost using the effective interest method, except for derivatives and exchangeable bonds.

Derivatives

Derivatives are valued at their fair market value. Gains and losses arising on changes in the fair value of derivatives are recorded in the income statement apart from certain exceptions set out below and the sale of call options on Wendel-Participations shares (see the paragraph relating to Wendel-Participations).

Derivatives may be designated as fair value hedges or cash flow hedges:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to fluctuations in exchange rates, interest rates or prices;
- cash flow hedges are used to hedge the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction. The cash flow hedges used by the WENDEL Investissement Group essentially correspond to hedges set up by the Oranje-Nassau Groep and Materis to offset fluctuations in currency exchange rates, oil prices and raw materials prices.

A hedging relationship qualifies for hedge accounting if:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship can be demonstrated from inception of the hedge and throughout its term.

Application of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value in the balance sheet. Changes in the fair value of the hedged item are recorded in the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized directly in shareholders' equity. The gain or loss relating to the ineffective portion is recognized in the income statement. Amounts accumulated in shareholders' equity are passed through the income statement in the same periods as the corresponding hedged items.

Derivative instruments are measured using mathematical models applied by WENDEL Investissement, as well as by independent experts and/or the Group's counterparties in the related transactions.

Exchangeable bonds

The option component of these bonds is separated from the liability component. The option component is valued in the balance sheet at its fair value as an independent derivative and the variation in the fair value is expensed in the income statement. The liability component is stated at amortized cost using the effective interest method.

INVENTORIES

Inventories are stated at the lower of cost or net realizable value. The cost of inventories comprises raw materials, direct labor and any overheads that can be reasonably associated with production.

WORK IN PROGRESS (BUREAU VERITAS GROUP)

Work in progress is generally recognized using the percentage-of-completion method. However, short-term contracts representing non-material amounts are recognized according to the completed-contract

method. Work in progress may be subject to an allowance for loss in value to reduce it to its net realizable value if this is less. The provision is calculated for each contract on the basis of a forecast margin updated at the close of the fiscal year. Provision is also made for any estimated losses to completion.

ROYALTIES RECOGNIZED BY THE EDITIS GROUP

Royalties due and receivable are stated at their nominal amount. Royalties receivable correspond to advances paid to authors and are provisioned as follows:

- Published works: the provision is calculated based on the amount not covered by royalties generated through sales;
- Unpublished works: advances are reviewed by management and an impairment loss is recognized where appropriate based on identified risks such as the risk of the work not being published, the royalties not being covered by revenue or late delivery of manuscripts by authors.

Royalties due correspond to amounts payable to authors after deducting any advances already paid.

CASH AND CASH EQUIVALENTS

Cash represents cash at banks.

According to IAS 7 and the announcement from the Autorité des Marchés Financiers of March 9, 2006, cash equivalents are short-term highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value. They are measured at fair value at balance sheet date.

PROVISIONS

In accordance with IAS 37 – "Provisions, contingent liabilities and contingent assets", a provision is recognized when the Group has an obligation with respect to a third party, as a result of a past event, for which it is probable or certain that there will be an outflow of resources, without at least an equivalent return expected from that third party. Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan.

Provisions are discounted based on the estimated duration of the obligation. The impact of this discounting is recalculated at each balance sheet date and the related adjustment is recorded in the income statement under "Other financial income and expenses".

PROVISIONS FOR PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

Defined contribution plans: the contributions are recognized in operating expenses.

Defined benefit plans: the present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the retrospective method.

The obligation is determined at each balance sheet date taking into account the age of the company's employees, their length of service and the probability that they will remain within the company until they

CONSOLIDATED FINANCIAL STATEMENTS

retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments.

The provision corresponds to the difference between the total obligation calculated as set out above and any assets invested with insurance companies in order to cover this obligation.

Actuarial gains and losses are recognized immediately in the income statement as the Group does not apply the corridor method (IAS 19, paragraph 93A).

DEFERRED TAXES

In accordance with IAS 12 "Income taxes", deferred taxes are recognized for timing differences between the carrying amounts of assets and liabilities and their tax base.

Deferred tax assets are recognized for the carry forward of unused tax losses and unused tax credits to the extent that (i) it is probable that future taxable income will be available against which the unused tax losses and unused tax credits can be utilized, or (ii) when they can be offset by deferred tax liabilities of an equal or higher amount. In application of this principle, no deferred taxes have been recognized with respect to WENDEL Investissement's tax loss carryforwards.

Concerning investments in subsidiaries and affiliates, a deferred tax liability is recognized for all timing differences between the carrying amount of the related shares and their tax base, except where:

- the Group is able to control the timing of the reversal of the timing difference, and;
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred taxes are calculated by the variable carry-forward method, based on the tax rates in effect at the balance sheet date. At December 31, 2006 the rate used for French companies for short-term taxable income was 34.43%.

TREASURY SHARES

Treasury shares are stated at cost as a deduction from shareholders' equity. The proceeds from sales of treasury shares are credited directly to shareholders' equity and any disposal gains or losses therefore have no impact on the income statement.

WENDEL-PARTICIPATIONS SHARES AND OPTIONS

The sole asset held by Wendel-Participations is an interest representing approximately 34% of WENDEL Investissement's capital. Wendel-Participations is 13.5%-held by Solfur, which in turn is a wholly-owned subsidiary of WENDEL Investissement.

In 2004, the executives of WENDEL Investissement purchased call options on Wendel-Participations shares from Solfur. These options, which mature in October 2010, have a strike price corresponding to a price of €40 per WENDEL Investissement share, reduced each year by the amount of dividends paid to shareholders. Forty euros was the average WENDEL Investissement share price during the six months prior to

October 22, 2004, the date at which the Board of Directors approved these arrangements. The premium received by the Group on the sale of these options was valued by an independent expert at 4 million euros.

The Wendel-Participations shares held by the Group, as well as the sold call options, are recorded at fair value in WENDEL Investissement's consolidated balance sheet.

In view of the fact that the values of these two instruments are directly and exclusively associated with the WENDEL Investissement share price, period-on-period changes in their fair values are recorded in shareholders' equity. This accounting treatment complies with that prescribed by IFRS for treasury shares, which prohibits entities from recording gains or losses on such shares. Dividends received from Wendel-Participations are also eliminated in the consolidated income statement and are recognized directly in consolidated reserves.

The fair value of the Wendel-Participations shares recorded in the consolidated balance sheet amounted to 104.8 million euros at January 1, 2006 and 138.9 million euros at the year-end. The 34.2 million euro increase was recognized directly in consolidated reserves.

The fair value of the options recorded on the liabilities side of the consolidated balance sheet amounted to 30.9 million euros at the start of the year and 72.5 million euros at December 31, 2006. The 41.6 million euro increase was recognized in consolidated reserves.

The cumulative impact recorded in shareholders' equity since the acquisition of the Wendel-Participations shares and the sale of options to executives is 59.3 million euros.

COMMITMENT TO GUARANTEE THE LIQUIDITY OF BUREAU VERITAS SHARES

WENDEL Investissement has undertaken to guarantee the liquidity of Bureau Veritas shares issued or to be issued in connection with employee stock option plans. This undertaking pre-dates the acquisition of Bureau Veritas (end of 2004).

While awaiting possible clarification from IFRIC, WENDEL Investissement has decided to account for this undertaking as follows:

- To maintain liquidity on exercised stock options, purchase from minority shareholders is anticipated: the shares concerned (which would be exchanged for cash) are reclassified from minority interests to provisions (IAS 32 §18-b). These provisions are adjusted to the likely redemption amount (IAS 32 §23);
- As the liquidity commitment is considered a commitment to repurchase shares from minority shareholders, the impact (the difference between the amount of reclassified minority interests and the amount of provisions (IAS 32 §23), and the variations in provisions) are recognized in the Group share of consolidated reserves (see "Change in the percentage interest in a subsidiary without gain or loss of control";
- by analogy with the two previous points, shares to be issued under this liquidity commitment give rise to a provision to cover the difference between the purchase price of the shares and the exercise price of the stock options, with the corresponding amount deducted from consolidated reserves.

PARTICIPATION OF MANAGEMENT IN THE COMPANY'S INVESTMENTS

(see description of the mechanism in the section entitled "Participation of management in the Company's investments")

During an acquisition, the percentage interest taken into account for the consolidation of the new subsidiary corresponds to the ratio of the equity investment of WENDEL Investissement and the total shareholders' equity (WENDEL Investissement + other investors + management).

The co-investment structures of management may lead to a dilution of WENDEL Investissement's investment in a given subsidiary (see section entitled "Participation of management in the Company's investments"). This potential dilution varies over time and according to the performance realized. It is not known in advance because it depends on future performance and therefore cannot be taken into account prior to the result of the investment. In addition, the subsidiaries are not recognized at market value in the financial statements of WENDEL Investissement and therefore do not reflect this performance.

The impact of the dilution is therefore taken into account during the close out of the investment and is recognized at the same time as the outcome of the disposal.

ASSETS AND OPERATIONS HELD FOR SALE

An asset or group of assets (disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and when its sale is highly probable. Depreciation ceases when an asset has been classified as held for sale and a provision is recorded if the asset's residual carrying amount exceeds its probable realizable value.

A business is considered as being for sale when it meets the criteria of assets held for sale. Assets and liabilities of operations held for sale are presented on a separate line in the balance sheet, and net income for the year from discontinued operations and operations held for sale is presented on a separate line in the income statement for both 2006 and 2005. Net income for the year from discontinued operations and operations held for sale includes any disposal gains or losses or any impairment losses recorded for this business.

REVENUE RECOGNITION

Revenue from sales of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer.

In the Bureau Veritas group, revenue is generally recognized using the percentage-of-completion method based on a margin calculated by reference to the stage of completion of the services provided. However, short-term contracts representing non-material amounts are recognized according to the completed-contract method.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. Receivables and payables in other currencies are translated into euros at the closing exchange rate at the balance sheet date. Exchange differences resulting from the translation of transactions in currencies other than euros are recorded in the income statement under the heading "Other financial income and expenses."

SUBSCRIPTION AND PURCHASE-TYPE STOCK OPTION PLANS

In accordance with IFRS 2 "Share-based payments", the Group expenses employee stock options in an amount corresponding to the fair value of the options at the grant date. This expense is recognized in the income statement over the vesting period of the options. As the issuance of subscription-type stock options has no impact on the Group's cash position and net assets at the grant date, the contra entry to this expense is recorded in shareholders' equity.

The Group uses the Black & Scholes model and the binomial model to determine the fair value of options granted.

BALANCE SHEET PRESENTATION

An asset is classified in current assets when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the balance sheet date; or
- it is cash or a cash equivalent carrying no restriction on exchange or use in settlement of a liability for at least twelve months after the balance sheet date.

A liability is classified in current liabilities when it satisfies any of the following four criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the balance sheet date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All other assets and liabilities are classified as non-current.

INCOME STATEMENT PRESENTATION

"Operating income" corresponds to profit for the year excluding financial income and expenses, income tax expense, share of net income from equity method investments and net income for the year from discontinued operations and operations held for sale.

"Other operating income and expenses" correspond to the impact of a limited number of events which are unusual, abnormal and infrequent. These may include gains and losses on disposals of intangible assets or property, plant and equipment, impairment losses on intangible assets or property, plant and equipment, restructuring costs and additions to provisions for claims and litigation and the gains and losses from the sale of consolidated investments.

Financial income and expenses include "Finance costs, net" and "Other financial income and expenses" which notably include gains and losses

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on disposals of financial assets, impairment losses on financial assets, dividends paid by non-consolidated companies, changes in the fair value of "financial assets at fair value through profit or loss", the impact of discounting receivables, liabilities, provisions and foreign exchange differences.

EARNINGS PER SHARE

Basic earnings per share are calculated:

- by dividing net income for the year attributable to the Group by the average number of shares outstanding during the year.
- by dividing net income for the year attributable to the Group by the average number of shares outstanding during the year, adjusted for the number of shares to be issued on the conversion into shares of dilutive instruments (subscription- and purchase-type stock options), using the treasury stock method. Dilutive instruments (subscription-type stock options and warrants) issued by the Group's subsidiaries are also taken into account in the calculation of net income for the year attributable to the Group.

On the face of the income statement, earnings per share are presented separately for continuing and discontinued operations.

CHANGES IN SCOPE OF CONSOLIDATION

YEAR 2006

AT THE WENDEL INVESTISSEMENT LEVEL

To facilitate international expansion, manifested in 2006 by the acquisition of four new companies, including three outside France (Deutsch, Stahl and AVR), the Company decided to group all new investments in an unlisted entity. Accordingly, the companies acquired in 2006 by the WENDEL Investissement group are owned by Winvest International SA (a Luxembourg company), itself 99.5%-owned by WENDEL Investissement.

Acquisition of Materis at the end of April 2006

On April 30, 2006 WENDEL Investissement acquired the Materis group, one of the global leaders in specialty chemicals for the construction sector. The 73.5% holding in Materis group has been fully consolidated since May 1, 2006.

- The financing of the acquisition structure (Materis Parent) broke down as follows:
 - Contributions from WENDEL Investissement: 319 M€
of which 122 million euros in the form of shares, and
of which 197 million euros in the form of a shareholder loan
 - Contributions from managers and other minorities: 99 M€
of which 45 million euros in the form of shares, and
of which 54 million euros in the form of a shareholder loan
 - Bank borrowings : 1,680 M€

- These amounts were used for:

- acquisition of shares :	1,011 M€
- payment of acquisition-related expenses, capitalized as part of the cost of the acquisition (recognized as a reduction in goodwill):	11 M€
- payment of fees on the new bank debt:	29 M€
- payment of other expenses:	15 M€
- refinancing of the Materis group debt:	1,032 M€

WENDEL Investissement's share of the equity investment was 73.5%, its share of the shareholder loans was 78% and its overall share of the investment was 76%.

The provisional goodwill generated at the time of acquisition amounted to 913 million euros:

• Acquisition price (including acquisition costs):	- 1,022 M€
• Net equity acquired*:	- 372 M€
• Brands and trademarks:	414 M€
• Customer relationships :	236 M€
• Revaluation of manufacturing sites :	50 M€
• Deferred tax liabilities on revaluations:	- 238 M€
• Revaluation of inventories, net of deferred taxes :	26 M€
• Other:	- 7 M€
• Provisional residual goodwill:	913 M€

* excluding allocation of goodwill realized by the Materis group before the acquisition by WENDEL Investissement.

As allowed under IFRS standards, allocation of the acquisition price will be finalized in the 12 months subsequent to the acquisition.

Materis' eight-month contribution to consolidated net sales was 1,121 million euros, to income from ordinary activities 92 million euros (including an impact related to goodwill allocation of -61 million euros) and to consolidated net income -42 million euros (including an impact related to goodwill allocation and the expenses related to shareholder loans).

Over a 12-month period Materis sales are estimated at 1,622 million euros for 2006 and 1,359 million euros for 2005 (the 19% increase is explained by organic growth of 8% and acquisition-related growth of 11%). Income from ordinary activities (excluding the exceptional impact related to the acquisition and the impact of goodwill allocation) is estimated at 205 million euros for 2006 and 181 million euros for 2005. On a pro forma basis, Materis would have posted a loss of 20 million euros if the acquisition had taken place at January 1, 2006. This does not correspond to Materis' actual bottom line, as it is purely illustrative and only deals with a hypothetical situation. To determine it, the following assumptions have been made: amortization of goodwill allocation at January 1, 2006, LBO financing implemented on January 1, 2006, finance charges estimated for 12 months on the basis of an average Euribor 3M rate, a standard income tax rate of 34.43%.

Acquisition of Deutsch group at the end of June 2006

At the end of June 2006, WENDEL Investissement acquired Deutsch, one of the global leaders in high-performance connectors in the areas

of aerospace, defense, heavy vehicle and oil production. Before the acquisition by WENDEL Investissement, this group comprised several un-integrated entities, notably in the United States, France and the United Kingdom. The acquisition related to the shares of various companies of this group and the assets of the US business.

The 89% holding in the Deutsch group has been fully consolidated since the beginning of August 2006 (See "Financial statements used as the basis for the consolidation" under "Summary of significant accounting policies").

- The financing of the acquisition structure (Matinvest 2) broke down as follows (exchange rates at acquisition, end-June 2006):
 - Contributions from WENDEL Investissement: 264 M€
of which 155 million euros in the form of shares, and
of which 109 million euros in the form of a shareholder loan
 - Contributions from management of the subsidiary
and other minorities: 68 M€
of which 18 million euros in the form of shares, and
of which 50 million euros in the form of a shareholder loan
 - Bank borrowings: 523 M€

A portion of the shareholder loan provided by minorities was redeemed by WENDEL Investissement in March 2007 (35 million euros).

- These amounts were used for (exchange rates at acquisition, end-June 2006):
 - acquisition of shares and assets of the group 823 M€
 - payment of acquisition-related expenses considered
as part of the cost of the acquisition
(recognized as reduction in goodwill): 16 M€
 - payment of establishment costs for the new bank debt: 16 M€

WENDEL Investissement's share of the investment in share capital is 89%, its share of the investment in shareholder loans is 90% (after redemption of a portion of a shareholder loan to minorities in March 2007) and its overall share of the total investment is 89.5%.

The provisional goodwill generated at the time of acquisition amounted to 400 million euros:

Acquisition price.....	- 823 M€
The payment of acquisition-related expenses and considered as elements in the cost of the acquisition :	- 16 M€
Net equity acquired :	190 M€
Brands and trademarks :	34 M€
Customer base :	155 M€
Revaluation of manufacturing sites :	71 M€
Other:	16 M€
Deferred tax liabilities on revaluations:	- 34 M€
Revaluation of inventories, net of deferred taxes.....	8 M€
Provisional residual goodwill.....	400 M€

As allowed under IFRS standards, allocation of the acquisition price will be finalized in the 12 months subsequent to the acquisition.

Deutsch's five-month contribution to consolidated net sales was 182 million euros, to income from ordinary activities 12 million euros (including an impact related to the allocation of goodwill of -14 million euros) and to consolidated net income -20 million euros (including the impact related to the allocation of goodwill and the expenses related to shareholder loans).

Over a 12-month period Deutsch sales are estimated at 438 million euros for 2006 and 404 million euros for 2005 (the 9% increase is explained by organic growth). Income from ordinary activities (excluding the exceptional impact related to the acquisition and the impact of goodwill allocation) is estimated at 72 million euros for 2006 and 70 million euros for 2005. On a pro forma basis, Deutsch would have posted a net loss of 10 million euros if the acquisition had taken place at January 1, 2006. This does not correspond to Deutsch's actual bottom line, as it is purely illustrative and only deals with a hypothetical situation. To determine it, the following assumptions have been made: amortization of goodwill allocation at January 1, 2006, LBO financing implemented on January 1, 2006, finance charges estimated for 12 months on the basis of an average Euribor 3M rate and an average Libor 3M rate, standard income tax rate of 34.43%.

Acquisition of 49% of Stahl

WENDEL Investissement acquired a 49% holding in the Stahl group at the end of June 2006. This group is the global leader in leather finishing products.

The investment of WENDEL Investissement totaled 78 million euros (including 29 million euros in the form of shareholders' equity and 49 million euros in the form of a shareholders' loan).

WENDEL Investissement's share of the equity investment was 46%, its share in shareholder loans was 50% and its overall share of the investment was 48.5%.

WENDEL Investissement accounts for its 46% holding in the Stahl group by the equity method insofar as it exercises significant influence on the Stahl group.

Listing of Legrand on the stock exchange

At the beginning of April 2006, Legrand (a leader in electrical equipment) was listed on the stock exchange. Prior to this transaction the Group's holding in Legrand (owned by Lumina Parent) totaled 37.4% and was accounted for by the equity method.

Since its listing on the stock exchange and the related transactions (dilution related to capital increase and management co-investment mechanism, sale) the Group's holding in Legrand has continued to be accounted for by the equity method and has totaled 29.9%. All transactions have been accounted for together as a single transaction, generating an accounting profit of 133 million euros and an inflow of 103 million euros in cash for WENDEL Investissement.

BLRLux/Neuf Cegetel:

At the beginning of the fiscal year BLRLux (58.96%-owned by WENDEL Investissement) owned 5.24% of the share capital of Neuf Cegetel. All shares owned by BLRLux were therefore shown as assets in the consolidated balance sheet, and minority interests were recognized for the proportionate interest of shareholders' equity not owned by the group. After the listing of Neuf Cegetel and the sale of a portion of the shares, WENDEL Investissement owned 2.53% of the shareholders' equity of Neuf Cegetel through its 100%-owned subsidiary Trief there were no longer any minority interests recognized for the Neuf Cegetel shares accounted for in the balance sheet. A 5 million euro profit was recognized on the sale.

CONSOLIDATED FINANCIAL STATEMENTS

Treasury shares

In addition, during the year the Company purchased 141,839 WENDEL Investissement shares on the open market for an average price of 94.85 euros; 39,000 shares were sold under a liquidity contract, and 122,839 shares following the exercise of employee stock options. At December 31, 2006, WENDEL Investissement held 5,315,562 treasury shares, or around 9.6% of the total capital, of which 26,789 shares were earmarked for unexercised employee stock options.

CHANGES IN SCOPE OF CONSOLIDATION AT THE SUBSIDIARY LEVEL

Acquisitions by the Bureau Veritas group

The acquisitions of the Bureau Veritas group in the 2006 fiscal year represented an investment of 51 million euros. Almost all of these acquisitions involved 100% of the share capital.

The total goodwill arising from these acquisitions was 54 million euros.

The contribution from subsidiaries acquired to net income was 2.4 million euros.

Acquisition by the Editis group

At the end of the 2005 fiscal year, the Editis group held 25% of Editions XO; the shares were not consolidated and were recorded as non-current financial assets. At the beginning of 2006, the Editis group purchased the balance of the shares; since then the 100% holding in Editions XO has been fully consolidated.

At the beginning of July 2006, Editis acquired 100% of the distribution company DNL.

The total goodwill arising from these acquisitions was 56 million euros.

The contribution from these companies to net income was 1.5 million euros.

Acquisition by the Materis group

Since its acquisition by WENDEL Investissement at the end of April 2006, acquisitions of the Materis group have represented 51 million euros (excluding possible additional payments to be made later). Almost all of these acquisitions involved 100% of the share capital.

The total goodwill arising from these acquisitions was 35 million euros.

The contribution from subsidiaries acquired to net income was not significant

Note that companies acquired in 2006 that were not consolidated at December 31, 2006 because of insufficient financial information, were not taken into account in the preceding paragraph. They were shown for an amount of 19 million euros as non-current financial assets.

Acquisition by the Legrand group

Legrand acquired several companies in 2006, including Shidean (China), Cemar (Brazil) and Vantage (United States).

YEAR 2005

AT THE WENDEL INVESTISSEMENT LEVEL

Taking control of Bureau Veritas at December 31, 2004

The takeover of Bureau Veritas was accounted for at December 31, 2004 and the analysis of goodwill arising from this was completed in the second half of 2005. The company's identifiable assets and liabilities were presented in the financial statements at December 31, 2004 (and the related notes) as if this goodwill analysis had been completed at the takeover date.

Two groups of assets were identified:

- the Bureau Veritas, BVQI and BIVAC brands, representing 132 million euros net of deferred taxes (202 million euros gross and 70 million euros of deferred tax liabilities). These brands are valued by the relief-from-royalty approach, which consists of discounting to perpetuity royalty cash flows determined at a theoretical rate based on sales generated by the brands. They are not amortized, as they are considered as having an indefinite useful life. Instead they are tested for impairment on an annual basis (see the "Intangible assets" section under "Summary of significant accounting policies");
- contracts and customer relationships, representing 286 million euros net of deferred taxes (436 million euros gross and 150 million euros of deferred tax liabilities). The value of these assets corresponds to the margin generated by existing contracts over their residual lives, taking into account any contract renewals where such renewals are considered probable based on historical statistical data. These contracts and customer relationships are therefore amortized over the period used to calculate the margins on each contract category: 2% of the identified amounts are amortized over less than 1 year, 21% are amortized over 4 to 5 years, 47% are amortized over 6 years and 30% are amortized over 10 years.

Bureau Veritas was accounted for by the equity method prior to the Group's purchase of a further 65% interest in the company in addition to the 34% stake it already owned. The full revaluation method was therefore applied, with 65% of the impact of the revaluation accounted for as a deduction from goodwill (corresponding to 274 million euros), 34% charged against retained earnings (141 million euros), and 1% deducted from minority interests (3 million euros).

Divestment of Wheelabrator Allevar

The Group sold 95.5% of its Wheelabrator Allevar holding in the second half of 2005. The sale of the Group's remaining shares in this company took place in early 2006, under terms agreed on in the previous year. Wheelabrator Allevar therefore exited from the consolidation scope on the basis of June 30, 2005 financial statements, the most recent available for this subsidiary.

The sale price obtained by WENDEL Investissement, net of transaction costs, was 322 million euros, including 9.6 million euros for shares sold in 2006.

The shares still held at the end of the 2005 fiscal year were classified as "Financial assets at fair value through profit or loss". In this way the profit generated on these shares was recognized in the 2005 financial statements through their revaluation at fair value (sale price).

The total capital gain recorded by the Group amounted to 164.3 million euros, including a 4.8 million euro write-back of a translation adjustment. This gain was included in "Net income from businesses sold" in the first-half 2005 net income posted by Wheelabrator Allevard. See note 26.

Treasury shares

In January 2005, WENDEL Investissement purchased 2,500,000 of its own shares at 55 euros per share, under a simplified public tender offer.

On January 18, 2005, the Board of Directors approved the cancellation of 2,224,765 treasury shares.

In addition, during the year the Company purchased 2,990,091 WENDEL Investissement shares on the open market for an average price of 62.18 euros; it also sold 10,000 shares under a liquidity contract and 80,840 shares following the exercise of employee stock options.

AT THE SUBSIDIARY LEVEL

Acquisitions by the Bureau Veritas group

The acquisitions of the Bureau Veritas group in 2005 (excluding companies not consolidated at December 31, 2005) represented an investment of 169 million euros. Almost all of these acquisitions involved 100% of the share capital. The most significant of these acquisitions were Casella in the United Kingdom, Clayton Engineering, LP2A, Curtis Strauss and Risk & Safety in the United States, and ADT in Taiwan. The total goodwill arising from these acquisitions in 2005 was 132 million euros.

The contribution to net income from subsidiaries acquired in 2005 was 5.151 million euros.

Acquisitions by the Editis group

The acquisitions of the Editis group in 2005 (excluding companies not consolidated at December 31, 2005) represented an investment of 45 million euros. These were Cherche-Midi éditeur at the end of the first half and éditions First at the end of the fiscal year. These acquisitions involved nearly 100% of the share capital.

The total goodwill arising from these acquisitions was 40.5 million euros.

The contribution to net income from subsidiaries acquired in 2005 was 245 million euros.

Acquisition by the Oranje-Nassau Groep

During the summer of 2005, Oranje-Nassau Energie purchased an indirect 50% stake in the UK company Edinburgh Oil & Gas Ltd for 101 million euros, corresponding to 2.6% of the Buzzard oil field. No related goodwill was recorded. The 50% stake in this company was consolidated using proportionate consolidation.

The contribution to net income from subsidiaries acquired in 2005 was 3.700 million euros.

Acquisition by the Stallergènes group

In March 2005, Stallergènes acquired the Spanish and Portuguese allergenic immunotherapy operations of International Pharmaceutical Immunology, for 7.9 million euros. Total goodwill arising on this acquisition amounted to 6.1 million euros.

Acquisition by the Legrand group

Legrand's investments in 2005 represented some 400 million euros and related to the following companies: Van Geel, OnQ, Zucchini, ICM, TCL International Electrical and TCL Building Technology.

RELATED PARTIES

The related parties of the WENDEL Investissement group are:

- Lumina Parent, which owned Legrand until the listing of Legrand on the stock exchange in April 2006 and which is accounted for by the equity method;
- Legrand, which has been accounted for by the equity method since its listing on the stock exchange;
- Stahl, which has been accounted for by the equity method since its acquisition at the end of June 2006;
- members of the Supervisory Board and Management Board;
- the companies SLPS and Wendel-Participations, which are the WENDEL Investissement control structures.

LUMINA PARENT

In the listing of Legrand, which was held indirectly by Lumina Parent at the beginning of the 2006 fiscal year, the Lumina Parent shareholder loans of 459 million euros were repaid with 191 million euros in cash and 13.6 million Legrand shares.

LEGRAND

The WENDEL Investissement group received a dividend of 33 million euros from Legrand in 2006.

STAHL

The investment in Stahl was realized partly through the form of a shareholder loan for 49 million euros (see "Changes in scope of consolidation"). This shareholder loan bears interest at a rate of 9%.

In addition WENDEL Investissement billed consultancy fees for a total amount of 5 million euros during the acquisition of Stahl.

MEMBERS OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

At December 31, 2006, corporate officers held 2.6% of WENDEL Investissement's share capital.

Compensation paid to corporate officers of WENDEL Investissement was 3.365 million euros in 2006.

CONSOLIDATED FINANCIAL STATEMENTS

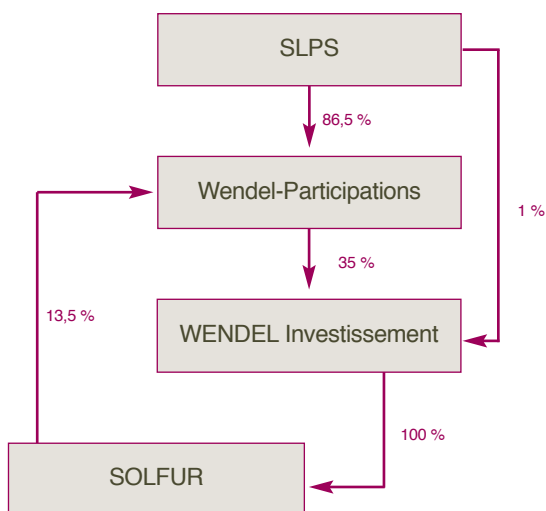
At December 31, 2006, the number of unexercised stock options granted from previous periods to members of the Supervisory Board and the Executive Board was 23,190.

Certain corporate officers are members of a retirement scheme put in place by WENDEL Investissement (see note 12). The related commitments to this scheme were 19.968 million euros at December 31, 2006 and were fully funded by assets managed by an insurance company.

Finally, some of the members of the Executive Board and Supervisory Board are shareholders of co-investment companies as described in the section entitled, "Participation of management in the Company's investments" and of the company that purchased the call options on Wendel-Participations shares from Solfur - a wholly owned WENDEL Investissement subsidiary. These options are described in further detail in "Summary of significant accounting policies."

WENDEL-PARTICIPATIONS AND SLPS

Wendel-Participations and SLPS are holding companies. SLPS shareholders comprise nearly 800 individuals (Wendel family).



SLPS owns shares in Wendel-Participations and WENDEL Investissement.

Wendel-Participations only holds shares in WENDEL Investissement.

Other than dividends received, there are no significant economic or financial relations between WENDEL Investissement on the one hand and Wendel-Participations and SLPS on the other.

There is brand licensing agreement (exclusive operating license of the WENDEL Investissement brand).

PARTICIPATION OF MANAGEMENT IN THE COMPANY'S INVESTMENTS

CO-INVESTMENT BY MANAGERS OF THE SUBSIDIARIES

Over time, WENDEL Investissement has implemented a policy for its subsidiaries based on the following principles:

- Executives are invited to personally invest significant amounts of their own funds, through special-purpose companies, alongside WENDEL Investissement;
- Stock options are now reserved for all other managers.

Investments made by executives generate gains only once WENDEL Investissement has achieved a certain profitability threshold (between 10% and 15%).

These investments present a high level of risk for the executives inasmuch as the amounts invested are lost if the return on investment is below these levels. In return for accepting this high level of risk, executives share in any performance beyond this threshold, in variable proportions.

As of December 31, 2006, such arrangements were in place at Editis, Bureau Veritas, Materis, Deutsch, Stahl and AVR.

CO-INVESTMENT BY THE EXECUTIVES OF WENDEL UNTIL 2006

Investment in subsidiaries and affiliates

The executives of WENDEL Investissement have also been invited to make personal investments of a significant amount in all newly acquired companies of the Group, thereby undertaking an economic risk on all listed and unlisted companies, at terms similar to those proposed to the executives of those companies, where applicable.

These investments present a risk for the executives of Wendel inasmuch as the amounts invested are lost if the return on investment is below a certain minimum profitability threshold.

In return for accepting this high level of risk, executives share in any performance beyond this threshold, in variable proportions.

For investments made before 2006, such programs were implemented when Legrand and Editis were acquired, with mechanisms similar to those introduced for the executives of those subsidiaries.

Regarding the most recent investments made by Wendel in 2006 (Materis, Deutsch, Stahl and AVR, which were grouped in the investment company Winvest International, see "Changes in scope of consolidation"), the co-investment was carried out in accordance with the following principles: using their personal funds. Wendel executives invested 0.5% of the amounts invested by Wendel. Wendel will receive all capital gains until the internal rate of return has reached 7% p.a. and it has achieved a total capital gain of 40% on its investment. Beyond these thresholds, management will receive, as a return on its investment, 10% of the total capital gain realized on the investment by all shareholders. If one of these thresholds is not reached, Wendel executives will lose their investment.

Investment in the shares of Wendel-Participations

In addition, in 2004 the executives of Wendel acquired options to purchase Wendel-Participations shares (corresponding to the shares recognized in Wendel's consolidated balance sheet). (see "Summary of significant accounting policies" for further details).

IMPACT OF THESE CO-INVESTMENT MECHANISMS ON WENDEL

Based on Legrand's valuation at the time of its IPO, the investment programs implemented for executives of Legrand and Wendel caused a dilution in Wendel's stake in Legrand from 37% to 34% (before the IPO).

All of these programs taken together would have a dilutive impact of 5-15% over five years, assuming the business plans envisioned by WENDEL Investissement at the time of the acquisition of Bureau Veritas, Materis, Editis, Deutsch, Stahl and AVR are realized.

RISK MANAGEMENT

MANAGEMENT OF EQUITY RISKS:

The assets of WENDEL Investissement are principally unlisted subsidiaries (Bureau Veritas, Editis, Materis, Deutsch, Oranje-Nassau and Stahl) and controlling stakes in listed companies (Legrand and Stallerghènes). The group also owns investments as a minority shareholder.

These assets are actively managed, through constant monitoring of the performance of each company. The growth in the net asset value of WENDEL Investissement depends on the capacity of its management to select, purchase, develop and then resell companies capable of establishing themselves as leaders in their sector. Operational and financial performance of these companies is monitored and analyzed at meetings, held at least once a month, with management. These in-depth discussions are complemented by regular forward-looking analyses. Through the sharing of information with the management of the subsidiary, genuine sectoral expertise is created, making this analysis possible. This regular review also makes it possible to best anticipate developments of each investment and to make appropriate decisions. Nevertheless, there is a risk that the economic results of the subsidiary will not be in line with the expectations of WENDEL Investissement.

This company-specific approach is supplemented by an overall analysis of sectoral allocation, in an effort to ensure sufficient diversification of the Company's assets, not only among the various sectors in the economy but also from the point of view of competitive positioning and resistance to business cycles.

Moreover in the hedging of its portfolio of assets, WENDEL Investissement may put in place equity or index derivative instruments. WENDEL Investissement may also have recourse to derivative instruments with a view to organizing the sale of one of its assets or with a view to obtaining a specific financial exposure.

The risks related to the equity markets concern:

- Listed securities classified as "Financial assets measured at fair value through profit or loss" and listed securities derivatives that are recognized at their market value in the balance sheet, the impact of a variation in their value being recognized in income: as an indication at the date of closing accounts, a variance of 5% of the benchmark price of these financial instruments would lead to an impact of around 120 million euros in the income statement, or around 2% of the net asset value;
- Listed securities classified as assets available for sale are recognized at their market value in the balance sheet. The most significant amounts correspond to Neuf Cegetel securities and investment funds owned by Oranje-Nassau. The impact of a variation in their value being recognized in shareholders' equity, a variation of 5% in their values would lead to an impact of 9 million euros on consolidated shareholders' equity (excluding Wendel-Participations shares that are the subject of covered call options.);
- Consolidated investments whose values are estimated on the basis of market benchmarks (see note on goodwill impairment tests).

MANAGEMENT OF CREDIT RISK

Each operating subsidiary has implemented a monitoring policy for its customer credit risk, and the receivables for which a risk exists are subject to write-down. At the year-end there was no significant concentration of credit risk.

Derivatives contracts are entered into with top-rated financial institutions.

Therefore, no significant credit risk existed at December 31, 2006.

MANAGEMENT OF INTEREST RATE RISK

Details of borrowings of subsidiaries and the interest rates applicable to them are described in note 13, details of cash balances are described in note 10 and the details of interest rate hedges are described in note 5.

The exposure of WENDEL Investissement to interest rates is limited insofar as nearly 80% of borrowings are at fixed or capped rates:

In millions of euros	Fixed rate	Capped rate	Variable
Gross notional debt (including accrued interest)	1,992	-	3,487
Cash and financial investments	-	-	- 1,045
Impacts of derivative instruments	127	1,808	- 1,333
Exposure to interest rates	2,119	1,808	1,109
	42 %	36 %	22 %

Each subsidiary manages its interest rate exposure by taking into account the constraints imposed by its finance contracts (notably in the case of LBO-type finance without recourse to WENDEL Investissement). Nevertheless the overall position of the group is monitored by WENDEL Investissement, which may use derivatives to manage the Group's overall interest rate risk.

MANAGEMENT OF LIQUIDITY RISK

The maturities of Group borrowings and unused credit lines are described in note 13. The main debt covenants are the following:

Bonds issued by WENDEL Investissement

In 2006, WENDEL Investissement carried out a bond issue whose clauses were broadly similar to those of previous bond issues with the exception of a new clause regarding change of control. The holders of existing bonds (2004-11, 2004-14 and 2005-17), with the exception of holders of the Cap Gemini exchangeable issue, met on July 10, 2006 and agreed to amend the terms and conditions applicable to these loans in order to harmonize them with those of the 2006 issue by including a change-of-control clause.

The change-of-control clause allows bondholders to obtain, under certain conditions, repayment or repurchase of their securities in the event of a change in control of the issuer, in accordance with a now-established practice in the bond markets. Change of control is understood to be the owning by one or more persons, acting solely or jointly, other than the current shareholders of the issuer excluding free float, of 50% of the capital and voting rights of the issuer, provided that this change of control brings about a decline in the rating of the issuer.

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Syndicated credit line of WENDEL Investissement (undrawn at December 31, 2006)

The terms of these loans contain covenants based primarily on the market value of the issuer's assets and on net debt. Net debt is calculated based solely on the Group's financial holding companies and does not include the debt of operating companies or the debt facilities put in place at the level of the acquisition holding companies.

Consequently, the calculation of the related ratios does not include the debt of the following groups: Editis, Bureau Veritas, Materis, Deutsch, Legrand, Stallergènes, Stahl and Oranje-Nassau. These covenants, tested half-yearly, are as follows

- the net debt of WENDEL Investissement and its financial holding companies must not exceed 50% of gross revalued assets after deferred taxes (excluding cash);
- the unsecured gross debt of WENDEL Investissement and its financial holding companies must not exceed 50% of available gross revalued assets (i.e. assets that have not been pledged or placed in escrow), plus cash held by WENDEL Investissement and its financial holding companies.

These ratios are tested half-yearly. At December 31, 2006, WENDEL Investissement was in compliance with all covenants.

Syndicated credit line of Bureau Veritas

The bank debts of Bureau Veritas provide for compliance with the following ratios:

- an interest cover ratio of above 5.5. This ratio, which corresponds to last-12-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA), divided by net interest expense, is calculated on a rolling 12-month basis;
- a net debt-EBITDA ratio in the last 12 months of less than 3 (corresponding to Bureau Veritas' consolidated net debt divided by LTM EBITDA).

These ratios are tested every six months. At December 31, 2006, Bureau Veritas was in compliance with all covenants.

The credit agreements entered into by Bureau Veritas contain standard restrictions relating to this type of corporate loan. For example, certain transactions such as mergers, asset disposals, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to WENDEL Investissement.

Editis syndicated credit line

This credit line requires compliance with the following ratios:

- a net debt-EBITDA ratio at December 31, 2006 of less than 4.75 (corresponding to Editis' consolidated net debt divided by LTM EBITDA). The maximum for this ratio decreases to 1.45 at December 31, 2012;
- an interest cover ratio of more than 3 at December 31, 2006. This ratio, which corresponds to last-12-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA), divided by net interest expense, is calculated on a rolling 12-month basis. The maximum for this ratio increases to 5 at December 31, 2012.

These ratios are tested every six months. At December 31, 2006, Editis was in compliance with all covenants.

The credit agreements entered into by Editis contain standard restrictions relating to this type of LBO loan. For example, certain transactions such as mergers, asset disposals, guarantees given, acquisitions, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to WENDEL Investissement.

Materis bank debt

These bank debts of Materis provide for compliance with the following ratios:

- a net debt-EBITDA ratio (excluding shareholders' loan) at December 31, 2006 of less than 7.9 (corresponding to Materis' consolidated net debt divided by LTM EBITDA). The maximum for this ratio decreases to 3.5 at December 30, 2016;
- a debt service coverage ratio of more than 1 (corresponding to cash flow after capex and dividend divided by total debt service - i.e. interest payable plus capital repayments). This ratio is calculated on a rolling 12-month basis;
- an interest cover ratio of more than 1.8 at December 31, 2006. This ratio, which corresponds to last-12-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA), divided by net interest expense, is calculated on a rolling 12-month basis. The maximum for this ratio increases to 3.2 at December 31, 2015;
- capex must not exceed 72.5 million euros for 2006 (this amount increases each year, reaching 96.7 million euros in 2016).

These ratios are tested quarterly. At December 31, 2006, Materis was in compliance with all covenants.

The credit agreements entered into by Materis contain standard restrictions relating to this type of LBO credit line. For example, certain transactions such as mergers, the disbanding of the tax group, asset disposals, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to WENDEL Investissement.

Deutsch bank debt

These bank debts of Deutsch provide for compliance with the following ratios:

- a net debt-EBITDA ratio over the last 12 months (excluding shareholders' loan) at March 31, 2007 of less than 6.95 (corresponding to Deutsch's consolidated net debt divided by LTM EBITDA). The maximum for this ratio decreases to 3.5 at June 30, 2013;
- a debt service coverage ratio of more than 1 (corresponding to cash flow after capex and dividend divided by total debt service - i.e. interest payable plus capital repayments). This ratio is calculated on a rolling 12-month basis;
- an interest cover ratio of more than 1.7 at December 31, 2006. This ratio, which corresponds to last-12-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA), divided by net

interest expense, is calculated on a rolling 12-month basis. The maximum for this ratio increases to 3 at September 30, 2013;

- capex must not exceed 50.5 million US dollars for 2007;
- these ratios are tested quarterly. The first tests will be performed in 2007.

The credit agreements entered into by Deutsch contain standard restrictions relating to this type of LBO loan. For example, certain transactions such as mergers, the dissolution of the tax consolidation group, asset disposals, guarantees, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to WENDEL Investissement.

MANAGEMENT OF CURRENCY RISK

The companies controlled by WENDEL Investissement operate in number of countries and as a result derive a share of their earnings in currencies other than the euro. Most of the Group's currency risk is concentrated in the oil operations of Oranje-Nassau, at Deutsch, at Bureau Veritas and to a lesser extent at Materis.

WENDEL Investissement

WENDEL Investissement has entered into various USD futures contracts in order to reduce its exposure to fluctuations in the EUR/USD exchange rate. WENDEL Investissement recognized an exchange gain of 17.4 million euros in relation to these transactions in 2006. The open positions at December 31, 2006 (see note 5) would generate a currency loss of around 26 million euros for a 5% depreciation of the US dollar against the euro.

Oranje-Nassau

In its petroleum business, Oranje-Nassau derives a large proportion of its net income in US dollars. The amount of 2006 net sales denomina-

ted in US dollars was estimated at nearly 180 million euros, whereas US dollar operating expenses were considered to be immaterial. A 5% fluctuation in the EUR/USD exchange rate would have an impact of around 9 million euros on operating income.

Bureau Veritas

Bureau Veritas is present in many countries throughout the world and realizes a large proportion of its transactions in currencies other than the euro. Around a third of its operating activity is realized in US dollars or in currencies with strong ties to the US dollar. On this basis, a 5% fluctuation in the EUR/USD exchange rate would have an impact of around 4 million euros on income from ordinary activities.

The portion of the bank debt of Bureau Veritas that is denominated in US dollars (around 500 million dollars), is borne by subsidiaries whose operations are denominated in US dollars or in currencies with strong ties to the US dollar.

Deutsch

The Deutsch group is mainly based in the United States with around 60% of its business being realized in US dollars. The impact of a 5% fluctuation in the EUR/USD exchange rate would have an impact of less than 1 million euros on the 2006 income from ordinary activities (business consolidated for five months). This exposure is nevertheless offset by the finance debt of Deutsch whose benchmark currencies are split in the same proportions as those of the operational business.

Materis

The impact of the US dollar on the operating income of Materis is limited. It is related to the presence of the Materis group in the United States and the purchases of various raw materials. For the eight months of 2006 during which Materis was consolidated in the financial statements of WENDEL Investissement, a 8% fluctuation in the EUR/USD exchange rate would have had an impact of around 0.5 million euros on income from ordinary activities.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 1 GOODWILL

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Goodwill			
• Bureau Veritas	895,864	895,864	895,864
• Deutsch	394,287	-	-
• Editis	580,416	528,589	496,037
• Materis	913,209	-	-
• Oranje-Nassau Groep (excluding Energy)	30,577	30,577	30,577
• Oranje-Nassau Energy	10,895	10,895	10,895
• Stallergènes	947	947	947
• Wheelabrator Allevard (see note 26)	-	-	28,704
• Subsidiaries of Bureau Veritas	473,644	453,677	316,933
• Subsidiaries of Materis	42,948	-	-
• Subsidiaries of Stallergènes	28,236	28,236	22,159
• Subsidiaries of Wheelabrator Allevard (see note 26)	-	-	44,479
TOTAL	3,371,023	1,948,785	1,846,595

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Impairment			
• Subsidiaries of Bureau Veritas	13,840	13,803	10,051
• Subsidiaries of Editis	685	-	-
TOTAL	14,525	13,803	10,051

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Goodwill, net			
• Bureau Veritas	895,864	895,864	895,864
• Deutsch	394,287	-	-
• Editis	579,731	528,589	496,037
• Materis	913,209	-	-
• Oranje-Nassau Groep (excluding Energy)	30,577	30,577	30,577
• Oranje-Nassau Energy	10,895	10,895	10,895
• Stallergènes	947	947	947
• Wheelabrator Allevard (see note 26)	-	-	28,704
• Subsidiaries of Bureau Veritas	459,804	439,874	306,882
• Subsidiaries of Materis	42,948	-	-
• Subsidiaries of Stallergènes	28,236	28,236	22,159
• Subsidiaries of Wheelabrator Allevard (see note 26)	-	-	44,479
TOTAL	3,356,498	1,934,982	1,836,544

NOTES TO THE CONSOLIDATED BALANCE SHEET

The change in the net amount of goodwill broke down as follows:

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Net at beginning of year	1,934,982	1,836,544	408,270
Business combinations ⁽¹⁾	1,442,703	178,549	1,569,213
Divestments ⁽²⁾	- 2,945	- 73,183	- 140,954
Impacts of changes in translation adjustments and other	- 17,520	- 3,176	15
Impairments for the year	- 722	- 3,752	-
Net at end of year	3,356,498	1,934,982	1,836,544

(1) Mergers and acquisitions in 2006 mainly concerned the acquisition of Materis for 913.209 million euros, the acquisition of Deutsch for 402.127 million euros, as well as the acquisitions realized by Bureau Veritas for 30.558 million euros, by Editis for 51.930 million euros and Materis for 44.879 million euros. In 2005 mergers and acquisitions were mainly the acquisitions made by Bureau Veritas for 131.977 million euros, by Editis for 40.495 million euros and by Stallergènes for 6.077 million euros. In 2004 mergers and acquisitions mainly concerned the acquisition of Bureau Veritas shares for 763.169 million euros, changes in Bureau Veritas' scope of consolidation for 306.882 million euros, the acquisition of Editis for 496.037 million euros and the acquisitions made by Wheelabrator Allevard for 2.590 million euros (a provisional allocation of goodwill has been recognized with regard to the acquisition of Editis).

(2) The 2005 divestments related to the sale of Wheelabrator Allevard for 73.183 million euros. In 2004, they related to the sale of bioMérieux for 140.954 million euros.

GOODWILL IMPAIRMENT TESTS

Goodwill is allocated to the operating subsidiaries, which each form a cash generating unit. A goodwill impairment test is performed each fiscal year in the following way: the recoverable amount of each subsidiary is compared to its consolidated value (including the goodwill recognized by WENDEL Investissement). Goodwill impairment tests are performed on an annual basis by comparing the recoverable amount of each subsidiary with its carrying amount, which includes the related goodwill recorded by WENDEL Investissement.

The recoverable amounts of subsidiaries correspond to valuations made by WENDEL Investissement for each subsidiary in the calculation of the Group's Net Asset Value (NAV); they are compared to valuations performed regularly by an independent expert. The methodology used to determine NAV is the following:

- For **Bureau Veritas** and **Editis** the value is determined by applying the earnings multiples of comparable companies observed in the market for the same reference period. The sample of comparable companies does not vary over time; it generates average sector multiples, which are then used to determine the enterprise value of the company concerned. In addition, these companies are tracked by several analysts who regularly publish reviews on the industry in question. Through these analysts' estimates, the growth prospects of the companies and the industry concerned are factored into the calculation of forecast multiples. Financial liabilities are deducted from enterprise value.

- For **Stallergènes**, the value corresponds to the average share price in the three months prior to the test.

- **Oranje-Nassau Groep's** assets are primarily composed of shares in oil fields and real estate. Oranje-Nassau draws up several measurement plans to calculate the value of its oil assets. This analysis results in estimates of net sales and earnings for the coming years. The net present value of future cash flows indicates the valuation of the company's Energy businesses. The group's real estate assets are mainly composed of office and commercial buildings. These buildings are leased to government agencies or companies and are measured by Oranje-Nassau at market value and recorded at fair value in the consolidated balance sheet as "Investment properties".

- For **Materis** and **Deutsch**, the values used in the calculation of net asset value are acquisition costs. These subsidiaries have not yet been subject to a valuation on the basis of NAV, given the recent dates of acquisitions. Nevertheless for the requirements of the goodwill impairment test, the value determined by an independent expert has served as a benchmark.

No impairment losses were recognized as a result of the impairment tests carried out at December 31, 2006. A reduction of less than 5% in recoverable amounts of the subsidiaries would not lead to the recognition of impairment losses.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 2 INTANGIBLE ASSETS

In thousands of euros		12.31.2004	
	Gross amount	Amortization and impairment	Net amount
Amortizable assets			
Internally generated			
Concessions, patents and licenses	8,808	3,864	4,944
Editorial design	24,019	14,596	9,423
Other intangible assets	5,194	4,185	1,009
	38,021	22,645	15,376
Acquired			
Concessions, patents and licenses	1,624	1,083	541
Customer relationships ⁽¹⁾	436,000	-	436,000
Software	18,176	14,883	3,293
Other intangible assets	22,596	19,139	3,457
	478,396	35,105	443,291
Of indefinite useful life			
Internally generated			
Other intangible assets	100	-	100
	100	-	100
Acquired			
Brands ⁽²⁾	214,638	191	214,447
Other intangible assets of acquired businesses	13,440	7,027	6,413
	228,078	7,218	220,860
TOTAL	744,595	64,968	679,627

In thousands of euros		12.31.2005	
	Gross amount	Amortization and impairment	Net amount
Amortizable assets			
Internally generated			
Concessions, patents and licenses	-	-	-
Editorial design	42,247	32,909	9,338
Other intangible assets	1,158	417	741
	43,405	33,326	10,079
Acquired			
Concessions, patents and licenses	1,788	219	1,569
Customer relationships ⁽¹⁾	464,800	104,843	359,957
Software	20,653	16,784	3,869
Other intangible assets	32,115	22,573	9,542
	519,356	144,419	374,937
Of indefinite useful life			
Internally generated			
Other intangible assets	2,650	-	2,650
	2,650	-	2,650
Acquired			
Brands ⁽²⁾	216,662	206	216,456
Other intangible assets of acquired businesses	5,743	-	5,743
	222,405	206	222,199
TOTAL	787,816	177,951	609,865

NOTES TO THE CONSOLIDATED BALANCE SHEET

In thousands of euros	Gross amount	12.31.2006 Amortization and impairment	Net amount
Amortizable assets			
Internally generated			
Concessions, patents and licenses			
Editorial design	52,347	43,290	9,057
Other intangible assets	1,584	546	1,038
	53,931	43,836	10,095
Acquired			
Concessions, patents and licenses	26,391	5,020	21,371
Customer relationships ⁽¹⁾	907,301	214,770	692,531
Software	83,218	64,868	18,350
Other intangible assets	15,815	1,995	13,820
	1,032,725	286,653	746,072
Of indefinite useful life			
Acquired			
Brands ⁽²⁾	808,970	10,724	798,246
Other intangible assets of acquired businesses	5,930	-	5,930
	814,900	10,724	804,176
TOTAL	1,901,556	341,213	1,560,343

Analysis of movements in intangible assets :

In thousands of euros	2006	2005	2004
Amount at beginning of the year	609,865	679,627	14,763
Acquisitions	8,613	13,232	1,354
Internally generated assets ⁽³⁾	10,797	11,622	2,121
Disposals	- 3,688	- 501	- 11
Impact of business combination ⁽⁴⁾	1,074,490	26,894	666,036
Impact of translation adjustments	- 9,279	705	- 266
Amortization and impairments for the year	- 130,455	- 121,714	- 4,370
Amount at end of year	1,560,343	609,865	679,627
<i>of which: WENDEL Investissement and holding companies</i>	<i>5</i>	<i>2,650</i>	<i>-</i>
<i>Bureau Veritas</i>	<i>520,508</i>	<i>565,993</i>	<i>641,666</i>
<i>Deutsch</i>	<i>197,015</i>	<i>-</i>	<i>-</i>
<i>Editis</i>	<i>36,494</i>	<i>37,173</i>	<i>23,537</i>
<i>Materis</i>	<i>803,087</i>	<i>-</i>	<i>-</i>
<i>Stallergènes</i>	<i>3,234</i>	<i>4,049</i>	<i>2,542</i>
<i>Wheelabrator Allevar (see note 26)</i>	<i>-</i>	<i>-</i>	<i>11,882</i>

(1) Customer relationships recognized at the time of Materis for 236.000 million euros and Deutsch for 153.676 million euros in 2006, 28.800 million euros for Editis in 2005 and 436.000 million euros for Bureau Veritas when control was obtained in 2004.

(2) The net worth of 'Brands' at December 31, 2006 was 197.500 million euros for Bureau Veritas, 557.729 million euros for Materis, 33.036 million euros for Deutsch and 9.981 million euros for Editis.

(3) The internally generated fixed assets mainly related to the editorial design at Editis of 10.797 million euros in 2006, 11.035 million euros in 2005 and 1.684 million euros in 2004.

(4) The results of business combinations included notably the entries of Materis (goodwill of 650.000 million euros and 168.399 million euros excluding goodwill) and Deutsch (goodwill of 189.000 million euros and 16.866 million euros excluding goodwill).

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 3 PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	Gross amount	12.31.2004 Amortization and impairment	Net amount
Land	25,266	476	24,790
Buildings	145,127	77,868	67,259
Plant, equipment and tooling	243,184	191,001	52,183
Oil assets	595,431	517,068	78,363
Other intangible assets	167,350	121,926	45,424
Assets under construction	8,782	-	8,782
TOTAL	1,185,140	908,339	276,801

In thousands of euros	Gross amount	12.31.2005 Amortization and impairment	Net amount
Land	6,039	481	5,558
Buildings	103,914	55,727	48,187
Plant, equipment and tooling	133,423	90,743	42,680
Oil assets	737,384	540,136	197,248
Other intangible assets	168,712	119,514	49,198
Assets under construction	14,604	-	14,604
TOTAL	1,164,076	806,601	357,475

In thousands of euros	Gross amount	12.31.2006 Amortization and impairment	Net amount
Land	83,754	4,687	79,067
Buildings	338,769	159,207	179,562
Plant, equipment and tooling	670,178	393,695	276,483
Oil assets	770,159	573,527	196,632
Other intangible assets	473,325	276,806	196,519
Assets under construction	57,041	-	57,041
TOTAL	2,393,226	1,407,922	985,304

NOTES TO THE CONSOLIDATED BALANCE SHEET

The change in net value of investment properties broke down as follows:

In thousands of euros	2006	2005	2004
Amount at the beginning of the year	357,475	276,801	200,337
Acquisitions	158,131	94,814	40,337
Disposals	- 15,912	- 4,173	- 10,088
Variations due to activities being disposed of or sold	-	- 8,552	-
Impact of business combinations	605,513	80,431	119,053
Impact of changes in translation adjustments	- 1,590	- 630	411
Amortization and impairment for the period	- 118,313	- 81,216	- 73,249
Amount at the end of the year	985,304	357,475	276,801
<i>of which Bureau Veritas</i>	<i>106,258</i>	<i>100,785</i>	<i>71,829</i>
<i>Deutsch</i>	<i>145,192</i>	<i>-</i>	<i>-</i>
<i>Editis</i>	<i>30,442</i>	<i>32,508</i>	<i>47,923</i>
<i>Materis</i>	<i>467,798</i>	<i>-</i>	<i>-</i>
<i>Oranje-Nassau Groep (excluding Énergie)</i>	<i>862</i>	<i>873</i>	<i>151</i>
<i>Oranje-Nassau Énergie</i>	<i>196,633</i>	<i>197,262</i>	<i>78,363</i>
<i>Stallergènes</i>	<i>32,307</i>	<i>20,487</i>	<i>14,888</i>
<i>Wheelabrator Allevard (see note 26)</i>	<i>-</i>	<i>-</i>	<i>58,099</i>
<i>WENDEL Investissement and holding companies</i>	<i>5,812</i>	<i>5,560</i>	<i>5,548</i>
TOTAL	985,304	357,475	276,801

NOTE 4 INVESTMENT PROPERTIES

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Oranje-Nassau Groep	117,312	94,872	104,084
Trief Corporation	951	951	956
TOTAL	118,263	95,823	105,040

Analysis of movements in investment properties

In thousands of euros	2006	2005	2004
Net at beginning of year	95,823	105,040	114,028
Acquisitions	21,250	713	3,601
Disposals	-	- 11,335	- 9,400
Change in fair value	1,250	1,328	- 3,150
Other changes	- 60	77	- 39
Net at end of year	118,263	95,823	105,040

In thousands of euros	2006	2005	2004
Rental income	9,739	8,716	10,194
Operating expenses relating to rental income	- 1,159	- 1,774	- 981
Operating expenses not related to rental income	-	-	- 15
TOTAL	8,580	6,942	9,198

A mortgage loan of 72.800 million euros was backed by investment properties of Oranje-Nassau Groep. The available financing is adjusted in line with the value of the buildings. There are no restrictions on the sale of the buildings, but the cash proceeds from any sales must be allocated in priority to repayment of the mortgage loan.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 5

FINANCIAL ASSETS AND LIABILITIES

Financial assets broke down as follows:

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Assets available for sale	358,322	330,654	285,199
Financial assets at fair value through profit or loss	135,196	175,805	390,125
Loans	104,067	27,098	75,155
Deposits and guarantees	20,992	18,775	18,813
Derivatives	129,405	54,876	45,697
Other	16,001	1,705	-
TOTAL	763,983	608,913	814,989
<i>including non-current financial assets</i>	<i>610,806</i>	<i>428,600</i>	<i>775,015</i>
<i>including current financial assets</i>	<i>153,177</i>	<i>180,313</i>	<i>39,974</i>

Financial liabilities broke down as follows:

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Derivatives	251,475	100,770	46,366
Other	35,311	6,731	2,103
TOTAL	286,786	107,501	48,469
<i>including non-current financial liabilities</i>	<i>188,442</i>	<i>87,835</i>	<i>45,517</i>
<i>including current financial liabilities</i>	<i>98,344</i>	<i>19,666</i>	<i>2,952</i>

ASSETS AVAILABLE FOR SALE

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Listed securities			
Listed securities in the Euro zone ⁽¹⁾	138,594	165,060	128,228
Unlisted securities			
Wendel-Participations	138,945	104,795	66,508
Other investment securities	80,783	60,799	90,463
TOTAL	358,322	330,654	285,199
<i>including non-current financial assets</i>	<i>358,322</i>	<i>330,654</i>	<i>285,199</i>

(1) These mainly concern shares of Neuf Cegetel listed on the stock exchange during 2006.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Listed securities			
Listed securities - Euro zone ⁽¹⁾	106,893	162,745	381,373
Listed securities - United States ⁽¹⁾	9,765	10,954	8,752
Other	18,538	2,106	-
TOTAL	135,196	175,805	390,125
<i>including non-current financial assets</i>	<i>-</i>	<i>-</i>	<i>364,395</i>
<i>including current financial assets</i>	<i>135,196</i>	<i>175,805</i>	<i>25,730</i>

(1) including notably the investments held in Capgemini, Valeo and bioMérieux.

NOTES TO THE CONSOLIDATED BALANCE SHEET

LOANS:

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
AVR shareholder loan	57,404	-	-
Stahl shareholder loan	51,343	-	-
Adjustments to Stahl ⁽¹⁾	- 12,003	-	-
Other loans	7,323	27,098	75,155
TOTAL	104,067	27,098	75,155

(1) see note 6

DERIVATIVES:

In thousands of euros	12.31.2006		12.31.2005		12.31.2004	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Options on shares-not qualifying for hedge accounting	102,576	232,426	41,490	76,814	27,581	37,268
Commodity derivatives-hedging of cash flows	922	13,552	2,306	21,930	-	-
Commodity derivatives-not qualifying for hedge accounting	781	257	-	-	-	6,449
Interest rate swaps-hedging of cash flows	1,503	6	-	-	-	-
Interest rate swaps-not qualifying for hedge accounting	16,972	5,163	9,778	2,026	3,872	2,649
Forward contracts-hedging of cash flows	9	71	-	-	-	-
Forward contracts-not qualifying for hedge accounting	6,642	-	1,302	-	14,244	-
TOTAL	129,405	251,475	54,876	100,770	45,697	46,366
Of which the non-current portion:						
Options on shares-not qualifying for hedge accounting	98,096	171,440	41,490	72,790	27,581	36,863
Commodity derivatives-hedging of cash flows	230	11,704	1,642	14,770	-	-
Commodity derivatives-not qualifying for hedge accounting	-	-	-	-	-	6,449
Interest rate swaps-hedging of cash flows	1,503	-	-	-	-	-
Interest rate swaps-not qualifying for hedge accounting	13,098	5,023	7,127	212	3,872	2,205
Forward contracts-not qualifying for hedge accounting	-	-	1,302	-	14,244	-
TOTAL	112,927	188,167	51,561	87,772	45,697	45,517
Current portion of derivatives	16,478	63,308	3,315	12,998	-	849

OPTIONS ON SHARES:

	Number	Strike price (in €)	Maturity	12.31.2006 ⁽¹⁾	12.31.2005 ⁽¹⁾	12.31.2004 ⁽¹⁾
Sale of American call options on Capgemini shares embedded in the bonds exchangeable for Capgemini shares ⁽²⁾	7,000,000	39,86	06-2009	- 98,940	- 41,851	- 26,390
Purchase of American call options on Capgemini shares used to hedge bonds exchangeable for Capgemini shares ⁽²⁾	6,939,658	39,86	06-2009	98,096	41,490	26,186
Options on Wendel-Participations shares ⁽³⁾				- 72,500	- 30,939	- 10,407
Options on listed securities in the Euro zone ⁽⁴⁾				- 56,506	- 4,024	924
TOTAL				- 129,850	- 35,324	- 9,687

(1) Sign convention: (+) assets, (-) liabilities

The option component of bonds issued by the Group that are exchangeable for Capgemini shares (7,000,000 options) is almost fully hedged by American call options on Capgemini shares (6,939,658 options) whose characteristics are substantially the same as those of the bonds. The hedged portion of these bonds is therefore transformed into standard bonds. This hedge is in place until June 2009.

(3) See "Summary of significant accounting policies".

(4) Essentially derivatives related to liquid shares. A 5% variation in the price of the underlying assets would have changed the marked-to-market value of these derivatives by around 30 million euros as of December 31, 2006.

NOTES TO THE CONSOLIDATED BALANCE SHEET

COMMODITY DERIVATIVES:

The Energy sector of Oranje-Nassau Groep has set up various hedges in relation to its future oil output. These contracts concern 2,010,000 barrels and 3,540,000 barrels expiring in December 2007 and December 2010 respectively.

Materis has put in place derivative contracts on fuel oil and alumina in order to hedge itself against price movements of these commodities. These contracts expire in 2007.

INTEREST RATE SWAPS:

Nominal		Maturity	12.31.2006 ⁽¹⁾	12.31.2005 ⁽¹⁾	12.31.2004 ⁽¹⁾
Hedging of bonds carried by WENDEL Investissement					
500 M€	Pay 4.08% against 4.22%	05-2016	5,644	-	-
100 M€	Pay Euribor (floor of 3.42% and capped at 4.02%) against 4.06%	02-2011	- 11	-	-
400 M€	Pay CMS 7 years (3.43% floor and 3.85% cap) against 3.89%	02-2011	433	2,322	1,853
95,7 M€	Pay 3.20% against 3.89%	02-2011	178	3,104	956
100 M€	Pay CMS 7 years (3.32% floor and 4.02% cap) against 4.06%	02-2011	-	1,701	1,063
300 M€	Pay 12 M Euribor +0.93% between 1.70% and 2.60%, 3.40% if ← 1.70% and 3.53% if → 2.60% against 3.49%	08-2017	- 1,611	- 212	-
Hedging of subsidiaries' debt					
USD 50 M	Pay 4% against USD Libor	12-2009	1,063	1,177	-
USD 150 M	3.18%-4.79% interest rate collar on Libor	10-2008	1,143	1,249	-
USD 50 M	Pay 3.74% against Euribor	05-2011	604	-	-
EUR 62.9 M	Pay 2.93% against Euribor	09-2007	190	124	- 384
EUR 62.9 M	Pay CMS residual -0.35% (2% floor and 3.5% cap) against Euribor	09-2007	525	- 9	- 60
EUR 50 M	3.5% cap on Euribor	03-2009	552	-	-
EUR 50 M	Pay 3.46% against Euribor	06-2008	378	-	-
EUR 50 M	Pay 6M Euribor (3.00% floor and 4.25% cap)	06-2009	409	-	-
EUR 62.5 M	Pay 3.90% contre Euribor	12-2009	484	-	-
EUR 11.3 M	Pay 5.59% against Euribor	12-2006	-	- 315	- 667
EUR 11.3 M	Pay 5.03% against Euribor	06-2008	- 160	- 540	- 809
EUR 10 M	Pay 3.27% against Euribor	09-2015	610	101	-
EUR 9.8 M	Pay 4.75% against Euribor	05-2009	-	- 488	-
EUR 9.1 M	Pay 5.57% against Euribor	10-2007	- 140	- 462	- 729
EUR 10 M	Pay 3.63% against Euribor	02-2014	281	-	-
EUR 10 M	Pay 4.00% against Euribor	04-2016	91	-	-
USD 90 M	Pay 5.47% against Libor	02-2011	1,205	-	-
USD 300 M	Pay 5.45% against Libor	06-2009	- 2,838	-	-
EUR 50 M	Pay 3.69% against Euribor	06-2009	- 354	-	-
USD 50 M	5.1%-5.75% interest rate collar on Libor	07-2009	263	-	-
EUR 260 M	1.82%-3.66% interest rate collar on Euribor	12-2007	20	-	-
USD 31 M	3.40% Cap on Libor	01-2007	10	-	-
EUR 475 M	1.08%-3.91% interest rate collar on Euribor	05-2009	2,732	-	-
EUR 230 M	Pay 3.70% against Euribor	04-2009	1,503	-	-
EUR 150 M	Euribor swaption 3.65%-4.05%	04-2009	108	-	-
EUR 100 M	Pay 3.40% against Euribor	01-2007	- 7	-	-
TOTAL			13,306	7,752	1,223

(1) Sign convention : (+) assets, (-) liabilities

NOTES TO THE CONSOLIDATED BALANCE SHEET

FORWARD SALES

In order to guard against movements in the US dollar, WENDEL Investissement has entered into US dollar forward sales agreements expiring in January 2007 for 676.808 million US dollars at an average exchange rate of EUR 1 = USD 1.3048

NOTE 6

EQUITY METHOD INVESTMENTS

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Lumina Parent ⁽¹⁾	223	434,454	352,793
Legrand ⁽¹⁾	488,149	-	-
Stahl ⁽²⁾	32,516	-	-
Investments in Bureau Veritas	2,120	2,044	2,182
Investments in Editis	40	-	-
Investments in Materis	2,900	-	-
Investments in Wheelabrator Allevar (see note 26)	-	-	71
TOTAL	525,948	436,498	355,046

(1) Following the stock exchange listing of Legrand in April 2006, the Group's investment is now held directly rather than through Lumina Parent, which no longer owns any Legrand shares. (See "Changes in scope of consolidation").

(2) See "Changes in scope of consolidation".

The variation in equity method investments was as follows:

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
At beginning of the year	436,498	355,046	755,885
Dividend for the year	- 36,162	- 46	- 21,275
Increases			
• Lumina Parent (Legrand) ⁽³⁾	-	19,071	19,123
• Acquisition of Stahl	28,495	-	-
Sales or dilutions			
• Trader Classified Media	-	-	- 164,448
• BioMérieux	-	-	- 123,896
• Silliker Group Holding	-	-	- 16,393
Change from the equity method to full consolidation for Bureau Veritas	-	-	- 147,381
Adjustment on Stahl ⁽⁴⁾	11,410		
Impact of changes in the scope of consolidation	36,174	-	-
Impact of mergers and acquisitions	2,697	-	-
Impacts of changes in currency translation adjustments	- 21,639	25,283	- 9,623
Changes due to operations sold	- 70	- 71	-
Share of net income for the year (see notes 25 and 27)	68,545	37,215	63,054
At end of year	525,948	436,498	355,046

(3) The investment in Lumina Parent is part equity method and part quasi-equity. To present this acquisition in economic terms, the total amount of the investment has been grouped in "Equity method investments."

(4) In the financial statements of Stahl (46%-held equity method), the value of the shareholder loan that appears on the balance sheet as a liability has been restated, in accordance with IAS 39 §43, to take account of the yield spread between this loan and the borrowings of the company. The original adjustment was recognized as an offset to consolidated reserves. This adjustment is reduced each year until it attains zero at the maturity of the loan, and this reduction is recognized in net financial income as additional interest. WENDEL Investissement holds 50% of the total value of this loan; a matching adjustment has therefore been recognized for this loan, which is accounted for in the consolidated balance sheet (see note 5).

NOTES TO THE CONSOLIDATED BALANCE SHEET

ADDITIONAL INFORMATION ON LEGRAND

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Total assets	5,410,000	5,363,800	4,847,300
Minority interests	8,800	9,100	7,500
Quasi-equity	-	1,334,800	1,275,800
Total liabilities	3,767,500	4,011,200	3,726,000
Net sales	3,736,800	3,247,900	2,926,300
Operating income	529,600	405,700	348,300
Attributable net income	252,000	101,400	26,800

ADDITIONAL INFORMATION ON STAHL

In thousands of euros	12.31.2006 (6 months)	12.31.2005	12.31.2004
Total assets	673,765	-	-
Shareholder loans	76,537	-	-
Total liabilities	526,540	-	-
Net sales	154,838	-	-
Operating income	- 8,385	-	-
Attributable net income	- 15,970	-	-

NOTE 7 INVENTORIES AND WORK-IN-PROGRESS

In thousands of euros			12.31.2006	12.31.2005	12.31.2004
	Gross	Provisions	Net	Net	Net
At:					
Bureau Veritas	52,808	5,771	47,037	42,035	31,849
Deutsch	114,501	18,176	96,325	-	-
Editis	82,779	26,091	56,688	53,608	54,432
Materis	203,478	11,183	192,295	-	-
Oranje-Nassau Energy	1,503	-	1,503	2,055	2,016
Stallergenes	15,164	657	14,507	13,073	10,881
Wheelabrator Allevar (see note 26)	-	-	-	-	55,183
Trief Corporation	-	-	-	-	585
TOTAL	470,233	61,878	408,355	110,771	154,946

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 8 TRADE RECEIVABLES

In thousands of euros			12.31.2006	12.31.2005	12.31.2004
	Gross	Provisions	Net	Net	Net
At :					
Bureau Veritas	470,883	40,829	430,054	401,088	305,953
Deutsch	85,962	1,995	83,967	-	-
Editis	147,392	6,582	140,810	156,918	158,215
Materis	362,156	20,166	341,990	-	-
Oranje-Nassau Groep (excluding Energy)	75	-	75	141	286
Oranje-Nassau Energy	18,301	-	18,301	24,733	24,149
Stallergènes	21,774	974	20,800	19,550	16,248
WENDEL Investissement and holding cos.	268	-	268	749	657
Wheelabrator Allevard (see note 26)	-	-	-	-	92,944
Trief Corporation	-	-	-	-	1,452
TOTAL	1,106,811	70,546	1,036,265	603,179	599,904

NOTE 9 OTHER RECEIVABLES

In thousands of euros			12.31.2006	12.31.2005	12.31.2004
	Gross	Provisions	Net	Net	Net
Other receivables					
Bureau Veritas	29,941	685	29,256	24,571	19,669
Deutsch	9,584	-	9,584	-	-
Editis ⁽¹⁾	181,185	126,697	54,488	47,455	59,506
Materis	50,472	86	50,386	-	-
Oranje-Nassau Groep (excluding Energy)	2,514	-	2,514	16,152	233
Stallergènes	2,931	-	2,931	4,923	4,348
WENDEL Investissement and holding cos.	16,304	76	16,228	7,724	9,086
Wheelabrator Allevard (see note 26)	-	-	-	-	11,598
	292,931	127,544	165,387	100,825	104,440
Prepaid expenses					
Bureau Veritas	18,109	-	18,109	16,454	14,883
Deutsch	2,790	-	2,790	-	-
Editis	3,911	-	3,911	4,280	3,492
Oranje-Nassau Groep (excluding Energy)	245	-	245	120	228
Oranje-Nassau Energy	555	-	555	435	1,910
Stallergènes	1,020	-	1,020	764	441
WENDEL Investissement and holding cos.	249	-	249	113	242
	26,879	-	26,879	22,166	21,196
TOTAL	319,810	127,544	192,266	122,991	125,636

(1) Including in 2006, 159.472 million euros in relation to royalty advances to authors written down by 126.091 million euros. At December 31, 2005, advances of royalties amounted to 139.999 million euros, written down by 113.425 million euros. At December 31, 2004, advances of royalties amounted to 129.843 million euros, written down by 102.871 million euros.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 10 CASH AND CASH EQUIVALENTS

In thousands of euros	12.31.2006 Net	12.31.2005 Net	12.31.2004 Net
Cash equivalents			
Bureau Veritas	12,471	40,876	37,973
Deutsch	527	-	-
Editis	38,583	-	-
Materis	3,565	-	-
Oranje-Nassau Groep (excluding Energy)	8	-	-
WENDEL Investissement and holding cos.	594,373	741,042	656,619
Wheelabrator Allevar (see note 26)	-	-	2,470
	649,527	781,918	697,062
Cash			
Bureau Veritas	94,378	83,472	77,898
Deutsch	12,513	-	-
Editis	49,549	64,501	47,933
Materis	75,036	-	-
Oranje-Nassau Groep (excluding Energy)	2,487	5,318	3,826
Oranje-Nassau Groep Energy	118,556	80,334	94,369
Stallergènes	13,749	6,688	5,711
WENDEL Investissement and holding cos.	11,070	7,368	5,868
Wheelabrator Allevar (see note 26)	-	-	25,678
	377,338	247,681	261,283
TOTAL	1,026,865	1,029,599	958,345

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 11

SHAREHOLDERS' EQUITY

Changes in shareholders' equity

In thousands of euros	Number of shares	Share capital	Share premiums	Treasury shares	Retained earnings and other reserves	Translation adjustments	Group share	Minority interests properes	Total share-holders' equity
Balance at January 1, 2004⁽¹⁾	55,632,191	223,928	127,099	- 12,908	701,132	-	1,039,251	79,902	1,119,153
Income and charges accounted for directly in shareholders' equity (A) ⁽²⁾			-	-	28,437	- 10,951	17,486	- 49	17,437
Income for the fiscal period (B)					419,001		419,001	6,008	425,009
Total income and charges recognized for the fiscal year (A)+(B)		-	-	-	447,438	- 10,951	436,487	5,959	442,446
Dividends paid ⁽³⁾					- 58,414		- 58,414	- 1,604	- 60,018
Treasury shares	- 1,811,351			- 89,172			- 89,172		- 89,172
Cancellation of shares	- 3,394,440	- 13,578			- 147,095		- 160,673		- 160,673
Increases in capital							-		-
exercise of stock options	160,978	644	3,679				4,323		4,323
due to employee stock ownership plan	40,154	160	1,077				1,237		1,237
offer to minority shareholders of Bureau Veritas	3,394,440	13,578	149,833				163,411		163,411
other							-	467	467
Share-based payment: stock options					2,159		2,159	60	2,219
Change in the liquidity commitment on Bureau Veritas shares ⁽⁴⁾					- 22,357		- 22,357	- 215	- 22,572
Changes in scope of consolidation							-	4,939	4,939
Revaluation of the portion of Bureau Veritas' identifiable assets and liabilities held by the company prior to takeover ⁽⁵⁾					141,119		141,119	3,215	144,334
Other movements					3,859		3,859	239	4,098
Balance at December 31, 2004⁽¹⁾	54,021,972	224,732	281,688	- 102,080	1,067,841	- 10,951	1,461,230	92,962	1,554,192
Income and expenses accounted for directly in shareholders' equity (A) ⁽²⁾		-	-	-	-2,648	3,415	767	15,295	16,062
Income for the fiscal period (B)					415,703		415,703	10,868	426,571
Total income and expenses recognized for the fiscal year (A)+(B)		-	-	-	413,055	3,415	416,470	26,163	442,633
Dividends paid (3)					-56,452		-56,452	-3,389	-59,841
Treasury shares	- 3,174,486			- 211,755	1,506		- 210,249	- 8,237	- 218,486
Cancellation of shares	- 2,224,765	- 8,899	- 100,714				- 109,613		- 109,613
Increases in capital							-		-
exercise of stock options	728,036	2,912	21,411				24,323		24,323
due to employee stock ownership plan	27,221	109	1,264				1,373		1,373
other							-	7,879	7,879
Remuneration by stock options					4,568		4,568	509	5,077
Change in the liquidity commitment on Bureau Veritas shares ⁽⁴⁾					- 7,335		- 7,335	- 487	- 7,822
Changes in scope of consolidation					- 24,418		- 24,418	- 648	- 25,066
Other movements					2,922		2,922	- 159	2,763
Balance at December 31, 2005⁽¹⁾	49,377,978	218,854	203,649	- 313,835	1,401,687	- 7,536	1,502,819	114,593	1,617,412

NOTES TO THE CONSOLIDATED BALANCE SHEET

In thousands of euros	Number of share	Share capital	Share premiums	Treasury shares	earnings and other reserves	Translation adjustments	Group share	Minority interests	Total share-holders' equity propres
Balance at December 31, 2005 ⁽¹⁾	49,377,978	218,854	203,649	- 313,835	1,401,687	- 7,536	1,502,819	114,593	1,617,412
Income and charges accounted for directly in shareholders' equity (A) ⁽²⁾		-	-	-	64,286	-10,392	53,894	-16,958	36,936
Income for the fiscal period (B)					365,369		365,369	-2,466	362,903
Total income and charges recognized for the fiscal year (A)+(B)		-	-	-	429,655	-10,392	419,263	-19,424	399,839
Dividends paid ⁽³⁾					- 98,576		- 98,576	- 4,308	- 102,884
Treasury shares	20,000			- 6,015	782		- 5,233		- 5,233
Cancellation of shares							-		-
Increases in capital							-		-
exercise of stock options	773,551	3,095	23,608				26,703		26,703
due to employee stock ownership plan	20,070	80	1,381				1,461		1,461
other							-	11,640	11,640
Remuneration by stock options					3,901		3,901	504	4,405
Changee in the liquidity commitment on Bureau Veritas shares ⁽⁴⁾					- 9,649		- 9,649	- 1,093	- 10,742
Changes in scope of consolidation					- 7,439		- 7,439	- 4,285	- 11,724
Other movements					- 2,989		- 2,989	- 571	- 3,560
Balance at December 31, 2006 ⁽¹⁾	50,191,599	222,029	228,638	- 319,850	1,717,372	- 17,928	1,830,261	97,056	1,927,317

(1)	Par Value	share capital	treasury shares
At 01.01.2004	€4	55,981,916	349,725
At 31.12.2004	€4	56,183,048	2,161,076
At 31.12.2005	€4	54,713,540	5,335,562
At 31.12.2006	€4	55,507,161	5,315,562

(2) of which	Derivatives qualifying for hedge accounting	Wendel Participations securities and derivatives (see "Accounting policies")	Assets available for sale	Deferred taxes	Total Group share	Minority interests	Total share-holders' equity
At 01.01.2004	-	30,687	34,785	-	65,472	-	65,472
• Changes in fair value in fiscal year	1,318	18,306	28,149	- 596	47,177	- 22	47,155
• Amount recognized in the income statement	-	-	- 18,740	-	- 18,740	-	- 18,740
At 12.31.2004	1,318	48,993	44,194	- 596	93,909	- 22	93,887
• Changes in fair value in fiscal year	- 24,955	17,755	27,848	12,467	33,115	15,138	48,253
• Amount recognized in the income statement	-	-	- 35,763	-	- 35,763	-	- 35,763
At 12.31.2005	- 23,637	66,748	36,279	11,871	91,261	15,116	106,377
• Changes in fair value in fiscal year	- 1,151	- 7,411	74,307	783	66,528	22,649	89,177
• Amount recognized in the income statement	11,248	-	- 6,508	- 5,624	- 884	-	- 884
• Other	23	-	- 2,058	- 64	- 2,099	- 37,450	- 39,549
At 12.31.2006	- 13,517	59,337	102,020	6 966	154 806	315	155,121

(3) Net dividend paid in 2006: 2 euros per share; net dividend paid in 2005: 1.15 euros per share; Net dividend paid in 2004: 1.05 euros per share.

(4) WENDEL Investissement has undertaken to guarantee the liquidity of shares issued by or to be issued by Bureau Veritas upon the exercise of employee stock options. As a result, WENDEL Investissement treats the existing Bureau Veritas shares covered by this commitment as if they were no longer owned by minority shareholders but by the Group. A provision has therefore been recorded for the Group's commitment to the holders of these shares for an amount representing the price determined under the commitment. For shares covered by this commitment that have not yet been issued, a provision has been deducted from reserves to cover the difference between the purchase price of the shares concerned and the exercise price of the outstanding stock options.

(5) See "Changes in scope of consolidation".

NOTES TO THE CONSOLIDATED BALANCE SHEET

Minority interests

In thousands of euros	Bureau Veritas group	Deutsch group	Editis group	Materis group	Staller-gènes group	Wheela-brator group	BRL lux	Other	Total
At January 1, 2004	-	-	-	-	19,789	7,573	52,540	-	79,902
Issuance of shares	-	-	3,417	-	- 589	- 2,361	-	-	467
Changes in scope of consolidation	8,154	-	-	-	-	-	-	-	8,154
Dividends paid	-	-	- 52	-	- 1,414	- 138	-	-	- 1,604
Translation adjustments	-	-	-	-	-	- 27	-	-	- 27
Other movements	166	-	159	-	- 225	- 38	-	-	62
Net income for 2004	-	-	13	-	5,381	630	- 16	-	6,008
At December 31, 2004	8,320	-	3,537	-	22,942	5,639	52,524	-	92,962
Issuance of shares	7,038	-	-	-	841	-	-	-	7,879
Changes in scope of consolidation	469	-	160	-	- 254	- 1,130	107	-	- 648
Share buybacks	-	-	-	-	- 8,237	-	-	-	- 8,237
Dividends paid	- 1,693	-	- 15	-	- 1,681	-	-	-	- 3,389
Translation adjustments	160	-	-	-	-	- 3	-	-	157
Other movements	- 474	-	- 52	-	531	- 120	15,116	-	15,001
Net income for 2005	3,135	-	75	-	6,965	699	- 6	-	10,868
At December 31, 2005	16,955	-	3,705	-	21,107	5,085	67,741	-	114,593
Issuance of shares	6	70	-	6,641	877	-	-	4,046	11,640
Changes in scope of consolidation ⁽¹⁾	1,093	17,266	-	36,933	-	- 5,085	- 54,492	-	- 4,285
Share buybacks	- 168	-	-	-	-	-	-	-	- 168
Dividends paid	- 1,958	-	- 31	- 190	- 2,129	-	-	-	- 4,308
Translation adjustments	- 243	- 686	-	- 1,714	-	-	-	-	- 2,643
Other movements	- 3,845	91	4	1,012	680	-	- 13,249	-	- 15,307
Net income for 2006	3,167	- 2,118	206	- 10,853	7,168	-	-	- 36	- 2,466
At December 31, 2006	15,007	14,623	3,884	31,829	27,703	-	-	4,010	97,056

(1) See "Changes in scope of consolidation".

NOTE 12 PROVISIONS

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Provisions for liabilities and charges	274,372	233,518	215,671
Employee benefits	148,564	96,996	121,042
TOTAL	422,936	330,514	336,713
<i>of which current</i>	<i>28,591</i>	<i>18,389</i>	<i>20,641</i>
<i>of which non-current</i>	<i>394,345</i>	<i>312,125</i>	<i>316,072</i>

NOTES TO THE CONSOLIDATED BALANCE SHEET

PROVISIONS FOR LIABILITIES AND CHARGES

In thousands of euros	12.31.2005	Additions	Reversals used provisions	Reversals unused provisions	Discounting impact	Business combinations	Translation adjustments, reclassifications	12.31.2006
WENDEL Investissement and holding companies								
• Commitment to guarantee the liquidity of Bureau Veritas shares ⁽¹⁾	30,394	-	-	-	-	-	10,742	41,136
• Other ⁽²⁾	19,023	-	-	-	-	-	-	19,023
Bureau Veritas								
• Claims and litigation ⁽³⁾	59,298	3,436	- 5,231	- 833	761	-	343	57,774
• Other	10,595	7,602	- 5,632	- 1,062	-	-	421	11,924
Deutsch								
• Other	-	2,104	- 1,355	- 462	-	6,691	- 1,849	5,129
Editis								
• Restructurations	10,322	1,550	- 4,110	-	-	-	- 441	7,321
• Other	6,343	2,143	- 2,744	-	-	-	777	6,519
Materis								
• Restructuring	-	1,715	- 1,017	-	-	1,868	-	2,566
• Claims and litigation ⁽³⁾	-	1,874	- 1,095	- 131	-	7,051	-	7,699
• Other	-	512	- 1,020	- 51	-	8,813	- 265	7,989
Oranje-Nassau Energy								
• Dismantling of oil installations	92,890	-	- 215	-	4,051	-	5,820	102,546
• Other	2,500	-	-	-	-	-	-	2,500
Stallergènes								
• Other	2,153	372	- 279	-	-	-	-	2,246
TOTAL	233,518	21,308	- 22,698	- 2,539	4,812	24,423	15,548	274,372
<i>of which current</i>	<i>18,389</i>							<i>28,591</i>

(1) See "Summary of significant accounting policies: Commitment to guarantee the liquidity of Bureau Veritas shares".

(2) Following the discovery of pollution on a site near Rouen, possibly due to the steelmaking activities of Hauts Fourneaux de Rouen (HFR), which ceased operations in 1967, the Prefect of the Seine Maritime departement, alleging a relation between HFR and Sofiservice, has ordered Sofiservice, under a 1998 order, to undertake an environmental study and rehabilitate the site. This decree was contested and overturned by order of the Administrative Court, but this decision was itself overturned by the Administrative Court of Appeal in October 2002, which ordered that the environmental study be undertaken. A provision is still recorded in relation to this claim, as the French Council of State upheld the Court of Appeal's ruling in an order dated January 10, 2005.

(3) The amount of this provision represents over one thousand claims currently in progress, the most significant of which represent around 1 million euros.

(4) See "Summary of significant accounting policies: Measurement of oil assets".

NOTES TO THE CONSOLIDATED BALANCE SHEET

EMPLOYEE BENEFITS

Defined benefit plans	12.31.2004	Service cost	Actuarial gains and losses	Benefits paid	Interest costs	Past service costs	Curtailments settlement	Business combinations	Translation adjustments	Other	12.31.2005
Engagements											
WENDEL Investissement and holding companies	33,134	3,607	- 45	- 2,079	1,040	-	-	-	-	- 154	35,503
Wheelabrator Alleward (see note 26)	14,229	-	-	-	-	-	-	-	-	- 14,229	-
Stallergènes	604	17	53	-	26	-	-	-	-	-	700
Oranje-Nassau Groep (excluding Energy)	29,851	859	1,110	- 1,072	1,355	-	-	-	-	- 510	31,593
Bureau Veritas	23,487	1,422	-	- 1,174	879	-	-	-	20	221	24,855
Editis	-	-	-	-	-	-	-	-	-	-	-
	101,305	5,899	1,118	- 4,325	3,300	-	-	-	20	- 14,672	92,651
	12.31.2004	Return on plan assets	Contribution	Amounts used				Business combinations	Translation adjustments	Other	12.31.2005
Assets of partially funded plans											
WENDEL Investissement and holding companies	- 7,491	- 1,426	- 26,499	1,797	-	-	-	-	-	-	- 33,620
Wheelabrator Alleward (see note 26)	- 7,685	-	-	-	-	-	-	-	-	7,685	-
Oranje-Nassau Groep (excluding Energy)	- 21,197	- 2,082	- 500	1,072	-	-	-	-	-	94	- 22,613
	- 36,373	- 3,508	- 26,999	2,869	-	-	-	-	-	7,779	- 56,233
Provision	64,932										36,418
Retirement bonuses	12.31.2004	Service cost	Actuarial gains and losses	Benefits paid	Interest costs	Past service costs	Curtailments settlement	Business combinations	Translation adjustments	Other	12.31.2005
Commitments											
WENDEL Investissement and holding companies	695	-	-	- 336	-	-	-	-	-	-	358
Stallergènes	1,461	153	490	- 71	66	-	-	-	-	-	2,099
Bureau Veritas	28,963	3,314	-	- 363	1,035	-	-	-	390	214	33,553
Editis	11,028	805	- 54	- 92	505	-	-	-	-	- 185	12,007
	42,147	4,272	436	- 862	1,606	-	-	-	390	29	48,017
	12.31.2004	Return on plan assets	Contribution	Amounts used				Business combinations	Translation adjustments	Other	12.31.2005
Assets of partially funded plans											
Stallergènes	- 360	- 41	- 750	71	-	-	-	-	-	15	- 1,065
Provision	41,787										46,952
Other	12.31.2004	Service cost	Actuarial gains and losses	Benefits paid	Interest costs	Past service costs	Curtailments settlement	Business combinations	Translation adjustments	Other	12.31.2005
Wheelabrator Alleward (see note 26)	4,101	-	-	-	-	-	-	-	-	- 4,101	-
Stallergènes	27	3	16	-	2	-	-	-	-	-	48
Bureau Veritas	9,370	1,193	-	- 508	423	-	-	-	76	1,967	12,521
Editis	825	36	-	-	-	-	-	-	-	195	1,056
Provision	14,323	1,232	16	- 508	425	-	-	-	76	- 1,939	13,625
Provision for employee benefits	121,042										96,996

NOTES TO THE CONSOLIDATED BALANCE SHEET

EMPLOYEE BENEFITS

Defined benefit plans	12.31.2005	Service cost	Actuarial gains and losses	Benefits paid	Interest costs	Past service costs	Curtail-ments settlement	Business combina-tions	Transla-tion adjus-tements	Other	12.31.2006
Commitments											
WENDEL Investissement and holding companies	35,503	73	-	- 1,715	1,058	-	-	-	-	-	34,919
Bureau Veritas	24,855	3,854	- 605	- 2,006	2,816	17	- 623	-	- 14	28,030	56,324
Deutsch	-	248	- 1,123	- 402	840	-	-	36,088	484	352	36,487
Editis	-	-	-	-	-	-	-	-	-	-	-
Oranje-Nassau Groep (excluding Energy)	31,593	841	- 665	- 1,020	1,264	-	-	-	-	- 261	31,752
Stallergènes	700	85	- 120	-	32	-	-	-	-	48	745
	92,651	5,101	- 2,513	- 5,143	6,010	17	- 623	36,088	470	28,169	160,227
	12.31.2005	Return on plan assets	Contri-bution	Amounts used				Business combina-tion	Transla-tion adjus-tements	Other	12.31.2006
Assets of partially funded plans											
WENDEL Investissement and holding companies	- 33,620	- 1,116	-	1,686	-	-	-	-	-	-	- 33,050
Bureau Veritas	-	- 1,528	- 1,580	-	-	-	-	-	-	- 20,748	- 23,856
Deutsch	-	- 942	- 244	350	-	-	-	- 24,589	-	- 472	- 25,897
Oranje-Nassau Groep (excluding Energy)	- 22,613	- 1,018	- 1,500	1,020	510	-	-	-	-	103	- 23,498
	- 56,233	- 4,604	- 3,324	3,056	510	-	-	- 24,589	-	- 21,117	- 106,301
Provision	36,418										53,926
Retirement bonuses	12.31.2005	Service cost	Actuarial gains and losses	Benefits paid	Interest costs	Past service costs	Curtail-ments settlement	Business combina-tions	Transla-tion adjus-tements	Other	12.31.2006
Commitments											
WENDEL Investissement and holding companies	359	6	-	-	-	-	-	-	-	-	365
Bureau Veritas	33,553	3,551	6,454	- 2,499	1,271	11	- 261	-	- 270	180	41,990
Deutsch	-	-	-	-	-	-	-	334	- 3	4	335
EDITIS	12,007	554	- 146	-	447	-	-	-	-	223	13,085
Materis	-	1,632	- 3,045	- 939	1,209	- 27	- 40	42,550	- 83	-	41,257
Stallergènes	2,099	252	452	- 27	110	-	-	-	-	-	2,886
	48,018	5,995	3,715	- 3,465	3,037	- 16	- 301	42,884	- 356	407	99,918
	12.31.2005	Return on plan assets	Contri-bution	Amounts used				Business combina-tion	Transla-tion adjus-tements	Other	12.31.2006
Assets of partially funded plans											
Materis	-	- 796	- 466	333	-	-	-	- 22,446	-	-	- 23,375
Stallergènes	- 1,065	- 54	- 950	27	-	-	-	-	-	-	- 2,042
	- 1,065	- 850	- 1,416	360				- 22,446			- 25,417
Provision	46,953										74,501
Other	12.31.2005	Service cost	Actuarial gains and losses	Benefits paid	Interest costs	Past service costs	Curtail-ments settlement	Business combina-tions	Transla-tion adjus-tements	Other	12.31.2006
Bureau Veritas	12,521	1,026	- 3,410	- 744	379	-	- 113	-	- 69	1,061	10,651
EDITIS	1,056	78	-	-	-	-	-	-	-	5	1,139
Materis	-	263	95	- 476	318	- 58	- 62	14,275	60	-	14,415
Stallergènes	48	-	-	-	-	-	-	-	-	- 48	-
	13,625	1,367	- 3,315	- 1,220	697	- 58	- 175	14,275	- 9	1,018	26,205
	12.31.2005	Return on plan assets	Contri-bution	Amounts used				Business combina-tion d'entreprise	Transla-tion adjus-tements	Other	12.31.2006
Assets of partially funded plans											
Materis	-	- 185	-	-	-	-	-	- 5,882	-	-	- 6,067
	-	- 185	-	-	-	-	-	- 5,882	-	-	- 6,067
Provision	13,625										20,138
Provision for employee benefits	96,996										148,564

NOTES TO THE CONSOLIDATED BALANCE SHEET

Obligations in relation to defined benefits were as follows:

In thousands of euros	12.31.2006	12.31.2005
Totally unfunded obligations	136,774	85,099
Partially or fully funded obligations	149,575	69,195

At December 31, 2006 the asset breakdown of defined benefit plans was as follows:

In thousands of euros	2006
Funds of insurance companies	63 %
Equity instruments	9 %
Debt instruments	20 %
Cash assets and other	8 %

Until December 31, 2005 actuarial differences were accounted for in expenses or in revenue. At January 1, 2006 the Wendel Group chose to apply the option allowed by IAS19.93A and account for actuarial differences directly in shareholders' equity (see "Summary of significant accounting policies"). Given that the amounts are not considered material, the Wendel Group has chosen not to change the comparative income statements.

In thousands of euros	2006	2005
Expenses recognized in the income statement in respect of defined benefit plans		
Cost of services provided during the year	12,463	11,403
Interest cost	9,744	5,331
Forecast return on assets of the plan	- 5,639	- 3,549
Cost of past services	- 57	- 92
Impact of curtailment or winding up of plan	- 1,099	- 945
Total	15,412	12,148
Expenses recognized in the income statement in respect of defined benefit plan ⁽¹⁾	39,810	36,837

(1) Primarily concerning Bureau Veritas.

WENDEL Investissement

The retirement plan set up in 1947 by "Les petits-fils de François de Wendel et Cie", since renamed WENDEL Investissement, is a defined benefit plan that was closed to new entrants on December 31, 1998. It remains open to all employees working for the company prior to this date, subject to them ending their career in the Group. The main actuarial assumptions used are a discount rate of 4.5% and an employee turnover rate of 0%.

Oranje-Nassau Groep

The calculation of obligations relating to supplementary retirement benefits is based on the following assumptions: a discount rate of 4.30%, a 4.75% return on plan assets, a salary increase rate of 5%, and a 1.9% inflation rate.

Bureau Veritas

Defined benefit plans: Bureau Veritas' defined benefit plans primarily relate to the payment of pensions in France and Germany. These plans are now closed to current employees. The Company's provision for retirement bonuses essentially concerns France. The bonuses are paid when the employee retires and are calculated based on length of service and salary.

Other: these are mainly bonus payments due to jubilees.

The main actuarial assumptions used in France for the calculation of these commitments are a discount rate of 4.25%, a 2.25% rate for salary increases, a staff turnover rate of 3.50% and an inflation rate of 1.75%.

Editis

Most of this Group's employees are entitled to retirement bonuses in accordance with the publishing sector's collective bargaining agreement. The main actuarial assumptions used are a discount rate of 3.85%, a 2.2% inflation rate, a staff turnover rate ranging from 16.3% for employees aged 20 to 1.17% for employees aged 54, and 0% from age 55 to retirement.

Materis

Retirement bonuses: the calculation of these bonuses depends mainly on the length of service of the employee at the date of retirement. These plans concern France as well as the United States, Belgium, Portugal, Italy and Brazil. The actuarial assumptions are established in each country. The main actuarial assumptions used are a discount rate between 4.50% and 11.30%, an inflation rate between 2% and 5%, a staff salary increase rate between 2% and 8.15%, a staff turnover rate between 4.50% and 13.45%.

Deutsch

Deutsch has defined benefit plans that pay a supplementary pension to certain former employees in France, the United Kingdom and in Germany.

The main actuarial assumptions used in the related calculations are a discount rate of 4.50%, a rate of salary increase of 3%, an inflation rate between 2% and 3.1% and employee turnover rates of 1.5% until age 50 and 0% thereafter.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 13 BORROWINGS

In thousands of euros	Currency	Coupon rate	Effective interest rate	Maturity	Repayment	Overall credit lines	Amounts drawn down		
							12.31.2006	12.31.2005	12.312004
WENDEL Investissement									
Bonds exchangeable for Valeo shares	EUR	3.75 %	6,71 %	05-2005	at maturity		-	-	365,508
Bonds exchangeable for Capgemini shares	EUR	2.00 %	4.91 %	06-2009	at maturity		260,627	253,748	247,210
2011 bonds	EUR	5.00 %	5.16 %	02-2011	at maturity		596,476	595,727	595,014
2014 bonds	EUR	4.875 %	4.93 %	11-2014	at maturity		398,476	398,320	398,171
2016 bonds	EUR	4.875 %	5.02 %	05-2016	at maturity		395,547	-	-
2017 bonds	EUR	4.375 %	4.46 %	08-2017	at maturity		297,822	297,664	-
Syndicated credit line	EUR	Euribor+margin		09-2011	revolving	1,000,000	-	-	-
Deferred issuance costs							- 532	- 710	-
Other debts and accrued interest	EUR						29,350	17,057	25,276
							1,977,766	1,561,806	1,631,179
Winvest 5									
Bank borrowings	EUR	Euribor+margin		06-2006	at maturity		-	300,000	350,000
Bank borrowings	EUR	Euribor+margin		06-2006	revolving		-	-	16,271
Other borrowings and accrued interest							-	57	54
							-	300,057	366,325
Materis Investor									
Shareholder loan							11,882	-	-
							11,882	-	-
Bureau Veritas									
Bank borrowings (redeemed)							-	442,344	363,498
Bank borrowings	USD	Libor+margin		05-2013	amortizable	560 MUSD	382,511	-	-
Bank borrowings	EUR	Euribor+margin		05-2013	amortizable		28,900	-	-
Bank borrowings	EUR	Euribor+margin		05-2011	revolving	550 M€	10,000	-	-
Bank borrowings	GBP	Libor+margin		05-2011	revolving		50,633	-	-
Defered issuance costs							- 2,953	- 5,972	- 11,945
Other borrowings and accrued interest							25,342	18,646	12,809
							494,433	455,018	364,362
Deutsch									
Bank borrowings (mezzanine)	EUR	Euribor+margin		06-2016	at maturity	27,7 M€	27,732	-	-
Bank borrowings (mezzanine)	USD	Libor+margin		06-2016	at maturity	40 MUSD	30,372	-	-
Bank borrowings (second lien)	USD	Libor+margin		12-2015	at maturity	60 MUSD	45,558	-	-
Bank borrowings	EUR	Euribor+margin		06-2013	revolving	40MUSD	8,377	-	-
Bank borrowings	USD	Libor+margin		06-2013	revolving		3,037	-	-
Bank borrowings	EUR	Euribor+margin		06-2014	at maturity	55 MUSD	43,578	-	-
Bank borrowings	USD	Libor+margin		06-2014	at maturity	173,5 MUSD	131,739	-	-
Bank borrowings	GBP	Libor+margin		06-2014	at maturity	39 MUSD	31,539	-	-
Bank borrowings	EUR	Euribor+margin		06-2015	at maturity	55 MUSD	43,578	-	-
Bank borrowings	USD	Libor+margin		06-2015	at maturity	202,5 MUSD	153,758	-	-
Bank debt (acquisition)	USD	Libor+margin		06-2013	amortizable	100 MUSD	-	-	-
Deferred issuance costs							- 13,213	-	-
Shareholder loan							53,364	-	-
Other borrowings and accrued interest							13,758	-	-
							573,177	-	-

NOTES TO THE CONSOLIDATED BALANCE SHEET

In thousands of euros	Currency	Coupon rate	Effective interest rate	Maturity	Repayment	Overall credit lines	Amounts drawn down		
							12.31.2006	12.31.2005	12.31.2004
Editis									
High Yield bonds	EUR	8.375 %		10-2014	at maturity		-	150,000	150,000
Bank debt redeemed							-	276,441	261,002
Bank borrowings	EUR	Euribor+margin		04-2013	amortizable	450,000	450,000	-	-
Bank borrowings	EUR	Euribor+margin		04-2013	revolving	100,000	18,000	-	-
Bank borrowings (acquisition)	EUR	Euribor+margin		04-2013	amortizable	150,000	-	-	-
Bank borrowings	EUR						-	-	30,360
Deferred issuance costs							- 3,633	- 14,510	- 16,533
Other borrowings and accrued interest	EUR						4,426	9,138	9,127
							468,793	421,069	433,956
Materis									
Bank borrowings (mezzanine)	EUR	Euribor+margin		04-2016	at maturity		260,000	-	-
Bank borrowings (second lien)	EUR	Euribor+margin		11-2015	at maturity		140,000	-	-
Bank borrowings (senior)	EUR	Euribor+margin		04-2013	amortizable		298,789	-	-
Bank borrowings (senior)	EUR	Euribor+margin		04-2014	at maturity		399,377	-	-
Bank borrowings (senior)	EUR	Euribor+margin		04-2015	at maturity		425,250	-	-
Bank borrowings	EUR	Euribor+margin		04-2013	at maturity	145,000	135,049	-	-
Bank borrowings (mezzanine)	EUR	Euribor+margin		04-2013	revolving	125,000	3,091	-	-
Bank borrowings (acquisition)	EUR	Euribor+margin		04-2013	amortizable	150,000	70,322	-	-
Deferred issuance costs							- 26,720	-	-
Shareholder loans							47,035	-	-
Other borrowings and accrued interest							69,709	-	-
							1,821,902	-	-
Oranje-Nassau Groep									
	EUR						112,800	84,279	71,599
	USD						29,057	26,642	-
							141,857	110,921	71,599
Stallergènes									
	EUR						25,780	23,926	6,480
Wheelabrator Allevard (see note 26)									
	EUR						-	-	81,923
							5,515,590	2,872,797	2,955,824

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Breakdown by maturity			
Long-term borrowings:			
Due beyond 5 years	3,692,549	2,251,106	1,672,963
Due in 1 to 5 years	1,610,279	568,097	762,147
Short-term borrowings:			
Due within 1 year and accrued interest	212,762	53,594	520,714
Breakdown by currency			
Euro and other European Union currencies	4,746,619	2,504,610	2,638,527
Other currencies	768,971	368,187	317,297
Breakdown by type of interest rate ⁽¹⁾			
Fixed rate	36 %	60 %	61 %
Variable rate	64 %	40 %	39 %

(1) before taking interest rate swaps into account (see note 5 and "Management of interest rate risk").

NOTES TO THE CONSOLIDATED BALANCE SHEET

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Amount of undrawn credit lines by maturity			
Due within 1 year and accrued interest	171,900	-	29,933
Due in 1 to 5 years	1,597,110	936,678	920,542
Due beyond 5 years	552,223	182,978	169,166

WENDEL Investissement

WENDEL Investissement issued 400 million euros of bonds maturing in May 2016 with a coupon of 4.875%. In September 2006 WENDEL Investissement amended its syndicated credit facility put in place in 2005. The modifications relate to the amount of this facility, now 1 billion euros and its maturity, now September 2011 with the possibility of extension to September 2012 and then to September 2013.

Editis

The debt put in place during the acquisition was refinanced in April 2006. This refinancing led to a prepayment penalty of 28 million euros and 4 million euros in fees, which were spread out over the life of the loan. At the same time, the unamortized expenses of the previous financing (14 million euros) were fully amortized. The new financing (maturity in 2013) is described in the table above.

Bureau Veritas

Bureau Veritas refinanced its debt in May 2006. The new financing is described in the table above.

Fees of 3 million euros are allocated over the life of the loan. The net debt of Bureau Veritas increased in May 2006 by 150 million euros as a result of a purchase of treasury shares.

Winvest 5

Winvest 5 repaid all of its 300 million euros in debt in May 2006.

Deutsch

The LBO financing put in place at Deutsch during the acquisition of this group is described in the table above. The bank fees for this financing were 14 million euros and will be amortized over the life of the facility.

Materis

The LBO financing put in place at Materis during the acquisition of this group is described in the table above. The bank fees for this financing were 29 million euros and will be amortized over the life of the facility.

Additional information	12.31.2006		12.31.2005		12.31.2004	
	Par value	Market value ⁽¹⁾	Par value	Market value ⁽¹⁾	Par value	Market value ⁽¹⁾
2009 2% bonds exchangeable for Capgemini shares	279,020	363,300 ⁽¹⁾	279,020	307,845 ⁽¹⁾	279,020	291,760 ⁽¹⁾
2011 5.00% bonds	600,000	610,620	600,000	637,888	600,000	631,758
2014 4.875% bonds	400,000	401,360	400,000	425,673	400,000	409,240
2017 4.375% bonds	300,000	283,470	300,000	298,561	-	-
2016 4.875% bonds	400,000	397,280	-	-	-	-
High Yield 8.375% bonds	-	-	150,000	170,250	150,000	163,313
2005 3.75% bonds exchangeable for Valeo shares	-	-	-	-	369,606	380,035 ⁽¹⁾

(1) including the option components.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 14 TRADE AND RELATED PAYABLES

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Breakdown by company:			
Bureau Veritas	109,254	111,419	91,629
Deutsch	32,843	-	-
Editis	177,608	191,818	178,511
Materis	247,945	-	-
Oranje-Nassau Groep (excluding Energy)	1,605	930	844
Oranje-Nassau Energy	21,000	26,212	20,409
Stallergènes	25,891	19,821	14,153
WENDEL Investissement and holding companies	1,974	4,143	8,639
Wheelabrator Allevard (see note 26)	-	-	45,380
Trief Corporation	-	-	317
TOTAL	618,120	354,343	359,882

NOTE 15 OTHER CREDITORS

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Other payables			
Bureau Veritas	255,360	234,096	197,930
Deutsch	31,904	-	-
Editis ⁽¹⁾	115,804	110,093	95,868
Materis	135,254	-	-
Oranje-Nassau Groep (excluding Energy)	8,304	3,532	3,708
Oranje-Nassau Energy	-	4,292	2,157
Stallergènes	13,068	13,310	11,224
WENDEL Investissement and holding companies	20,510	10,042	9,128
Wheelabrator Allevard (see note 26)	-	-	20,400
	580,204	375,365	340,415
Deferred revenue			
Bureau Veritas	59,910	57,446	52,401
Deutsch	781	-	-
Editis	4,289	4,808	4,187
Oranje-Nassau Groep (excluding Energy)	1,704	194	1,388
Oranje-Nassau Energy	778	1,074	602
Stallergènes	11	16	67
	67,473	63,538	58,645
TOTAL	647,677	438,903	399,060

(1) of which 53.888 million euros in 2006, 48.916 million euros in 2005 and 42.618 million euros in 2004 for author royalties and 54.315 million euros in 2006, 51.681 million euros in 2005 and 47.699 million euros in 2004 in relation to tax and social welfare liabilities.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 16 CURRENT AND DEFERRED TAXES

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Current taxes			
Current tax assets			
Bureau Veritas	48,226	45,378	44,506
Deutsch	795	-	-
Editis	3,521	1,027	2,800
Stallergènes	2,863	2,749	-
WENDEL Investissement and holding companies	1,587	31,985	-
	56,992	81,139	47,306
Current tax liabilities			
Bureau Veritas	81,591	75,891	71,883
Deutsch	914	-	-
Editis	3,843	2,720	6,232
Materis	12,402	-	-
Oranje-Nassau Groep (excluding Energy)	32,071	46,707	42,412
Stallergènes	400	1,401	1,193
Wheelabrator Allevar (see note 26)	-	-	2,786
	131,221	126,719	124,506

In thousands of euros	12.31.2005	Changes recorded in the income statement	Changes recorded in shareholders' equity	Translation adjustments	Business combinations	Other	12.31.2006
Deferred tax assets							
Bureau Veritas ⁽¹⁾	52,230	- 2,884	858	- 635	-	1,806	51,375
Deutsch	-	- 753	- 918	- 56	10,922	- 129	9,066
Editis	13,124	- 1,095	- 45	3	-	328	12,315
Materis	-	- 13,030	- 992	-	51,284	300	37,562
Oranje-Nassau Groep	22,667	- 7,008	- 3,813	447	-	375	12,668
Stallergènes	3,339	- 458	116	-	-	-	2,997
	91,360	- 25,228	- 4,794	- 241	62,206	2,680	125,983
<i>Of which changes due to changes in income tax rates</i>		- 817					
Deferred tax liabilities							
Bureau Veritas ⁽²⁾	203,039	- 32,021	- 31	- 692	-	14,534	184,829
Deutsch ⁽²⁾	-	530	- 213	274	42,538	414	43,543
Editis ⁽²⁾	14,859	- 9,422	-	-	-	5,022	10,459
Materis ⁽²⁾	-	- 32,236	624	-	381,229	- 106	349,511
Oranje-Nassau Groep ⁽²⁾	24,320	- 5,155	388	-	-	2,953	22,506
Stallergènes	740	379	-	-	-	-	1,119
	242,958	- 77,925	768	- 418	423,767	22,817	611,967
<i>Of which changes due to changes in income tax rates</i>		- 2,650	- 3				

(1) including employee retirement provisions of 19.984 million euros in 2006 and 19.844 million euros in 2005.

(2) Mainly deferred taxes relating to differences in asset valuations. In 2006 the amounts were 161.776 million euros at Bureau Veritas, 30.684 million euros at Deutsch, 9.402 million euros at Editis, 329.898 million euros at Materis and 20.476 million euros at ONG. In 2005 the amounts were 188.525 million euros at Bureau Veritas, 12.438 million euros at Editis and 21.845 million euros at ONG.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 17

OFF-BALANCE SHEET COMMITMENTS

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Bid bonds	25,351	27,777	4,902
Outstanding sold receivables	-	-	-
Pledges, mortgages and collateral	2,788,828	790,303	1,085,027
<i>Of which:</i>	<i>-</i>		
• <i>Valeo shares placed in escrow in relation to bonds exchangeable for Valeo shares</i>	<i>-</i>	<i>-</i>	<i>215,861</i>
• <i>bonds issued by Sofu Participations and underwritten by Winvest 5 pledged as a guarantee of the repayment of the debt</i>	<i>-</i>	<i>300,000</i>	<i>366,271</i>
• <i>shares in Editis group companies pledged by Odyssee and certain of its subsidiaries as a guarantee for the repayment of the debt due by the Editis group</i>	<i>468,000</i>	<i>426,441</i>	<i>441,362</i>
• <i>pledge by Materis Parent of shares of the principal companies of the Materis group, of certain bank accounts, certain trade receivables and assets as a guarantee for the repayment of the debt due by the Materis group</i>	<i>1,731,878</i>	<i>-</i>	<i>-</i>
• <i>pledge by Matinvest of shares of the principal companies of the Deutsch group, of certain bank accounts, certain trade receivables and assets as a guarantee for the repayment of the debt due by the Deutsch group</i>	<i>507,854</i>	<i>-</i>	<i>-</i>
• <i>property mortgaged by Oranje-Nassau</i>	<i>72,800</i>	<i>47,700</i>	<i>59,226</i>
• <i>other</i>	<i>8,296</i>	<i>16,162</i>	<i>2,307</i>
Other guarantees and endorsements given	42,828	29,070	23,894
Other commitment given and received	18,488	32,881	3,048

At December 31, 2006 there were no commitments that could have a material impact on WENDEL Investissement's financial position other than those disclosed above.

NOTES ON THE CONSOLIDATED INCOME STATEMENT

NOTE 18 NET SALES

In thousands of euros	2006	2005	2004
Sales of goods			
Deutsch	182,139	-	-
Editis	726,784	747,993	206,986
Materis	1,121,086	-	-
Oranje-Nassau Energy	231,945	237,777	204,923
Stallergènes	126,553	112,046	94,683
	2,388,507	1,097,816	506,592
Sales of services			
Bureau Veritas	1,846,166	1,647,158	-
Editis	4,495	8,815	2,225
Oranje-Nassau Groep (excluding Energy)	9,739	8,776	10,914
	1,860,400	1,664,749	13,139
Royalties			
Editis	23,603	19,312	3,942
Oranje-Nassau Groep (excluding Energy)	987	266	-
	24,590	19,578	3,942
Total net sales	4,273,497	2,782,143	523,673
Revenue of discontinued operations			
Sales of goods			
Trief Corporation	-	4,697	5,829
Wheelabrator Alleward	-	179,326	340,964
	-	184,023	346,793
TOTAL	4,273,497	2,966,166	870,466

OTHER INCOME FROM OPERATIONS

In thousands of euros	2006	2005	2004
Other revenues	68,487	58,522	5,425
Changes in inventories of finished products and work in progress	- 9,837	- 912	-
TOTAL	58,650	57,610	5,425

NOTE 19 OPERATING EXPENSES

In thousands of euros	2006	2005	2004
Purchases consumed and external charges	2,028,482	1,160,219	256,534
Personnel costs	1,346,012	1,041,011	81,799
Taxes and duties	126,969	55,630	2,757
Other operating expenses	60,779	55,311	7,869
Depreciation and amortization	242,444	155,524	8,459
Net additions to provisions	17,725	23,584	61,302
TOTAL	3,822,411	2,491,279	418,720

NOTES ON THE CONSOLIDATED INCOME STATEMENT

In thousands of euros	2006	2005	2004
Research and development costs and editorial design costs recognized as expenses by:			
Deutsch	773	-	-
Editis (editorial design)	120,763	109,896	23,927
Materis	14,809	-	-
Stallergènes	20,830	16,111	11,252

In thousands of euros	2006	2005	2004
Breakdown of average number of employees of consolidated companies:			
Bureau Veritas ⁽¹⁾	26,207	23,683	-
Deutsch ⁽²⁾	3,508	-	-
Editis ⁽²⁾	2,368	2,269	2,486
Materis ⁽²⁾	8,228	-	-
Oranje-Nassau Groep	31	30	31
Stallergènes	588	550	509
WENDEL Investissement and holding companies	51	47	47
Trief Corporation	11	11	11

(1) The average number of employees of Bureau Veritas, which has been fully consolidated since January 1, 2005, was 20,524 in 2004.

(2) For companies acquired during the year the average number corresponds to that of the full year, even though the company contributed to the results of the Group only from its date of acquisition.

NOTE 20 INCOME FROM ORDINARY ACTIVITIES EXCLUDING THE IMPACT OF GOODWILL ALLOCATION

Income from ordinary activities broke down as follows:

In thousands of euros	2006	2005	2004
Bureau Veritas	186,513	150,190	-
Deutsch	11,699	-	-
Editis	65,171	48,177	- 1,137
Materis	92,283	-	-
Oranje-Nassau Groep	154,023	155,098	116,009
Stallergènes	23,144	18,665	15,912
WENDEL Investissement and holding companies	- 23,098	- 23,656	- 20,406
TOTAL	509,736	348,474	110,378

NOTES ON THE CONSOLIDATED INCOME STATEMENT

The impact of goodwill allocation included in income from ordinary activities was as follows:

In thousands of euros	2006	2005	2004
Bureau Veritas	- 78,079	- 90,243	-
Deutsch	- 13,979	-	-
Editis	- 13,997	- 21,536	- 20,224
Materis	- 61,157	-	-
Oranje-Nassau Groep	-	-	-
Stallergènes	-	-	-
WENDEL Investissement and holding companies	-	-	-
TOTAL	- 167,212	- 111,779	- 20,224

Accordingly, income from ordinary activities before the impact of goodwill allocation broke down as follows:

In thousands of euros	2006	2005	2004
Bureau Veritas	264,592	240,433	-
Deutsch	25,678	-	-
Editis	79,168	69,713	19,087
Materis	153,440	-	-
Oranje-Nassau Groep	154,023	155,098	116,009
Stallergènes	23,144	18,665	15,912
WENDEL Investissement and holding companies	- 23,098	- 23,656	- 20,406
TOTAL	676,947	460,253	130,602

NOTE 21

OTHER OPERATING INCOME AND EXPENSES

In thousands of euros	2006	2005	2004
Net gains on disposals of intangible assets and property, plant and equipment ⁽¹⁾	25,815	9,053	9
Net income on sale of consolidated investments ⁽²⁾	130,803	-	-
Restructuring costs, net	- 5,330	- 4,781	- 9,377
Asset impairment ⁽³⁾	- 4,304	- 3,754	-
Other income and expenses	641	2,632	- 183
TOTAL	147,625	3,150	- 9,551

(1) Including a capital gain of 20.416 million euros on the sale of an energy asset at Oranje-Nassau Groep and a capital gain of 6.586 million euros on the sale of properties at Editis in 2006. Including in 2005, 9.034 million euros relating to the sale of an oil field by Oranje-Nassau Groep Énergie.

(2) Including notably a dilution profit on Legrand of 132.918 million euros. See "Changes in scope of consolidation".

(3) Corresponds mainly to asset impairment at Bureau Veritas.

NOTES ON THE CONSOLIDATED INCOME STATEMENT

NOTE 22 FINANCE COSTS, NET

In thousands of euros	2006	2005	2004
Income from cash and cash equivalents			
Interest generated by cash and cash equivalents	23,008	15,093	17,549
Changes in the fair value of investment property	- 462	3,942	- 296
	22,546	19,035	17,253
Finance costs, gross			
Interest expense	- 274,350	- 131,913	- 61,527
Interest expense on the minorities' portion of shareholder loans	- 4,839	-	-
Deferral of debt issuance costs and premiums (calculated according to the effective interest method)	- 31,844	- 19,718	- 16,926
	- 311,033	- 151,631	- 78,453
TOTAL	- 288,487	- 132,596	- 61,200

NOTE 23 OTHER FINANCIAL INCOME AND EXPENSES

In thousands of euros	2006	2005	2004
Gains and losses on disposals and fair value adjustments relating to			
Capgemini	5,592	29,350	- 35,309
Neuf Cegetel	5,225	-	-
bioMérieux	1,964	7,581	-
Valeo	1,213	35,590	- 4,628
Oranje-Nassau Groep securities portfolio (excluding Energy) ⁽¹⁾	9	41,332	30,398
Other investments in non-consolidated companies	167	- 199	679
	14,170	113,654	- 8,860
Dividend income from non-consolidated companies	4,993	10,655	10,817
Interest income on loans and gains on disposals of other financial assets	25,177	26,062	22,405
Changes in the fair value of other financial assets and liabilities	9,664	7,361	14,508
Net currency exchange gains	21,731	-	11,423
Other	14,828	1,112	18
Other financial income	90,563	158,844	50,311
Changes in the fair value of other financial assets and liabilities	- 4,242	- 148	- 27
Net currency exchange gains	- 11,859	- 37,396	-
Other	- 24,351	- 7,023	- 6,232
Other financial expenses	- 40,452	- 44,567	- 6,259
Other financial income and expenses	50,111	114,277	44,052

(1) Including 35.793 million euros in 2005 and 18.740 million euros in 2004, taken to shareholders' equity as a result of revaluations of prior years.

NOTE 24 INCOME TAX

In thousands of euros	2006	2005	2004
Current taxes	- 171,242	- 131,169	- 86,071
Deferred taxes	53,028	11,911	51,613
TOTAL	- 118,214	- 119,258	- 34,458

NOTES ON THE CONSOLIDATED INCOME STATEMENT

The difference between the Group's effective income tax rate and the standard income tax rate applicable in France can be analyzed as follows:

In thousands of euros	2006
Standard corporate income tax rate in France	34.43 %
Impact of:	
transactions subject to reduced tax rates and differences in foreign tax rates	- 11.03 %
recognition of previously unrecognized tax losses and unrecognized tax losses in the current year	2.83 %
other	1.98 %
Effective tax rate⁽¹⁾	28.21 %

(1) The effective income tax rate represents the ratio between the income tax expense recorded in the income statement, and operating income after net finance costs and other financial income and expenses.

NOTE 25 NET INCOME FROM EQUITY-METHOD INVESTMENTS

In thousands of euros	2006	2005	2004
Bureau Veritas	-	-	41,060
Lumina Parent (Legrand) ⁽¹⁾	76,458	37,166	10,136
Stahl	- 8,335	-	-
Other companies	422	49	-
TOTAL	68,545	37,215	51,196

(1) Following the listing of Legrand in April 2006 its income was consolidated through Lumina Parent in the first quarter and then directly from the second quarter.

NOTE 26 NET INCOME FROM BUSINESSES SOLD

WENDEL Investissement sold its subsidiary Wheelabrator Allevard's on September 30, 2005. So Wheelabrator Allevard's net income was classified under "Net income for the year from discontinued operations and operations held for sale" for 2004 and 2005. (see "Changes in scope of consolidation").

In thousands of euros	2006	2005	2004
Disposal gains			
Wheelabrator Allevard	-	164,296	-
Trader Classified Media	-	-	157,527
bioMérieux / Silliker Group Holding	-	-	132,354
	-	164,296	289,881
Share of profit for the year from discontinued operations			
Editis companies	- 6,412	-	-
bioMérieux / Silliker Group Holding (equity-method investments)	-	-	11,863
Wheelabrator Allevard (fully consolidated) ⁽¹⁾	-	11,013	22,848
	- 6,412	11,013	34,711
TOTAL	- 6,412	175,309	324,592

(1) Breakdown of Wheelabrator Allevard's profit

	2005 (6 months)	2004 (12 months)
Revenue	184,023	346,793
Operating expenses	- 166,764	- 310,088
Operating income	17,259	36,705
Finance costs, net	- 1,411	- 3,148
Other financial income and expenses	1,054	- 1,283
Income tax expenses	- 5,889	- 9,426
	11,013	22,848

NOTES ON THE CONSOLIDATED INCOME STATEMENT

NOTE 27 NET INCOME (LOSS)

In thousands of euros	2006	2005	2004
Consolidated companies:			
WENDEL Investissement and financial holding companies	174,488	145,651	104,487
Wheelabrator-Allevar ⁽¹⁾	-	11,013	22,848
Orange-Nassau Groep (excluding Energy)	6,288	53,080	186,089
Orange-Nassau Energy	83,356	81,869	55,982
Bureau Veritas	106,446	93,903	-
Deutsch	- 20,452	-	-
Editis	- 27,018	- 9,597	- 17,726
Materis	- 42,370	-	-
Stallergènes	13,620	13,437	10,275
	294,358	389,356	361,955
Share of income of affiliates (see note 25)	68,545	37,215	63,054 ⁽²⁾
	362,903	426,571	425,009
Minority interests (see note 11)	- 2,466	10,868	6,008
Income for the year attributable to the Group	365,369	415,703	419,001

(1) income classified under activities sold or in the course of sale

(2) Including 11.863 million euros representing the share in net income from bioMérieux/Silliker Group Holding, classified under businesses sold.

NOTE 28 EARNINGS PER SHARE

In thousands of euros	2006	2005	2004
Attributable net income	365,369	415,703	419,001
Impact of dilutive instruments on the subsidiaries	- 938	- 1,448	- 355
Diluted net income for the year	364,431	414,255	418,646
Average number of shares	49,461,401	49,026,430	55,472,386
Potential dilution due to WENDEL Investissement stock option allocations	826,829	570,781	358,114
Diluted number of shares	50,288,230	49,597,211	55,830,500
Basic earnings per share (in euros)	7.39	8.48	7.55
Diluted earnings per share (in euros)	7.25	8.35	7.50
Basic earnings per share from continuing operations (in euros)	7.52	4.90	1.70
Diluted earnings per share from continuing operations (in euros)	7.37	4.82	1.68
Basic earnings per share from discontinued operations (in euros)	- 0.13	3.58	5.85
Diluted earnings per share from discontinued operations (in euros)	- 0.13	3.53	5.82

NOTES ON VARIATIONS IN THE CASH POSITION

NOTE 29

ACQUISITIONS OF NON-CURRENT FINANCIAL ASSETS

In thousands of euros	2006	2005	2004
Materis ⁽¹⁾	320,000	-	-
Deutsch ⁽¹⁾	263,834	-	-
Stahl	28,500	-	-
AVR	17	-	-
Bureau Veritas	4,502	24,221	514,627
Valeo	-	7,495	-
Wheelabrator Allevar	-	-	12
Poincaré Investissements (Bureau Veritas)	-	-	667,583
Editis (Odyssee 1)	-	-	653,579
Trader Classified Media	-	-	21,386
Other	183,434	360,621	14,461
TOTAL	800,287	392,337	1,871,648

(1) includes shareholder loans

NOTE 30

ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	2006	2005	2004
Bureau Veritas	47,408	41,874	-
Deutsch	9,091	-	-
Editis	18,011	19,855	5,001
Materis	52,705	-	-
Oranje-Nassau Energy	31,372	27,136	19,121
Oranje-Nassau Groep (excluding Energy)	21,543	1,598	3,708
Stallergènes	14,938	9,657	4,479
WENDEL Investissement and holding companies	1,126	3,194	343
Wheelabrator Allevar	-	-	8,043
TOTAL	196,194	103,314	40,695

NOTE 31

LOAN DISBURSEMENTS

In thousands of euros	2006	2005	2004
Stahl shareholder loan	49,000	-	-
AVR shareholder loan	52,928	-	-
Other	27,734	12,147	7,089
TOTAL	129,662	12,147	7,089

NOTES ON VARIATIONS IN THE CASH POSITION

NOTE 32

DIVESTMENT OF NON-CURRENT FINANCIAL ASSETS (AT SALE PRICES)

In thousands of euros	2006	2005	2004
Lumina Parent/Legrand ⁽¹⁾	102,942	-	-
Capgemini	72,558	32,461	87,104
Wheelabrator Allevard	9,636	312,616	-
Valeo	19,446	254,092	-
bioMérieux	6,839	30,279	358,804
Trader Classified Media	-	-	343,360
Silliker Group Holding	-	-	16,000
Other	47,337	72,246	42,311
TOTAL	258,758	701,694	847,579

(1) See variation in scope of consolidation

NOTE 33

DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In thousands of euros	2006	2005	2004
Miscellaneous disposals by Bureau Veritas	6,122	7,266	-
Miscellaneous disposals by Editis	15,666	84	11
Miscellaneous disposals by Materis	6,547	-	-
Miscellaneous disposals by Oranje-Nassau Groep	20,996	19,234	10,558
Miscellaneous disposals by Stallergènes	35	7	186
Miscellaneous disposals by WENDEL Investissement	517	220	75
Miscellaneous disposals by Wheelabrator Allevard	-	-	10,836
TOTAL	49,883	26,811	21,666

NOTE 34

IMPACT OF CHANGES IN THE SCOPE OF CONSOLIDATION AND OPERATIONS HELD FOR SALE

In 2006, the impact of changes in the scope of consolidation included notably the impact of 71.077 million euros for the entry of Materis and 14.745 million euros for the entry of Deutsch.

NOTE 35

DIVIDENDS PAID

In thousands of euros	2006	2005	2004
WENDEL Investissement dividend	98,576	56,452	58,413
Dividends paid to minorities of consolidated entities	4,124	3,389	1,605
TOTAL	102,700	59,841	60,018

NOTES ON VARIATIONS IN THE CASH POSITION

NOTE 36 NET CHANGE IN BORROWINGS AND OTHER FINANCIAL LIABILITIES

In thousands of euros	2006	2005	2004
New borrowings obtained /debt issued by:			
WENDEL Investissement - 4.875% bond issue	396,354	-	-
WENDEL Investissement - 5% bond issue	-	-	596,722
WENDEL Investissement - 4.875% bond issue	-	-	399,348
WENDEL Investissement - 4.375% bond issue	-	298,653	-
Bureau Veritas ⁽¹⁾	505,789	74,979	349,971
Deutsch	9,414	-	-
Editis ⁽¹⁾	465,793	25,549	477,974
Materis	72,044	-	-
Oranje-Nassau Groep	114,534	109,464	15,294
Stallergènes	4,386	18,104	-
Wheelabrator Allevar	-	-	13,333
Winvest 5	-	-	715,000
	1,568,314	526,749	2,567,642
Borrowings repaid/redeemed by:			
WENDEL Investissement - Syndicated credit line expiring 2008	-	-	170,000
WENDEL Investissement - Bonds exchangeable for Valeo shares	-	369,606	39,194
WENDEL Investissement - Bank borrowings	-	-	100,000
Winvest 5	300,000	66,271	348,729
Bureau Veritas ⁽¹⁾	431,514	43,449	-
Deutsch	8,771	-	-
Editis ⁽¹⁾	432,511	40,860	35,215
Materis	69,760	-	-
Oranje-Nassau Groep (excluding Energy)	79,229	86,643	21,792
Stallergènes	2,532	503	5,279
Wheelabrator Allevar	-	-	39,629
	1,324,317	607,332	759,838
TOTAL	243,997	- 80,583	1,807,804

(1) movements due to the refinancing of liabilities of Editis and Bureau Veritas in the first half of 2006 (See note 13).

SUPPLEMENTARY INFORMATION

NOTE 37 LEASES

There are no finance leases that could have a material impact on WENDEL Investissement's financial position, other than those set out below.

Finance leases (contracts in which the Group retains the substantial risks and rewards of ownership of the leased asset)

In 2002, Stallergènes sold one of its buildings to a specialist finance lease company for a gross amount of 7.368 million euros and signed a 12-year lease with the company on the same date. The rental payments under this lease were calculated based on repayment of a 7.368 million euro loan in equal annual installments of principal and interest over the life of the lease. The company has an option to purchase the building for one euro, exercisable at the end of the lease. At December 31, 2006 the outstanding debt under this lease stood at 5.281 million

euros. Transaction costs totaling 216,000 euros are being amortized on a straight-line basis over the life of the lease. At year-end the building was valued at 5.837 million euros.

Finance leases entered into by Editis represented 1.122 million euros at December 31, 2006 and primarily related to IT equipment.

Finance leases entered into by Deutsch represented 1.083 million euros at December 31, 2006 and relate to buildings.

Finance leases entered into by Materis totaled 963,000 euros at December 31, 2006 and relate to buildings as well as production lines and dyeing machines.

Obligations under finance leases:

In thousands of euros	2006	2005
Due within 1 year	2,259	1,312
Due in 1 to 5 years	6,028	3,536
Due beyond 5 years	2,252	3,071
TOTAL	10,540	7,919

Operating leases (contracts in which the Group does not retain the substantial risks and rewards of ownership of the leased asset)

At Editis operating leases are mainly made up of vehicles for the sales force and will result in future payments of 3.263 million euros.

Future lease payments on operating leases at Bureau Veritas amounted to 134.372 million euros and are mainly for property leases and IT equipment.

At Deutsch operating leases, relating to buildings and factories, will entail future payments of 11.856 million euros.

At Materis operating leases will result in future payments of 62.463 million euros. They relate to administrative premises and the networks of sales outlets for Zolpan and Couleurs de Tollens.

Obligations under operating leases:

In thousands of euros	2006	2005
Due within 1 year	90,311	50,474
Due in 1 to 5 years	112,638	103,424
Due beyond 5 years	10,482	7,604
TOTAL	213,431	161,502

NOTE 38 STOCK OPTIONS

The stock option expense was 4.405 million euros in 2006, compared with 5.077 million euros in 2005 and 2.219 million euros in 2004.

New stock option plans set up in 2006 were as follows:

WENDEL INVESTISSEMENT

WENDEL Investissement granted 60,600 subscription-type stock options on July 4, 2006 with an exercise price of 90.14 euros. The options have a life of ten years and a one-year vesting period.

The estimated unit value of the options is 21.4 euros, representing a total value of 1.297 million euros. This valuation was made based on the Black and Scholes option pricing model using the following

SUPPLEMENTARY INFORMATION

assumptions: estimated actual option life of five years, volatility of 26% and a risk-free interest rate of 3.87%.

The related expense is being recognized in the income statement over the vesting period of the stock options, with the expense for 2006 amounting to 649,000 euros.

Stallergènes :

Stallergènes granted 81,000 subscription-type stock options on September 27, 2006 with an exercise price of 27.25 euros. The options have a life of ten years. The vesting period for some of the options is one year. For the remainder it is dependent on achieving various miles-

tones in the development of the company's products. The related expense is being recognized in the income statement over the vesting period. The impact for 2006 is not material.

Deutsch :

Deutsch granted 2,486,763 options on December 19, 2006 with an exercise price of 1 euro. The options have a life of eight years and a one-year vesting period. The estimated unit value of the options is 0.73 euros, representing a total value of 1.815 million euros. The impact for 2006 was not material as the grant date was close to the balance sheet date.

In thousands of euros	Number of options outstanding at 12.31.2005	Options granted in 2006	Options cancelled in 2006	Options exercised in 2006	Number of options outstanding at 12.31.2006	Number of exercisable options	Exercise price (€)	Average exercise price (€)	Average residual life
WENDEL Investissement									
Purchase-type stock options ⁽¹⁾	149,628	-	-	- 122,839	26,789	26,789	33.35 - 44.23	35.75	4 years
Subscription-type stock options	1,035,711	60,600	-	- 773,551	322,760	262,160	24.59 - 90.14	51.70	7 years
Bureau Veritas	360,115	185,300	- 12,500	- 78,619	454,296	263,746	40.84 - 173.04	111.24	5 years
Editis	314,000	-	-	-	314,000	-	16.00	16.00	9 years
Stallergènes	849,760	81,000	-	- 211,231	719,529	638,529	3.89 - 27.25	17.62	7 years
Deutsch	-	2,486,763	-	-	2,486,763	-	1.00	1.00	8 years

(1) WENDEL Investissement holds the shares necessary to cover the exercise of stock options granted.

NOTE 39 SEGMENT INFORMATION

As WENDEL Investissement's business segments are represented by those of its subsidiaries, the Group publishes segment information as follows:

- Bureau Veritas (Certification, quality control)
- Editis (Publishing)
- Stallergènes (Immunotherapy)

- Oranje-Nassau Energy (Energy)
- Deutsch (Connectors)
- Materis (Specialty chemicals for the construction sector)
- Holding companies

WENDEL Investissement divides its activities geographically into four regions: Europe, North & South America, Africa and Asia-Middle East.

ANALYSIS BY BUSINESS SEGMENT

The Group's balance sheet and income statement items are broken down by business segment in the notes to the balance sheet and income statement, except for those set out below:

At December 31, 2006

In thousands of euros	Total	WENDEL Investissement & Holding co	Bureau Veritas	Deutsch	Editis	Materis	Orange-Nassau Energy	Orange-Nassau Groep (excluding Energy)	Stallergènes
Total assets ⁽¹⁾	10,165	1,758	2,786	957	1,026	2,961	347	207	124
Total liabilities ⁽¹⁾	8,237	2,309	1,353	703	834	2,612	211	146	70
Income from ordinary activities ⁽¹⁾	510	- 23	187	12	65	92	149	5	23
Cash flows from operating activities	794	- 9	267	29	85	197	192	8	26
Cash flows from investments	- 609	- 418	- 109	5	- 26	- 37	- 29	14	- 10
Cash flows from financing activities	- 27	223	- 102	- 16	- 19	- 60	- 31	- 21	- 1
Impact of taxes on cash flows	- 152	60	- 64	- 5	- 16	- 20	- 96	- 3	- 8

(1) after taking into account entries relating to goodwill allocations.

SUPPLEMENTARY INFORMATION

At December 31, 2005

In thousands of euros							
	Total	WENDEL Investissement & Holding co	Bureau Veritas	Editis	Orange- Nassau Énergie	Orange- Nassau Groep (excluding Énergie)	Stallergènes
Total assets ⁽¹⁾	6 091	1 729	2 759	966	327	205	105
Total liabilities ⁽¹⁾	4 474	1 979	1 311	775	225	121	63
Income from ordinary activities ⁽¹⁾	348	- 36	152	55	151	4	22
Cash flows from operating activities	551	- 27	251	115	190	-	22
Cash flows from investments	275	577	- 218	- 60	- 118	108	- 14
Cash flows from financing activities	- 592	- 581	12	- 44	8	12	1
Impact of taxes on cash flows	- 168	- 3	- 57	- 31	- 69	- 1	- 7

(1) after taking into account entries relating to goodwill allocations.

Book value of companies at December 31, 2006

In thousands of euros	Net consolidated value	Shareholder loans ⁽¹⁾
Fully consolidated companies		
Oranje-Nassau Groep (excluding Stallergènes and Lumina Parent)	196,629	-
Stallergènes	25,881	-
Odyssée 1 (Editis)	162,965	-
Bureau Veritas	1,408,444	-
Matinvest 2 (Deutsch)	121,615	115,989
Materis Parent (Materis)	89,456	226,509
Companies accounted for by the equity method		
Legrand	488,473	-
Stahl	32,354	-

(1) Shareholder loans held by WENDEL Investissement or its holding companies eliminated on consolidation.

ANALYSIS BY GEOGRAPHIC REGION AT DECEMBER 31, 2006:

In thousands of euros					
	Europe	Americas	Afrique	Asie-Moyen Orient	Total
Net sales	3,044	606	127	496	4,273
Assets by region ⁽¹⁾	6,344	942	43	336	7,665
Acquisition of assets	153	21	2	20	196

(1) as defined by IAS 14 § 16.

SUPPLEMENTARY INFORMATION

NOTE 40 UNAVAILABLE ASSETS

In thousands of euros			12.31.2006	
	Date unavailability expires	Consolidated value of unavailable assets	Total for balance sheet lineitem	as a % of balance sheet heading
Intangible assets		-	4,916,841	0 %
Fixed assets				
Oranje-Nassau mortgaged property	june 2009	38,000		
Oranje-Nassau mortgaged property	may 2009	9,700		
Oranje-Nassau mortgaged property	2011	25,100		
		72,800	1,103,567	6,6 %
Non-current financial assets		-	865,098	0 %
Current financial assets		3,581		
		3,581	153,177	2,3 %
Unavailable assets / Total assets		76,381	10,164,721	0,8 %

Certain other assets eliminated in consolidation – such as shares in consolidated companies and inter-company receivables – have been pledged as collateral to banks as follows:

- certain shares of Editis group companies, with a value of 468 million euros, have been pledged as a guarantee for the repayment of debt due by the Editis group.
- certain shares of Materis group companies, with a value of 1,731.878 million euros, have been pledged in favor of banks as collateral for loans granted to finance this acquisition:

- In the financing of the Deutsch group, put in place at the end of June 2006, the shares of the principal Deutsch group companies, with a value of 507.854 million euros, were pledged in favor of banks as collateral on loans (senior, second lien, mezzanine).

NOTE 41 EVENTS SUBSEQUENT TO CLOSING

On March 19, 2007 WENDEL Investissement carried out a 400 million euro bond issue with a maturity date of September 21, 2015 and a coupon rate of 4.875%.

Based on a proposal from the Executive Board, approved by the Supervisory Board, shareholders will be asked, at the Annual Meeting, to approve a net dividend of 1.70 euros per share plus an additional net dividend of 0.30 euros per share.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

NOTE 42 SCOPE OF CONSOLIDATION

Consolidation method	% holding	Company	Country	Business segment
FC	100.00	WENDEL Investissement	France	Investment
Full	100.00	Compagnie Financière de la Trinité	France	"
Full	100.00	Simfor	France	"
Full	100.00	Sofiservice	France	"
Full	100.00	Solfur	France	"
Full	100.00	Winvest 1	France	"
Full	100.00	Winbond	France	"
Full	82.86	Odyssée 3	France	"
Full	100.00	Winvest 3	France	"
Full	100.00	Poincaré Participations	France	"
Full	100.00	Sofu Participations	France	"
Full	100.00	Winvest 5	France	"
Full	100.00	Winvest 6	France	"
Full	56.20	Winvest 7	France	"
Full	100.00	Eufor	France	"
Full	100.00	Compagnie d'Alberta	France	"
Full	100.00	Financière de Dalaba	France	"
Full	75.00	Compagnie de l'Odyssée	France	"
Full	99.50	Compagnie de Butterfly	France	"
Full	100.00	Sofe	France	"
Full	100.00	Coba	France	"
Full	100.00	Winvest 8	France	"
Full	100.00	Winvest 9	France	"
Full	100.00	Winvest 10	France	"
Full	100.00	Winvest 11	France	"
Full	100.00	Compagnie du Sahara	France	"
Full	100.00	Lormetal	France	"
Full	100.00	Odyssée Holding	France	"
Full	100.00	Trief Corporation	Luxembourg	"
Full	100.00	Ofilux Finance	Luxembourg	"
Full	100.00	Froeggen	Luxembourg	"
Full	69.67	2 MWIN	Luxembourg	"
Equity	39.89	Lumina Parent	Luxembourg	"
Full	100.00	Grauggen	Luxembourg	"
Full	100.00	Hourggen	Luxembourg	"
Full	100.00	Ireggen	Luxembourg	"
Full	100.00	Jeurggen	Luxembourg	"
Full	100.00	Winvest Conseil	Luxembourg	"
Full	100.00	Winvest Part 1	Luxembourg	"
Full	100.00	Winvest Part 2	Luxembourg	"
Full	100.00	Winvest Part 3	Luxembourg	"
Full	99.50	Winvest International SA Sicar	Luxembourg	"

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	99.50	Luxconnecting Parent	Luxembourg	"
Full	94.30	Materis Investor	Luxembourg	"
Full	100.00	Senelle BV	Netherlands	"
Full	100.00	Sofisamc	Switzerland	"
Full	100.00	Orange Nassau Groep B.V.	Netherlands	"
Full	100.00	Onroerend Goed Orange Nassau N.V.	Netherlands	Real estate
Full	100.00	Orange Nassau Energie B.V.	Netherlands	Energy
Full	100.00	Orange Nassau Participaties B.V.	Netherlands	Investment
Full	47.37	Stallergènes sa	France	Immunotherapy
Full	47.37	Stallergènes Belgium	Belgium	"
Full	47.37	SCI Stallergènes Antony	France	"
Full	47.37	Bergstrabe 20, Erste WGmbH	Germany	"
Full	47.37	Stallergènes & Co KG	Germany	"
Full	47.37	Stallergènes GmbH	Germany	"
Full	47.37	Stallergènes Italy	Italy	"
Full	47.37	Stallergènes Iberica	Spain	"
Full	99.89	Bureau Veritas	France	Quality control /Certification
Full	99.89	BV Angola	Angola	"
Full	99.89	BIVAC Argentina	Argentina	"
Full	99.89	BV Argentina	Argentina	"
Full	99.89	BVQI Argentina	Argentina	"
Full	99.89	AUS - BVsa Branch Australia	Australia	"
Full	99.89	Bureau Veritas Australia Pty Ltd	Australia	"
Full	99.89	Intico Pty Ltd - Australia	Australia	"
Full	99.89	KILPATRICK Pty Ltd	Australia	"
Full	99.89	BV Austria	Austria	"
Full	99.89	BVQI Austria	Austria	"
Full	99.89	VIN - BV sa - Vienna	Austria	"
Full	99.89	BV Azeri	Azerbaijan	"
Full	99.89	MNA - BVsa - Bahrain	Bahrain	"
Full	99.89	BIVAC Bangladesh	Bangladesh	"
Full	99.89	BV Bangladesh Private Ltd	Bangladesh	"
Full	99.89	BV CPS Bangladesh (formerly MTL)	Bangladesh	"
Full	99.89	Association BV Belgium	Belgium	"
Full	99.89	BCB - BV sa - Belgium	Belgium	"
Full	99.89	BVQI Belgium	Belgium	"
Full	99.89	BV Benin	Benin	"
Full	49.95	TT NEPTUNUS BERM	Bermuda	"
Full	96.28	BV do Brasil	Brazil	"
Full	99.89	BVQI do Brasil	Brazil	"
Full	99.89	BZV - BV sa - Brazzaville	Brazil	"
Full	96.29	Tecnitas do Brasil	Brazil	"
Full	99.89	BNE - BV sa - Brunei	Brunei	"
Full	99.89	BV Varna	Bulgaria	"
Full	99.89	Bureau Veritas Cameroon	Cameroon	"
Full	99.89	ACTS Canada	Canada	"

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	99.89	BV Canada	Canada	"
Full	99.89	BV Tchad	Chad	"
Full	99.89	BV Chile	Chile	"
Full	99.89	BV Chile Capacitacion Ltda - Chile -	Chile	"
Full	99.89	BVQI Chile	Chile	"
Full	99.89	BV Consulting Shanghai	China	"
Full	59.93	BV CPS - Shanghai SIC	China	"
Full	99.89	LCIE China	China	"
Full	99.89	BGT - BV sa - Bogota	Colombia	"
Full	99.89	BIVAC Colombia	Colombia	"
Full	99.89	BV Colombia	Colombia	"
Full	99.89	BVQI Colombia	Colombia	"
Full	99.89	BV Congo	Congo	"
Full	99.89	BV Croatia	Croatia	"
Full	99.89	LHA - BV sa - Cuba	Cuba	"
Full	99.89	BV Czech Republic	Czech Republic	"
Full	99.89	BVQI Czech Republic	Czech Republic	"
Full	99.89	BVQI Denmark	Denmark	"
Full	99.89	CPN - BV sa - Copenhagen	Denmark	"
Full	99.89	BV CPS Dominican Republic	Dominican Republic	"
Full	99.89	BV Ecuador	Ecuador	"
Full	99.89	BVQI Ecuador	Ecuador	"
Full	99.89	ALX - BV sa - Alexandria	Egypt	"
Full	89.90	BV Egypt	Egypt	"
Full	99.89	BGE - BVsa Equatorial Guinea	Equatorial Guinea	"
Full	99.89	BV Estonia	Estonia	"
Full	99.89	HSK - BV sa - Helsinki	Finland	"
Full	99.89	Aquarism	France	"
E	49.87	ATSI - France	France	"
Full	99.89	Biocontrol	France	"
Full	99.89	Bivac International	France	"
Full	99.89	Bureau Veritas Marine INC	France	"
Full	99.89	BV Consulting France	France	"
Full	99.89	BV CPS France (ex ACTS)	France	"
Full	99.89	BV France	France	"
Full	99.89	BV international	France	"
Full	99.85	BV Monaco	France	"
Full	99.89	BVQI France	France	"
Full	99.89	BVQI Holding	France	"
Full	99.89	CAF- BV sa - Lyon	France	"
Full	99.89	CEP Industrie	France	"
Full	99.89	Dividendes A BVSA	France	"
Full	99.89	LCIE France	France	"
Full	99.89	Operendi SAS	France	"
Full	98.70	Qualité France SA	France	"
Full	99.89	RAG - BV sa - Guyanese Antilles Region	France	"

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	99.89	ROI - BV sa - Indian Ocean Region	France	"
Full	99.89	Sedhyca	France	"
Full	99.89	SSICOOR	France	"
Full	99.89	Tecnitas SA	France	"
Full	99.89	Transcable	France	"
Full	99.89	PPT - BV sa - Papeete	French Polynesia	"
Full	99.89	BV Gabon	Gabon	"
Full	99.89	BCA - BV sa - Germany	Germany	"
Full	99.89	BV CPS Germany (ex ECB on line)	Germany	"
Full	99.89	BV GERMAN Holding Gmbh	Germany	"
Full	99.89	BVQI Germany	Germany	"
Full	99.89	DIN VSB ZERT GmbH	Germany	"
Full	99.89	Ingenieurgesellschaft für Projektmanagement	Germany	"
Full	99.89	NSQ HAUKE Gmbh	Germany	"
Full	99.89	PKB Hamburg	Germany	"
Full	99.89	BIVAC Ghana	Ghana	"
Full	99.89	BVQI Hellas Greece	Greece	"
Full	99.89	LML - BV sa - Limassol	Greece	"
Full	99.89	LPR - BV sa - Piraeus	Greece	"
Full	99.89	BV CPS GUATEMALA	Guatemala	"
Full	99.89	BV Guinea	Guinea	"
Full	99.89	BV CPS Hong Kong	Hong Kong	"
Full	99.89	BV HK Ltd (formerly BV CPS Hong Kong)	Hong Kong	"
Full	99.89	BVCPS HK (mainly Taiwan branch)	Hong Kong	"
Full	99.89	BVQI Hong Kong	Hong Kong	"
Full	99.89	HKG - BV sa - Hong Kong	Hong Kong	"
Full	99.89	MTL Hong Kong	Hong Kong	"
Full	99.89	Technitas Far East Company Limited	Hong Kong	"
Full	99.89	BBY - BV sa - Bombay	India	"
Full	97.71	Bureau Veritas - India - Pvt Ltd	India	"
Full	99.89	BV Consulting India	India	"
Full	99.89	BV CPS India Ltd (formerly MTL)	India	"
Full	99.89	BVQI India	India	"
Full	84.91	BV CPS Indonesia (formerly MTL)	Indonesia	"
Full	99.89	BV Indonesia	Indonesia	"
Full	99.89	IRN - BV sa - Iran	Iran	"
Full	99.89	Bureau Veritas Ireland Ltd	Ireland	"
Full	99.89	IRL - BVSA - Ireland	Ireland	"
Full	99.89	BCI - BV sa - Italy	Italy	"
Full	99.89	BV Italy	Italy	"
Full	99.89	BVQI Italy	Italy	"
Full	99.89	BIVAC SCAN CI	Ivory Coast	"
Full	99.89	BV Cote d'Ivoire	Ivory Coast	"
Full	99.89	BCJ - BV sa - Japan	Japan	"
Full	99.89	Bureau Veritas Japan Co., Ltd. (ex-BVQI)	Japan	"
Full	99.89	BV Japan Company Ltd	Japan	"

Full : Full consolidation. PC : Proportionate consolidation. Equity : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	99.89	Nihon Testing Ltd - Japan -	Japan	"
Full	99.89	BV Kazakhstan	Kazakhstan	"
Full	59.93	BV Kazakhstan Industrial Services LLP	Kazakhstan	"
Full	99.89	BVI LTD KAZAKHSTAN BRANCH	Kazakhstan	"
Full	99.79	BV Kenya	Kenya	"
Full	99.89	KWO - BV sa - Kuwait	Kuwait	"
Full	99.89	BV Latvia	Latvia	"
Full	99.89	BV Liban	Lebanon	"
Full	99.89	BV Lithuania	Lithuania	"
Full	99.89	BV Luxembourg	Luxembourg	"
Full	99.89	Soprefira	Luxembourg	"
Full	99.89	BV Madagascar	Madagascar	"
Full	48.95	BV Malaysia	Malaysia	"
Full	99.89	BVQI (Malaysia) Sdn Bhd	Malaysia	"
Full	99.89	BKO - BV sa - Bamako	Mali	"
Full	99.89	BV Mali	Mali	"
Full	99.89	DKR - BVsa - Mali -	Mali	"
Full	99.89	MLT - BV sa - Malta	Malta	"
Full	99.89	MAU - BVsa Mauritania	Mauritania	"
Full	99.89	PLI - BV sa - Mauritius	Mauritius	"
Full	99.89	MAY - BV sa - Mayotte branch	Mayotte	"
Full	99.89	BV CPS Mexico	Mexico	"
Full	99.89	BV Mexicana	Mexico	"
Full	99.89	BVQI Mexico	Mexico	"
Full	99.89	BVQI Maroc	Morocco	"
Full	99.89	CSB - BV sa - Casablanca	Morocco	"
Full	99.89	MOZ - BV sa - Mozambique	Mozambique	"
Full	99.89	BCH - BV sa - Rotterdam	Netherlands	"
Full	99.89	BIVAC Rotterdam	Netherlands	"
Full	99.89	BIVAC World market	Netherlands	"
Full	99.89	BV Marine Belgium&Luxembourg N.V	Netherlands	"
Full	99.89	BVQI Netherlands	Netherlands	"
Full	99.89	CPV D.O.O.	Netherlands	"
Full	99.89	DASS B.V.	Netherlands	"
Full	99.89	ECS	Netherland	"
Full	99.89	Haztec	Netherlands	"
Full	99.89	Inspecties Beheer B.V	Netherlands	"
Full	99.89	Nagtglass Versteeg Inspecties B.V.	Netherlands	"
Full	99.89	NEIS	Netherlands	"
Full	66.60	One TUEV BV	Netherlands	"
Full	99.89	Risk Control BV	Netherlands	"
Full	99.89	NMA - BV sa - Noumea	New Caledonia	"
Full	99.89	BV New Zealand	New Zealand	"
Full	59.93	BV Nigeria	Nigeria	"
Full	99.89	OSL - BV sa - Oslo	Norway	"
Full	99.89	OMN - BV sa - Oman	Oman	"

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	99.89	PAK - BV sa - Pakistan	Pakistan	"
Full	99.89	BV Panama	Panama	"
Full	99.89	BIVAC Paraguay	Paraguay	"
Full	99.89	BIVAC Peru	Peru	"
Full	99.89	BV Peru	Peru	"
Full	99.89	LMA - BV sa - Lima	Peru	"
Full	99.89	BV CPS Philippines (formerly MTL)	Philippines	"
Full	99.89	MLA - BV sa - Manila	Philippines	"
Full	99.89	BV Poland	Poland	"
Full	99.89	BVQI Polska	Poland	"
Full	99.89	BVQI Portugal	Portugal	"
Full	99.89	LBN - BV sa - Lisbon	Portugal	"
Full	89.90	Rinave Certificacao e Auditoria (Portugal)	Portugal	"
Full	99.89	Rinave Consultatorio y servicios (Portugal)	Portugal	"
Full	99.89	Rinave Qualidade e seguranca (Portugal)	Portugal	"
Full	99.89	Rinave Registro Internationale Naval (Portugal)	Portugal	"
Full	99.89	DOA - BV sa - Doha	Qatar	"
Full	99.89	BV Romania CTRL	Romania	"
Full	99.89	Bureau Veritas Certification Rus	Russia	"
Full	99.89	BV Russia	Russia	"
Full	59.93	BV Sats - Saudi Arabia -	Saudi Arabia	"
Full	99.89	SAR - BV sa - Saudi Arabia	Saudi Arabia	"
Full	99.89	BV Senegal	Senegal	"
Full	99.89	Bureau Veritas d.o.o - 353 - Serbia	Serbia	"
Full	99.89	BV CPS Singapore	Singapore	"
Full	99.89	BVQI Singapore Pte Ltd	Singapore	"
Full	99.89	SGP - BV sa - Singapore	Singapore	"
Full	99.89	Tecnitas SA branch Singapore	Singapore	"
Full	99.89	BV Magyarrorzag	Slovakia	"
Full	99.89	BV Slovakia	Slovakia	"
Full	99.89	BVQI Slovakia	Slovakia	"
Full	99.89	Bureau Veritas D.O.O - Slovenia -	Slovenia	"
Full	99.89	LJU - BV sa - Slovenia	Slovenia	"
Full	99.89	BV South Africa	South Africa	"
Full	99.89	JHB - BV sa - Johannesburg	South Africa	"
Full	99.89	BVQI South Korea	South Korea	"
Full	99.89	COR - BV sa - South Korea	South Korea	"
Full	99.89	BCE - BV sa - Spain	Spain	"
Full	99.21	BV Espanol	Spain	"
Full	99.89	BVQI Spain	Spain	"
Full	99.89	IPM Spain	Spain	"
Full	99.89	BVQI Sweden	Sweden	"
Full	99.89	GTB - BV sa - Goteborg	Sweden	"
Full	99.89	BV Bivac Suisse	Switzerland	"
Full	99.89	BVQI Switzerland	Switzerland	"
Full	97.40	Advance Data Technology Corporation	Taiwan	"

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	99.89	BV Taiwan	Taiwan	"
Full	99.89	BVQI Taiwan	Taiwan	"
Full	99.89	TPI - BV sa - Taipei	Taiwan	"
Full	99.89	BV CPS Thailand	Thailand	"
Full	48.95	BV Thailand	Thailand	"
Full	48.95	BVQI Thailand	Thailand	"
Full	99.89	BV TOGO	Togo	"
Full	99.89	MST - BV sa -Special Tunisian Projecte	Tunisia	"
Full	49.88	STCV - Tunisia	Tunisia	"
Full	99.89	TNS - BV sa - Tunis	Tunisia	"
Full	99.89	BV CPS Turkey (MTL)	Turkey	"
Full	99.89	BV Turkey	Turkey	"
Full	99.89	BVQI Turkey	Turkey	"
Full	99.89	ABU - BV sa - Abu Dhabi	UAE	"
Full	99.89	DBA - BV sa - Dubai	UAE	"
Full	99.89	BV Ukraine	Ukraine	"
Full	99.89	BVQI Ukraine	Ukraine	"
Full	99.89	ACTS UK	United Kingdom	"
Full	99.89	AMTAC Laboratories Holding UK	United Kingdom	"
Full	99.89	AMTAC Laboratories Ltd - UK	United Kingdom	"
Full	99.89	Analytic - 359 -	United Kingdom	"
Full	99.89	BCO - BV sa - United Kingdom	United Kingdom	"
Full	99.89	BTC Laboratories	United Kingdom	"
Full	99.89	BV B&I Ltd (ex Seal)	United Kingdom	"
Full	99.89	BV BEL Ltd	United Kingdom	"
Full	99.89	BV Consulting Limited (formerly Weeks)	United Kingdom	"
Full	99.89	BV CPS Lanka (formerly Mountain Hawks)	United Kingdom	"
Equity	49.95	BV EM & I Limited	United Kingdom	"
Full	99.89	BV HS&E Ltd (ex Stanger)	United Kingdom	"
Full	99.89	BV Inspection UK (formerly Plant Safety Ltd)	United Kingdom	"
Full	99.89	BV laboratories Ltd	United Kingdom	"
Full	99.89	BV Lanka Ltd	United Kingdom	"
Full	99.89	BV UK (ex BV UK Holding)	United Kingdom	"
Full	99.89	BV UK holding (ex BV UK)	United Kingdom	"
Full	99.89	BVQI HOLDING Subsidiary in United Kingdom	United Kingdom	"
Full	99.89	BVQI LTD - UK	United Kingdom	"
Full	99.89	Casella Consulting Ltd - 354 -	United Kingdom	"
Full	99.89	Curtis-Strauss LLC - 355	United Kingdom	"
Full	99.89	Earth Consultant Inc	United Kingdom	"
Full	99.89	Falide International Quality Assessment	United Kingdom	"
Full	99.89	Hazmat - 358 -	United Kingdom	"
Full	99.89	HHR - Head Office	United Kingdom	"
Full	99.89	IRC Pty Ltd	United Kingdom	"
Full	99.89	L J Church Limited	United Kingdom	"
Full	99.89	Merchandise Testing Laboratories Ltd	United Kingdom	"
Full	74.92	Pavement technologies Limited	United Kingdom	"

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	99.89	Technicare	United Kingdom	"
Full	99.89	TENPLETH - UK	United Kingdom	"
Full	49.95	TT-Neptunus London	United Kingdom	"
Full	99.89	Weeks Technical Services	United Kingdom	"
Full	99.89	Winton - 357 -	United Kingdom	"
Full	99.89	Winton Holding - 361 -	United Kingdom	"
Full	99.89	X Reference Ltd	United Kingdom	"
Full	99.89	ACTS USA	United States	"
Full	99.89	BDI Laboratories (USA)	United States	"
Full	99.89	Berryman & HenFCar East - Florida	United States	"
Full	99.89	Berryman & HenFCar West - California	United States	"
Full	99.89	Berryman & Henigar Entreprises	United States	"
Full	99.89	BIVAC NORTH AMERICA	United States	"
Full	99.89	BureauVeritas North America Inc.	United States	"
Full	99.89	BV Cons. Products, Inc (MTL-ACTS -USA)	United States	"
Full	99.89	BVHI - USA	United States	"
Full	99.89	BVQI North America	United States	"
Full	99.89	Clayton Engineering	United States	"
Full	99.89	Graham Marcus	United States	"
Full	99.89	ISI/Unicon	United States	"
Full	99.89	KW2 MI BV	United States	"
Full	99.89	LP2A	United States	"
Full	99.89	ONE CIS	United States	"
Full	99.89	Professional Eng & Inspections Co	United States	"
Full	99.89	Risk & Safety	United States	"
Full	99.89	RW Hunt	United States	"
Full	99.89	Terra Mar	United States	"
Full	99.89	Testing Engineers Los Angeles	United States	"
Full	99.89	Testing Engineers Nevada	United States	"
Full	99.89	Testing Engineers San Diego	United States	"
Full	99.89	Unitek Technical Services	United States	"
Full	99.89	US Engineering Laboratories	United States	"
Full	99.89	US Laboratories Inc	United States	"
Full	99.89	BV Venezuela	Venezuela	"
Full	99.89	BVQI Venezuela	Venezuela	"
Full	99.89	BV Consumer Product Services Vietnam Ltd	Vietnam	"
Full	99.89	BV Vietnam	Vietnam	"
Full	99.89	BVQI Vietnam	Vietnam	"
Full	99.89	BIVAC West Indies	West Indies	"
Full	100.00	Odyssée 1	France	Publishing
Full	100.00	Editions Hemma	Belgium	"
Full	100.00	Interforum Benelux	Belgium	"
Full	99.95	Editions R Laffont Canada	Canada	"
Full	100.00	Interforum Canada	Canada	"
Full	51.00	Bookpole	France	"
Full	100.00	Bordas Sas	France	"

Full : Full consolidation. PC : Proportionate consolidation. Equity : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	100.00	Comptoir Du Livre	France	"
Full	96.86	Dictionnaires Le Robert	France	"
Full	100.00	Dnl Distribution	France	"
Full	100.00	Dnl Rhone Alpes	France	"
Full	100.00	Editions First Interactive	France	"
Full	100.00	Editions Generales First	France	"
Full	100.00	Editions La Decouverte	France	"
Full	99.95	Editions Nil	France	"
Full	99.95	Editions Robert Laffont	France	"
Full	100.00	Editions Xo	France	"
Full	100.00	Editis Holding	France	"
Full	100.00	Editis Sa	France	"
Full	100.00	E-Plateforme	France	"
Full	100.00	Interforum	France	"
Full	100.00	Ixa Sas	France	"
Full	100.00	Julliard	France	"
Full	98.78	Le Cherche Midi Editeur	France	"
Full	100.00	Les Presses De La Renaissance	France	"
Full	100.00	Librairie Fernand Nathan	France	"
Full	100.00	Nathan Jeux	France	"
Equity	49.00	Nouvelles Editions Tf1	France	"
Full	100.00	Oh Editions	France	"
Full	100.00	Perrin Sas	France	"
Full	100.00	Place Des Editeurs	France	"
Full	100.00	Plon	France	"
Full	100.00	Rdl	France	"
Full	99.95	Sagitta	France	"
Full	100.00	Sejer	France	"
Full	100.00	Sogedif	France	"
Full	100.00	Spring & Rochelle	France	"
Full	100.00	Univers Poche	France	"
Full	100.00	Xo Productions	France	"
Full	99.99	Editis Financing	Luxembourg	"
Full	100.00	Interforum Suisse	Switzerland	"
Full	100.00	Xo Publishing Ltd,	United Kingdom	"
Full	100.00	Xo Productions Inc.	United States	"
Full	100.00	Xo Publishing Inc.	United States	"
Full	73.54	Materis Parent	Luxembourg	Specialty chemicals for construction
Full	63.98	Colorin	Argentina	"
Full	73.54	Klaukol SA	Argentina	"
Full	73.54	Spinna Argentina Srl	Argentina	"
Full	73.54	Davco Construction Materials Pty Ltd	Australia	"
Full	73.54	Cruyplants	Belgium	"
Full	73.54	Materis Mortiers Belgium	Belgium	"
Full	73.54	SEIFERT	Belgium	"
Full	73.53	Tollens Coatings SA	Belgium	"

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	73.54	Chryso Brasil	Brazil	"
Full	73.54	Qualimat	Brazil	"
Full	73.54	Klaukol Chile	Chile	"
Full	73.54	Davcoa China Limited	China	"
Full	73.54	Chryso Chemie Sro	Czech Republic	"
Full	73.47	Agora SA	France	"
Full	48.98	Chryso MascareFCne SA	France	"
Full	73.54	Chryso SAS	France	"
Full	73.54	France Production	France	"
Full	72.91	Lafarge Mortiers SA	France	"
Full	73.54	LARIS	France	"
Full	73.54	Materis Adjuvants	France	"
Full	73.54	Materis Corporate	France	"
Full	73.54	Materis Corporate Services	France	"
Full	73.54	Materis DSI (ex GIE LMS services)	France	"
Full	73.54	Materis Paints	France	"
Full	73.54	Materis Peintures	France	"
Full	73.54	Materis SAS	France	"
Full	73.54	Materis Trésorerie	France	"
Full	73.54	Parex Group	France	"
Full	73.54	Peintures Productions Ouest SAS	France	"
Full	73.54	Prospa SAS	France	"
Full	73.54	RM Distribution	France	"
Full	27.58	SPE SA	France	"
Full	73.54	Tollens Production Nord SAS	France	"
Full	73.54	Zolpan	France	"
Full	73.54	Davcoa Limited	Hong Kong	"
Full	73.54	Chryso Italia Spa	Italy	"
Full	73.54	Lafarge Coatings Italia	Italy	"
Full	73.54	Materis Paints Italia	Italy	"
Full	73.54	Materis Holding Luxembourg	Luxembourg	"
Full	73.54	Materis Luxembourg	Luxembourg	"
Full	73.54	Novabond	Malaysia	"
Full	73.54	Tollens Holding BV	Netherlands	"
Full	73.54	Chryso Polska	Poland	"
Full	44.10	Chryso Aditivos SA Portugal	Portugal	"
Full	73.54	Robbialac SA	Portugal	"
Full	73.54	Texsa Morteros Portugal	Portugal	"
Full	73.54	Davco Building Materials Pte	Singapore	"
Full	73.54	Chryso Southern Africa Ltd Cy	South Africa	"
Full	73.54	Chryso Aditivos SA	Spain	"
Full	73.54	Materis Ibérica Morteros	Spain	"
Full	73.54	Reveton	Spain	"
Full	73.54	Texsa Morteros SA – Spain	Spain	"
Full	73.54	UNICAPA Spain	Spain	"
Full	73.54	Claessens	Switzerland	"

Full : Full consolidation. PC : Proportionate consolidation. Equity : Equity method.

LIST OF PRINCIPAL CONSOLIDATED COMPANIES AT DECEMBER 31, 2006

Consolidation method	% holding	Company	Country	Business segment
Full	36.67	Materis Mortars Thailand	Thailand	"
Full	54.40	SODAP Thailand	Thailand	"
Full	73.54	Chryso Kat Katki Malzemelriban ve tic Ac	Turkey	"
Full	29.42	CCC Parex	UAE	"
Full	73.54	Chryso UK	United Kingdom	"
Full	73.54	Parex Ltd	United Kingdom	"
Full	73.54	CHRYSO Inc	United States	"
Full	73.54	La Habra Products Inc	United States	"
Full	73.54	Materis US Mortars Inc	United States	"
Full	88.94	Matinvest 2	France	Connectors
Full	88.94	Cargot SAS	France	"
Full	88.85	Carrier Kheops Bac	France	"
Full	88.94	Compagnie Deutsch Distribution SAS	France	"
Full	88.94	Compagnie Deutsch France	France	"
Full	88.85	Compagnie Deutsch Orleans SAS	France	"
Full	88.94	Compagnie Deutsch SAS	France	"
Full	88.85	Connecteurs Electriques Deutsch SAS	France	"
Full	88.94	Deutsch (FKA - Bethany)	France	"
Full	88.94	Deutsch (FKA Catania)	France	"
Full	88.94	Compagnie Deutsch GmbH	Germany	"
Full	88.94	Deutsch India	India	"
Full	88.94	Deutsch Electronic Marketing Ltd	Israel	"
Full	88.94	Deutsch Italy	Italy	"
"				
Full	88.94	Nihon-Deutsch Ltd	Japan	"
Full	88.94	CD Northern	Norway	"
Full	88.94	Deutsch GB (FKA - Butterfly Wendel UK)	United Kingdom	"
Full	88.94	Deutsch Subco	United Kingdom	"
"				
Full	88.85	Deutsch UK (FKA - Deutsch LTD)	United Kingdom	"
Full	88.94	Servo	United Kingdom	"
Full	88.94	Deutsch Corporate Inc. (New York)	United States	"
Full	88.94	Deutsch Engineered Connecting Devices	United States	"
Full	88.94	Deutsch Relays Inc.	United States	"
Full	88.94	US Bond Co	United States	"
Full	100.00	Legron BV	Luxembourg	Electrical equipment
Equity	29.88	Legrand Holding SA	France	"
PC	50.00	Lumina Financing 1 SARL	Luxembourg	"
PC	50.00	Lumina Management	Luxembourg	"
PC	50.00	Lumina Participations	Luxembourg	"
	50.00	Lumina White	Luxembourg	"
Equity	46.00	Stahl	Netherlands	Leather treatment

Full : Full consolidation. **PC** : Proportionate consolidation. **Equity** : Equity method.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

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,

In compliance with the assignment you entrusted to us at your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Wendel Investissement for the year ended December 31, 2006.

The consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating their overall presentation. We believe that our audit provides a reasonable basis for our opinion set out hereafter.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2006, and of the results of its operations for the year then ended, in accordance with IFRS as adopted by the European Union.

II - Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

We reviewed the accounting treatment adopted by Wendel Investissement in its consolidated financial statements as regards managers' investments in Wendel Investissement and its subsidiaries, which are not specifically addressed in IFRS as adopted by the European Union. We obtained assurance that the notes to the consolidated financial statements entitled "Summary of significant accounting policies – Wendel-Participations shares and options", "Related parties" and "Participation of management in the Company's investments" provide appropriate disclosures in this regard.

At each balance sheet date, and whenever there is an indication of a decline in value, the Company tests goodwill and intangible assets with an indefinite life for impairment in accordance with the methods described in the notes to the consolidated financial statements entitled "Summary of significant accounting policies – Measurement rules" and "Notes to the consolidated balance sheet – Goodwill impairment tests". We examined the methods used for implementing these impairment tests, obtained assurance that the estimates used were reasonable and verified that the notes mentioned above provided appropriate disclosures in this regard.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed, which is expressed in the first part of this report.

III - Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, April 30, 2007

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
François Carrega

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ANALYSIS OF THE PARENT COMPANY FINANCIAL STATEMENTS

INCOME STATEMENT

In millions of euros	2006	2005
Income from investments in subsidiaries, equity method investments and long-term equity portfolio	259	97
Other financial income and expenses	- 51	- 113
Net financial income	208	- 16
Operating income	- 4	- 27
Income (loss) before exceptional items and tax	204	- 43
Exceptional items	8	213
Income taxes	47	32
Net income (loss)	259	202

Income before exceptional items and tax was 204 million euros in 2006 compared with a loss of 43 million euros in 2005. The 2005 figures included certain non-recurring transactions, including mainly 36 million euros in dividends and 39 million euros in foreign exchange losses on hedging of assets.

Results in 2006 also included certain non-recurring transactions, in particular 174 million euros in dividends, 17 million euros in foreign exchange gains on hedging of assets, 9 million euros in income from early termination of certain interest rate hedges and 17 million euros in assistance invoiced with regard to acquisitions that took place during

the year. Excluding these items, the change in income before exceptional items and tax reflected principally an increase in recurrent dividends, which totaled 24 million euros.

Exceptional items of 8 million euros were composed principally of 2 million euros in capital gains on the sale of bioMérieux shares and 3 million euros in capital gains on the sale of Valeo shares.

After taking into account income on tax consolidation of 47 millions of euros, net profit for 2006 was 259 millions of euros.

ASSETS

In millions of euros	12.21.2006	12.31.2005
Property, plant and equipment	3	3
Non-current financial assets	3,010	3,011
Working capital requirements	818	188
Cash and marketable securities	570	754
Total Assets	4,401	3,956

Non-current assets remained stable between 2005 and 2006. The primary movements included sale of shares in Valeo (-16) and bioMérieux (-5), acquisition of shares in Bureau Veritas (+5) and Wendel Investissement (+13) and a change in the provision on Sofiservice shares (+2).

Working capital requirements increased by 630 million euros, essentially due to an increase in loans extended to certain holding companies in the Wendel Investissement group. Most of the rest related to financial instruments.

LIABILITIES & SHAREHOLDERS' EQUITY

In millions of euros	12.21.2006	12.31.2005
Shareholders' equity	1,891	1,702
Provisions	15	16
Borrowings	2,495	2,238
Total Liabilities and Shareholders' Equity	4,401	3,956

Shareholders' equity totaled 1,891 million euros at the end of 2006 and changed during the year as a result of the following items: net income for the year of 259 million euros was appropriated, dividends of 98 million euros were paid in respect of 2005 and shares worth 28 million euros were issued pursuant to stock option and Company savings plans.

Borrowings increased by 257 million euros during 2006. The changes included the following items: 400 million euros in bonds were issued and debt to holding companies of the Wendel Investissement group was reduced by 155 million euros.

INVESTMENTS MADE DURING THE YEAR

In application of Article L. 233-6 of the French Commercial Code, we inform you that in 2006 Wendel Investissement invested in, or took control of, the following companies:

	Direct ownership	Direct and indirect ownership
Winvest 11	100 %	100 %

BALANCE SHEET AS OF DECEMBER 31, 2006

ASSETS

In Thousands of euros	Note	12.31.2006		12.31.2005	12.31.2004
		Gross	Depreciation, amortization, provisions		
				net	net
NON-CURRENT ASSETS					
Property, plant and equipment		11,995	8,886	3,109	2,675
Non-current financial assets ⁽¹⁾					
Investments in subsidiaries and affiliates	1	2,708,869	32,954	2,675,915	2,611,116
Other long-term equity investments	2	18,577	-	18,577	332,026
Other long-term investments		304	-	304	142,587
Treasury shares	3	315,227	-	315,227	92,773
Loans and other non-current financial assets		42	-	42	63
		3,043,019	32,954	3,010,065	3,178,565
TOTAL		3,055,014	41,840	3,013,174	3,181,240
CURRENT ASSETS					
Trade receivables ⁽²⁾		3,915	-	3,915	1,337
Other receivables ⁽²⁾	4	803,838	-	803,838	32,574
Treasury instruments	5	51,386	-	51,386	63,850
Marketable securities	6	561,735	-	561,735	665,426
Cash		7,560	-	7,560	1,263
Prepayments		243	-	243	238
TOTAL		1,428,677	-	1,428,677	764,688
Loan redemption premiums		7,088	-	7,088	3,510
TOTAL ASSETS		4,490,779	41 840	4,448,939	3,949,438

(1) Of which within one year

5

22

21

(2) Of which more than one year

LIABILITIES AND SHAREHOLDERS' EQUITY

In Thousands of euros	Note	12.31.2006	12.31.2005	12.31.2004
SHAREHOLDERS' EQUITY				
Share capital		222,029	218,854	224,732
Share premiums		241,235	216,246	294,285
Legal reserve		22,473	22,473	22,393
Required reserves		191,820	191,820	391,820
Other reserves		203,497	203,497	8,484
Retained earnings		750,531	646,937	34,264
Net income for the year		259,272	202,172	664,219
TOTAL		1,890,857	1,701,999	1,640,197
PROVISIONS FOR LIABILITIES AND CHARGES	7	15,436	15,984	45,592
LIABILITIES				
Borrowings	8	2,494,807	2,237,864	2,238,521
Other creditors	9	47,839	35,546	25,128
TOTAL ⁽¹⁾		2,542,646	2,273,410	2,263,649
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,448,939	3,991,393	3,949,438
 <i>(1) Of which within one year</i>				
		453,626	694,390	984,629
<i>Of which more than one year</i>				
		2,089,020	1,579,020	1,279,020

INCOME STATEMENT

In thousands of euros	Note	2006	2005	2004
Income from investments in subsidiaries and affiliates and from long-term equity investments	12	258,644	97,491	813,846
Other financial income and expenses	13			
Income				
• Income from marketable securities		-	-	-
• Income from long-term loans and advances		1	2,831	8,706
• Income from invested cash		72,954	12,037	25,018
• Provision reversal		930	546	1,550
Expenses				
• Interest and similar expenses		123,284	128,377	84,325
• Provision charges		929	596	2,071
NET FINANCIAL INCOME		208,316	- 16,068	762,724
Operating income	14			
Other income		26,468	4,880	7,633
Provision reversal		-	23,926	-
Operating expenses				
Purchases and external services		16,544	45,200	18,244
Taxes other than income taxes		1,183	1,084	1,988
Wages and salaries	15	8,107	5,588	5,738
Social security costs		3,247	2,854	3,215
Depreciation & amortization		494	464	459
Provision charges		22	-	2,296
Miscellaneous expenses		500	427	391
OPERATING INCOME (LOSS)		- 3,629	- 26,811	- 24,698
NET INCOME (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		204,687	- 42,879	738,026
Exceptional income				
On operating transactions		3,974	8,204	3,383
On capital transactions		143,857	814,595	785,234
Provision reversal		3,691	94,391	63,392
Exceptional expenses				
On operating transactions		1,956	13,439	5,111
On capital transactions		139,413	686,142	870,711
Provision charges		2,100	4,800	53,495
EXCEPTIONAL ITEMS	16	8,053	212,809	- 77,308
INCOME TAXES	17	46,532	32,242	3,501
NET INCOME FOR THE YEAR		259,272	202,172	664,219

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Number of shares		Share capital	Share premiums	Legal reserve	Regulated reserves	Others reserves & retained earnings	Net income for the year	Total share- holders' equity
55,981,916	At December 31, 2003 before appropriation	223,928	127,099	22,368	391,820	35,788	217,481	1,018,484
	Appropriation of 2003 net income			25		217,456 ⁽¹⁾	- 217,481	-
	Ordinary dividend					- 58,413		- 58,413
	Capital increases							
160,978	On the exercise of stock options	644	3,679					4,323
40,154	In connection with employee savings plan	160	1,077					1,237
3,394,440	Shares issued pursuant to 5th resolution of the December 3, 2004 AGM ⁽²⁾	13,578	162,430					176,008
- 3,394,440	Shares cancelled pursuant to the Board decision of December 3, 2004	- 13,578				- 147,095		- 160,673
	Tax on reserves for long-term capital gains					- 4,988		- 4,988
	2004 net income						664,219	664,219
56,183,048	At December 31, 2004 before appropriation	224,732	294,285	22,393	391,820	42,748	664,219	1,640,197
	Appropriation of 2004 net income			80		664,139 ⁽³⁾	- 664,219	-
	Appropriation pursuant to 3rd resolution of the AGM of 31 May 2005				- 200,000 ⁽⁴⁾	200,000 ⁽⁴⁾		-
	Ordinary dividend					- 56,453		- 56,453
	Capital increases:							
728,036	on the exercise of stock options	2,912	21,411					24,323
27,221	in connection with Company savings plan	109	1,264					1,373
- 2,224,765	Shares cancelled pursuant to the Board decision of January 18, 2005	- 8,899	- 100,714					- 109,613
	2005 net income						202,172	202,172
54,713,540	At December 31, 2005 before appropriation	218,854	216,246	22,473	191,820	850,434	202,172	1,701,999
	Appropriation of 2005 net income					202,172 ⁽⁵⁾	- 202,172	-
	Ordinary dividend					- 98,578		- 98,578
	Capital increases							
773,551	on the exercise of stock options	3,094	23,608					26,702
20,070	in connection with Company savings plan	81	1,381					1,462
	Résultat 2006						259,272	259,272
55,507,161	At December 31, 2006 before appropriation	222,029	241,235	22,473	191,820	954,028	259,272	1,890,857

(1) The amount appropriated to retained earnings approved at the Annual General Meeting of 1 June 2004 was increased by 367,000 euros because of the non-payment of dividends on Wendel Investissement shares held in treasury by the Company on the dividend payment date.

(2) Shares issued in exchange for 1,257,200 Bureau Veritas shares contributed by the minority shareholders of Bureau Veritas in connection with the offer made by Wendel Investissement in November 2004.

(3) The amount appropriated to retained earnings approved at the Annual General Meeting of May 31, 2005 was increased by 8.157 million euros because of the non-payment of dividends on Wendel Investissement shares held in treasury by the Company on the dividend payment date.

(4) 3rd resolution of the AGM of May 31, 2005: in application of Article 39-IV of the revised finance act for 2004 (act no° 2004-1485 of December 30, 2004), it was decided to transfer, before December 31, 2005, an amount of 200.000 million euros from the "Special reserve for long-term capital gains" to "Other reserves".

(5) The amount appropriated to retained earnings approved at the Annual General Meeting of May 29, 2006 was increased by 10.849 million euros because of the non-payment of dividends on Wendel Investissement shares held in treasury by the Company on the dividend payment date..

CASH FLOW STATEMENT

In thousands of euros	2006	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year	259,272	202,172	664,219
Elimination of gains and losses on disposals of non-current assets	- 6,742	- 129,987	85,478
Elimination of depreciation, amortization and provisions	- 1,060	- 113,021	- 6,621
Elimination of other non-cash items	6,366	- 12,147	- 675,868
Change in operating working capital	9,243	- 123,806	- 32,440
Net cash flows from operating activities	267,079	- 176,789	34,768
CASH FLOWS FROM INVESTING ACTIVITIES			
Outflows:			
• investment in shares of subsidiaries and affiliates ⁽¹⁾	- 4,582	- 84,371	- 614,157
• acquisition of bonds	-	- 2,047	- 150,205
• acquisition of property, plant & equipment	- 1,126	- 529	- 330
• loans granted	- 8	- 16	- 2
Inflows (based on sale price):			
• divestment of shares in subsidiaries and affiliates ⁽²⁾	26,285	709,342	517,039
• disposal of property, plant & equipment	222	213	75
• disposal of bonds	-	-	272,757
• repayment of loans	22	24	16
Change in working capital related to investing activities	- 9,534	- 3,848	-
Net cash flow from investing activities	11,279	618,768	25,193
CASH FLOWS FROM FINANCING ACTIVITIES			
Related to share capital			
• increase in share capital	28,164	25,696	5,560
• buyback of Wendel Investissement shares	- 13,453	- 323,413	- 249,845
• disposal of Wendel Investissement shares (liquidity contract)	4,364	882	-
• disposal of Wendel Investissement shares (exercise of share options)	4,097	2,696	-
Dividend payments	- 98,578	- 56,453	- 58,413
Change in working capital related to financing activities	- 395,825	- 2,003	909,686
Net cash flow from financing activities	15,839	- 5,060	- 15,458
Net cash flow from financing activities	- 455,392	- 357,655	591,530
CHANGE IN NET CASH AND CASH EQUIVALENTS	- 177,034	84,324	651,491
Net cash and cash equivalents at the beginning of year	741,706	657,382	5,891
NET CASH AND CASH EQUIVALENTS AT YEAR END	564,672	741,706	657,382

(1) Including in 2006 mainly: Acquisition of Bureau Veritas shares 4.502 million euros.

(2) Including in 2006 mainly: Disposal of Valeo shares for 19.446 million euros and bioMérieux shares for 6.839 million euros.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The balance sheet and the income statement have been prepared in accordance with the accounting standards prescribed by the 1999 French general accounting plan, applying the same exceptions as in previous years in order to give a true and fair view of the Company's results for the year. There were two such exceptions, as follows:

- substitution of "Net financial income" for "Operating income" defined by the general accounting plan as the sub-total representing the company's main business activity;
- recognition of all capital transactions in respect of assets other than "Marketable securities" in "Exceptional items". As regards marketable securities, changes in provision for impairment and gains and losses on disposal are recognized in "Net financial income".

The accounting policies applied remain unchanged compared to those of prior years.

Application as from January 1, 2005, of the new accounting standards on assets:

- CRC 2002-10 "Depreciation, amortization and impairment of non-current assets",
- CRC 2003-07 "Definition of components, replacement costs and provisions for major repairs", and
- CRC 2004-06 "Definition, recognition and measurement of assets", did not lead to any changes being required.

The gross value of items included in non-current assets corresponds to their acquisition cost or the cost at which they were contributed to the Company, excluding transaction costs.

INVESTMENTS

At year-end each investment is subjected to a review of its net book value compared to its value in use (share of net assets, return on investment, market capitalization). A provision for impairment may be recognized on the basis of this review.

LOAN REDEMPTION PREMIUMS

Loan redemption premiums are amortised on a straight-line basis over the term of the corresponding loan.

INTEREST RATE AND CURRENCY DERIVATIVE INSTRUMENTS

Gains and losses arising on financial derivative instruments used in the context of hedging are determined and recognized symmetrically with the recognition of income and expenses on the related hedged items.

When the derivative financial instruments do not form part of a hedging relationship, gains and losses resulting from their measurement at market value at the balance sheet date are taken directly to the income statement.

OPTIONS ON SHARES

Premiums paid or received on options are recognized in a suspense account until the option expires. Unrealised losses are provided against; however unrealised gains are not recognized.

As an exception to this policy, premiums paid for the purchase of options on shares whose purpose is to hedge the optional component embedded in a financial liability (convertible bond) are considered as prepayment of additional interest and are thus spread over the term of the bond.

MARKETABLE SECURITIES

Marketable securities are measured using the first-in first-out method. A provision for impairment is recognized if the net book value of the securities falls below their market value.

PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS

The present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the retrospective method. A provision is recognized for the portion of the obligations that is not covered by plan assets.

The company's obligation is determined at each balance sheet date taking into account the age of the company's employees, their length of service and the probability that they will remain within the company until they retire. The calculation is based on an actuarial method using assumptions relating to the yields on long-term investments.

The main actuarial assumptions used are: Discount rate = 4.5%, rate of employee turnover = 0%.

NOTES TO THE BALANCE SHEET

NOTE 1
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

In thousands of euros	% Interest		Net amounts 12.31.05	Internal restruct- uring	Acquisitions and subs- criptions	Disposals	Change in Provisions	Net amounts 12.31.06
	12.31.05	12.31.06						
French subsidiaries								
Sofiservice	100.00	100.00	100,262	-	-	-	1,871	102,133
Solfur	100.00	100.00	14,982	-	-	-	-	14,982
Compagnie Financière de la Trinité	100.00	100.00	15,607	-	-	-	-	15,607
Winvest 1	100.00	100.00	180,350	-	-	-	-	180,350
Winbond	100.00	100.00	376,190	-	-	-	-	376,190
Winvest 6	100.00	100.00	8,809	-	-	-	-	8,809
Odyssée Holding	100.00	100.00	97,744	-	-	-	-	97,744
Bureau Veritas	47.33	51.09	773,157	-	4,502	-	-	777,659
Winvest 3	100.00	100.00	19,130	-	-	-	-	19,130
Winvest 7	56.20	56.20	8,980	-	-	-	-	8,980
Poincaré Participations	100.00	100.00	726,863	-	-	-	-	726,863
Non-French subsidiaries								
Oranje-Nassau	100.00	100.00	238,320	-	-	-	-	238,320
Trief Corporation	25.00	25.00	107,963	-	-	-	-	107,963
Other			1,105	-	80	-	-	1,185
TOTAL			2,669,462	-	4,582	-	1,871	2,675,915

NOTE 2
LONG-TERM EQUITY PORTFOLIO

In thousands of euros	% Holding		Net amounts 12.31.05	Internal restruct- uring	Acquisitions and subs- criptions	Disposals	Change in Provisions	Net amounts 12.31.06	Stock ⁽¹⁾ market value
	12.31.05	12.31.06							
bioMérieux	0.90	0.54	11,489	-	-	4,592	-	6,897	10,958
Valeo	1.31	0.51	27,681	-	-	16,001	-	11,680	12,276
TOTAL			39,170	-	-	20,593	-	18,577	23,234

(1) Valuation at the average stock market price in the month preceding the balance sheet date.

NOTE 3
TREASURY SHARES

In thousands of euros	Net amount 31.12.05	Internal restruct- uring	Acquisitions and subs- criptions	Treasury shares	Others	Change in provisions	Net amount 12.31.06
Treasury shares ⁽¹⁾	301,774	-	13,453	-	-	-	315,227
TOTAL	301,774	-	13,453	-	-	-	315,227

(1) Number of treasury shares held by Wendel Investissement:
at 12.31.2005: 5,115,934
at 12.31.2006: 5,257,773

NOTES TO THE BALANCE SHEET

NOTE 4 OTHER RECEIVABLES

in thousands of euros	12.31.2006	12.31.2005	12.31.2004
Tax and employee social security receivables ⁽¹⁾	5,227	32,493	1,424
Loans and advances connected with investments ⁽²⁾	742,886	96,036	12,224
Other ⁽³⁾	55,725	32,481	18,926
TOTAL	803,838	161,010	32,574
<i>Of which related companies</i>	<i>758,705</i>	<i>103,688</i>	<i>12,314</i>

(1) Including, in 2006, 1.514 million euros in respect of advanced income tax payments made (31.922 million euros in 2005).

(2) Including mainly, in 2006, loans to subsidiaries, 87.232 million euros to Eufor, 155.564 million euros to Sofu Participations and 478.409 million euros to Trief Corporation.

(3) Including, in 2006, interest receivable on swaps of 39.421 million euros, compared to 24.538 million euros in 2005.

NOTE 5 TREASURY INSTRUMENTS

In thousands of euros	Note	12.31.2006	12.31.2005	12.31.2004
Call options on Capgemini shares	10	27,390	43,159	49,606
Call options on Valeo shares		356	-	-
Other call options on shares				
listed in the eurozone	10	17,596	11,675	-
Currency derivatives	10	6,044	1,302	14,244
TOTAL		51,386	56,136	63,850

NOTE 6 MARKETABLE SECURITIES

In thousands of euros	12.31.2006		12.31.2005		12.31.2004	
	Net book value	Stock market value	Net book value	Stock market value	Net book value	Stock market value
Wendel Investissement sharest ⁽¹⁾	1,130	958	6,138	5,054	9,308	7,678
	1,130	958	6,138	5,054	9,308	7,678
Mutual fund units	548,265	548,265	733,951	733,951	656,118	656,118
Liquidity contracts ⁽²⁾						
• Wendel Investissement shares	3,493	3,496	5,923	5,940	-	-
• Mutual fund units	8,847	8,847	5,833	5,833	-	-
Equity portfolio of stocks listed in the Euro zone	-	-	823	823	-	-
	560,605	560,608	746,530	746,547	656,118	656,118
TOTAL	561,735	561,566	752,668	751,601	665,426	663,796

(1) Shares held for allotment on the exercise of purchase-type stock options granted in connection with stock option plans. The market value of these shares is calculated on the lower of their market price or the strike price of the options. In accordance with accounting standards, the negative difference between the carrying value and the exercise price of the options, which amounted to 193,000 euros, gave rise to a provision recognized under "Provisions for liabilities and charges". Number of shares at December 31, 2006: 26,789

(2) 31,000 Wendel Investissement shares at December 31, 2006.

NOTES TO THE BALANCE SHEET

NOTE 7
PROVISIONS FOR LIABILITIES AND CHARGES

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Pension obligations and other post-employment benefits ⁽¹⁾	378	357	24,283
Provision for reimbursement of income tax (tax consolidation) (see note 17)	5,186	3,555	10,259
Other provisions for liabilities and charges	9,872	12,072	11,050
TOTAL	15,436	15,984	45,592

Breakdown of change in provisions

In thousands of euros	12.31.2005	Allocations for the year	Writebacks in the year		12.31.2006
			used	unused	
Pension obligations and other post-employment benefits ⁽¹⁾	357	21	-	-	378
Provision for reimbursement of income tax (tax consolidation)	3,555	1,884	59	194	5,186
Other provisions for liabilities and charges	12,072	279	2,479	-	9,872
TOTAL	15,984	2,184	2,538	194	15,436
Operating income		21	-	-	
Net financial income		62	911	-	
Exceptional items		2,101	1,627	194	
TOTAL		2,184	2,538	194	

(1) During 2005, Wendel Investissement signed a contract with an insurance company which entailed the insurer taking over management of the pension obligation. This transaction resulted in the payment of a premium of 26.500 million euros and the write-back of the provision previously recognized for an amount of 23.926 million euros.

NOTES TO THE BALANCE SHEET

NOTE 8 BORROWINGS

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
3.75% 2002-2005 bonds exchangeable for Valeo shares, including accrued interest	-	-	377,922
2.00% 2003-2009 bonds exchangeable for Capgemini shares, including accrued interest	282,017	282,017	282,017
5.00% 2004-2011 bonds, including accrued interest	626,219	626,219	626,229
4.875% 2004-2014 bonds, including accrued interest	403,099	403,099	403,099
4.375% 2005-2017 bonds, including accrued interest	305,214	305,214	-
4.875% 2006-2016 bonds, including accrued interest	411,753	-	-
	2,028,302	1,616,549	1,689,267
Borrowings connected with investments			
Sofiservice	112,203	109,960	107,991
Solfur	12,157	5,327	7,974
Compagnie Financière de la Trinité	17,625	16,590	18,923
Simfor	1,597	1,559	1,469
Trief Corporation	110,029	141,784	105,285
Winvest 1	91,198	79,073	78,035
Sofu Participations	-	149,286	219,927
Poincaré Investissements	-	-	1,596
SAS du Pont Neuf	-	-	1,066
SAS de l'Ancienne Mairie	-	-	1,066
Ofilux Finance	-	5,320	5,664
Winvest 6	9,098	8,971	-
Winvest 3	19,710	19,372	-
Poincaré Participations	-	2,193	-
Froeggen	92,561	81,625	-
Other	232	229	165
	466,410	621,289	549,161
Other borrowings	95	26	93
TOTAL	2,494,807	2,237,864	2,238,521
<i>Of which: due within 1 year</i>	<i>356,476</i>	<i>621,315</i>	<i>918,860</i>
<i>due in 1 to 5 years</i>	<i>879,020</i>	<i>279,020</i>	<i>279,020</i>
<i>due beyond 5 years</i>	<i>1,210,000</i>	<i>1,300,000</i>	<i>1,000,000</i>
<i>accruals</i>	<i>49,311</i>	<i>37,529</i>	<i>40,641</i>

NOTE 9 OTHER CREDITORS

En milliers d'euros	12.31.2006	12.31.2005	12.31.2004
Trade creditors	1,860	3,982	8,691
Tax and employee-related creditors ⁽¹⁾	6,239	10,391	11,049
Other ⁽²⁾	39,740	21,173	5,388
TOTAL	47,839	35,546	25,128
<i>Of which related companies</i>	<i>328</i>	<i>3,104</i>	<i>3,769</i>

(1) Including in 2006, 2.529 million euros of exceptional tax of 2.5% on special reserves for long-term capital gains and 5.058 million euros in 2004 and 2005.

(2) Including in 2006, 18.579 million euros in respect of premiums received on options on shares, compared to 15.539 million euros in 2005.

NOTES TO THE BALANCE SHEET

NOTE 10
TREASURY INSTRUMENTS

EQUITY DERIVATIVES

Bonds exchangeable for Capgemini shares

In 2003 and 2004, Wendel Investissement put in place a hedge of the bonds exchangeable for 7,000,000 Capgemini shares issued in 2003 by the purchase of Capgemini calls with the same maturity and the same exercise price as the bond. This hedge converts the exchangeable bond into a standard bond for the hedged portion. Premiums paid on the purchase of these calls represent an additional financial expense that is being amortized on a straight-line basis over the term of the bonds. These premiums are recognized under "Treasury instruments".

Position at 12.31.2006	Number of options	Exercise price	Maturity
Purchase of Capgemini calls	6,939,658	39.86	June 2009

INTEREST RATES DERIVATIVES

Position at 12.31.2006	Nominal	Maturity
WENDEL Investissement receives 3.885% and pays 7 year CMS (floor of 3.43% and cap of 3.85%)	400,000	02/2011
WENDEL Investissement receives 4.055% and pays 3-month Euribor (floor of 3.42% and ceiling of 4.02%)	100,000	02/2011
WENDEL Investissement receives 3.494% and pays 12-month Euribor + 0.93% Between 1.70% and 2.60%, 3.40% if 12-month Euribor \leq -1.70% and 3.53% If 12-month Euribor \rightarrow 2.60%	300,000	08/2017

CURRENCY DERIVATIVES

At 12.31.2006 the USD futures showed an unrealised capital gain of 6.044 million euros. Forward USD sale contracts maturing in the year resulted in the recognition of a foreign exchange profit of 11.316 million euros.

Position at 12.31.2006	Nominal amount	Exchange parity	Maturity
Forward sales of USD for EUROS	59.0 MUSD	1.1805	jan-2007
Forward sales of USD for EUROS (WENDEL Investissement pays USD)	617,8 MUSD 676,8 MUSD	1.3181	jan-2007

NOTE 11
OFF-BALANCE SHEET COMMITMENTS

In thousands of euros	12.31.2006	12.31.2005	12.31.2004
Other commitments given			
Pledges, mortgages and collateral	4,919	-	215,861
Of which:			
• Valeo shares placed in escrow relating to bonds exchangeable for Valeo shares	-	-	215,861
Other commitments given	62,161	37,157	36,633
Of which:			
• commitments to buy back Wheelabrator Allevard shares	-	-	1,882
• commitments to buy back Bureau Veritas shares ⁽¹⁾	62,161	37,157	34,751

(1) The company has undertaken to maintain or help maintain a liquid market for the Bureau Veritas shares issued and/or to be issued on the exercise of stock options granted to certain employees of these companies. Commitments given are based on the number of shares that could need to be repurchased by Wendel Investissement, valued on the basis of the last known repurchase price at the balance sheet date.

NOTES TO THE INCOME STATEMENT

NOTE 12

INCOME FROM INVESTMENTS IN SUBSIDIARIES AND AFFILIATES AND FROM LONG-TERM EQUITY INVESTMENTS

In thousands of euros	2006	2005	2004
Dividends from:			
Oranje-Nassau	102,500	40,000	766,761
Wheelabrator Allevar	-	43,091	6,086
Solfur	3,000	2,750	2,275
Valeo	871	9,005	8,595
Trader Classified Media	-	-	4,318
bioMérieux	164	194	10,336
Compagnie Financière de la Trinité	-	2,445	809
Sofu	-	-	967
Winbond	-	-	7,524
Poincaré Investissements	-	-	6,165
Poincaré Participations	149,341	-	-
Winvest 1	2,761	-	-
Other	7	6	10
TOTAL	258,644	97,491	813,846
<i>Of which interim dividends:</i>			
<i>Sofu</i>	-	-	967
<i>Poincaré Investissements</i>	-	-	6,165
<i>Oranje-Nassau</i>	25,000	-	-

NOTES TO THE INCOME STATEMENT

NOTE 13 OTHER FINANCIAL INCOME AND EXPENSES

In thousands of euros	2006	2005	2004
Income			
Income from non-current asset loans and advances	1	2,831	8,706
Income from invested cash	72,954	12,037	25,018
Provisions written back	930	546	1,550
TOTAL	73,885	15,414	35,274
<i>Of which related companies</i>	<i>13,938</i>	<i>3,713</i>	<i>8,910</i>
Expenses			
Interest on bonds	89,105	73,167	58,652
Other interest and similar expenses	34,179	55,210	25,673
Allowances to provisions	929	596	2,071
TOTAL	124,213	128,973	86,396
<i>Of which related companies</i>	<i>9,274</i>	<i>14,151</i>	<i>11,983</i>

NOTE 14 OPERATING INCOME

In thousands of euros	2006	2005	2004
Property rental	162	180	219
Services invoiced to subsidiaries	22,944	4,669	7,387
Other income	3,362	31	27
Provisions written back	-	23,926	-
TOTAL	26,468	28,806	7,633
<i>Of which related companies</i>	<i>26,241</i>	<i>4,641</i>	<i>7,365</i>

NOTE 15 COMPENSATION AND STAFF NUMBERS

The Company paid compensation of 2.027 million euros to its corporate officers in respect of the 2006 fiscal year.

Director's fees paid to Board members totaled 371,000 euros in respect of 2006, 426,000 euros in respect of 2005 and 390,000 euros in respect of 2004.

Average staff numbers	2006	2005	2004
Management	26	22	19
Non-management	25	25	26
TOTAL	51	47	45

NOTES TO THE INCOME STATEMENT

NOTE 16 EXCEPTIONAL ITEMS FOR 2006

	Exceptional income			Exceptional expenses			Total for 2006
	Operating transactions	Capital gains on disposals	Provisions written back	Operating transactions	Capital- losses on disposals	Provisions	
Property, plant & equipment							
Land	-	125	-	-	98	-	27
Non-current financial assets							
Capgemini shares	-	-	-	-	1,274	-	- 1,274
Valeo shares	-	3,444	-	-	-	-	3,444
bioMérieux shares	-	2,247	-	-	-	-	2,247
Sofiservice shares	-	-	1,871	-	-	-	1,871
Other exceptional transactions							
related to tax consolidation	-	-	252	-	-	1,884	- 1,632
related to Capgemini	330	-	1,568	623	-	-	1,275
related to Valeo	1,544	-	-	-	-	216	1,328
Other	2,100	-	-	1,333	-	-	767
TOTAL	3,974	5,816	3,691	1,956	1,372	2,100	8,053

NOTE 17 INCOME TAXES - 2006

Income taxes broke down as follows:

Taxable bases at a rate of:	33,33 %	15,00 %	8 %
On 2006 income before exceptional items	- 28,772	-	-
On 2006 exceptional items	7,325	582	1,871
	- 21,447	582	1,871
Addbacks/deductions eliminated on tax consolidation	46,118	-	- 16,322
	24,671	582	- 14,451
Allocation of tax losses carried forward	- 24,671	-	-
Taxable bases of the tax group	-	582	- 14,451
Corresponding tax	-	87	-
+ contributions 3.3 %	-	-	-
- Deduction in respect of tax credits	-	- 87	-
- Impact of tax consolidation	- 46,532	-	-
INCOME TAXES RECOGNIZED IN THE INCOME STATEMENT	- 46,532	-	-

NOTES TO THE INCOME STATEMENT

The company has opted for tax group status, as provided for in Articles 223 A to U of the French Tax Code. According to the tax consolidation agreements between Wendel Investissement and the other companies in the tax group, each company contributes to the tax of the Group by payment to Wendel Investissement the amount it would have paid had it been taxed on a stand-alone basis (i.e., without tax consolidation). This leads to a difference for Wendel Investissement between current tax payable and the tax that would have been due in the absence of tax consolidation. At December 31, 2006, this temporary reduction in current tax amounted to 5.186 million euros and gave rise to the recognition of a provision for liabilities and charges (see note 7).

In 2006, the other members of the Wendel Investissement tax group were: Compagnie Financière de la Trinité, Simfor, Sofu Participations, Sofiservice, Cobra, Solfur, Sofe, Lormétal, Winbond, Winvest1, Winvest3, Winvest5, Winvest6, Winvest8, Winvest9, Winvest10, Poincaré Participations, Editis (including certain of its French subsidiaries) and Bureau Veritas (including certain of its French subsidiaries).

NOTE 18 EVENTS SUBSEQUENT TO CLOSING

WENDEL INVESTISSEMENT

On March 21, 2007 Wendel Investissement carried out a 400 million euro bond issue with a maturity date of September 21, 2015 and a coupon rate of 4.875%.

Based on a proposal from the Executive Board, approved by the Supervisory Board, shareholders will be asked, at their Annual Meeting, to approve a net dividend of 1.70 euros per share plus an additional net dividend of 0.30 euros per share.

SECURITIES PORTFOLIO

AT DECEMBER 31, 2006

INVESTMENTS	Number of shares owned	% interest	Net book value (in thousands of euros)
Subsidiaries (over 50%-owned)			
French			
Sofiservice	3,248,493	100.00 %	102,133
Solfur	124,994	100.00 %	14,982
Compagnie Financière de la Trinité	2,021,154	100.00 %	15,607
Winvest 1	5,635,696	100.00 %	180,350
Winbond	376,189,599	100.00 %	376,190
Winvest 6	275,285	100.00 %	8,809
Odyssée Holding	12,217,957	100.00 %	97,744
Bureau Veritas	5,539,075	51.09 %	777,659
Winvest 3	597,815	100.00 %	19,130
Winvest 7	450	56.20 %	8,980
Poincaré Participations	2,491,501	100.00 %	726,863
Non-French			
Oranje-Nassau	1,943,117	100.00 %	238,320
Trief Corporation	2,400	25.00 %	107,963
OTHER SUBSIDIARIES AND INVESTMENTS			
(whose net carrying value is below 100,000 euros)			
French equities	-	-	1,185
LONG-TERM PORTFOLIO INVESTMENTS			
bioMérieux	215,659	0.54 %	6,897
Valeo	392,072	0.51 %	11,680
TOTAL			2,694,492
OTHER LONG-TERM INVESTMENTS			
Safet Embamet	1,972	5.62 %	271
Other French equities	-	-	33
TOTAL			304

FIVE-YEAR FINANCIAL SUMMARY

In thousands of euros	2001/2002	2003	2004	2005	2006
1. CAPITAL AT YEAR END					
Share capital ⁽¹⁾	223,727	223,928	224,732	218,854	222,029
Number of ordinary shares in issue	55,931,687	55,981,916	56,183,048	54,713,540	55,507,161
Maximum number of shares that could be issued:					
• through the exercise of options	1,126,138	1,435,416	1,698,638	1,035,711	332,670
2. RESULTS ⁽¹⁾					
Revenues (excluding VAT)	3,164	2,774	7,633	4,880	26,468
Income from subsidiaries, affiliates and long-term investment portfolio	104,716	165,594	813,846	97,491	258,644
Income before tax, depreciation, amortization and provisions	261,884	- 200,144	654,097	56,928	211,663
Income taxes ⁽⁵⁾	- 15,849	- 6,230	- 3,501	- 32,242	- 46,532
Net income (loss) after tax	- 7,173	217,481	664,219	202,172	259,272
Dividends ⁽²⁾	94,761	58,781	64,610	109,427	111,014
• Of which interim dividends	38,829	-	-	-	-
3. BASIC EARNINGS PER SHARE (in euros)					
Profit after tax but before depreciation and provisions	4.97	- 3.46	11.70	1.63	4.65
Net income (loss) after tax	- 0.13	3.88	11.82	3.70	4.67
Net dividends	2.10	1.05	1.15	2.00 ⁽³⁾	2.00 ⁽⁴⁾
• Of which interim dividends	1.10	-	-	-	-
4. EMPLOYEE DATA					
Average number of employees	31	45	45	47	51
Total payroll ⁽¹⁾	5,736	4,586	5,738	5,588	8,107
Staff benefits paid during the year (social security, social works, etc.) ⁽¹⁾	2,269	2,520	3,215	2,854	3,247

(1) In thousands of euros.

(2) Including treasury shares.

(3) Ordinary dividend of 1.40 euros and exceptional dividend of 0.60 euros.

(4) Ordinary dividend of 1.70 euros and exceptional dividend of 0.30 euros.

(5) The negative amounts represent income for the Company.

SUBSIDIARIES AND AFFILIATES

DECEMBER 31, 2006

In thousands of euros	Share capital	Other share holders' equity (including net income / loss for the year)	% of share capital held	Gross carrying value of shares owned	Net carrying value of comptables shares owned	Guarantees and loans granted	2006 net sales	2006 net income (loss)	Dividends received during the period
DETAILED BREAKDOWN									
(of subsidiaries and investments whose net carrying value is greater than 1% of the share capital of Wendel Investissement).									
Subsidiaries									
French									
Sofiservice	90,958	11,176	100.00 %	135,088	102,133	-	-	1,871	-
Solfur	2,000	17,502	100.00 %	14,982	14,982	-	-	4,851	3,000
Compagnie Financière de la Trinité	15,159	3,417	100.00 %	15,607	15,607	-	-	989	-
Winvest 1	90,171	115,138	100.00 %	180,350	180,350	-	-	24,809	2,761
Winbond	376,190	- 216	100.00 %	376,190	376,190	-	-	- 219	-
Winvest 6	4,405	4,668	100.00 %	8,809	8,809	-	-	152	-
Odyssée Holding (Editis)	48,872	41,335	100.00 %	97,744	97,744	-	-	- 11,775	-
Bureau Veritas ⁽¹⁾	13,973	190,733	51.09 %	777,659	777,659	-	1,846,166	157,120	-
Winvest 3	9,565	10,058	100.00 %	19,130	19,130	-	-	322	-
Winvest 7	799	15,173	56.20 %	8,980	8,980	-	-	- 11	-
Poincaré Participations	37,995	218,326	100.00 %	726,863	726,863	-	-	137,040	149,341
Non-French									
Oranje-Nassau ⁽¹⁾	8,744	736,259	100.00 %	238,319	238,320	-	242,671	143,270	102,500
Trief Corporation	240,000	1,019,093	25.00 %	107,963	107,963	-	-	347,092	-
Investments									
				-	-	-	-	-	-
Long-term portfolio investments									
bioMérieux ⁽¹⁾	11,836	546,164	0.54 %	6,897	6,897	-	1,037,000	105,000	164
Valeo ⁽¹⁾	232,742	1,481,258	0.51 %	11,680	11,680	-	9,970,000	161,000	871
OVERALL SUMMARY									
French subsidiaries				1,185	1,185				
Non-French subsidiaries				-	-				
French investments				-	-				
Non-French investments				-	-				

(1) Consolidated figures.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report, together with the Statutory Auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment you entrusted to us at your Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2006, on:

- the audit of the accompanying financial statements of Wendel Investissement;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements, based on our audit.

I – Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating their overall presentation. We believe that our audit provides a reasonable basis for our opinion set out hereafter.

In our opinion, the annual financial statements give a true and fair view of the Company's financial position and its assets and liabilities at December 31, 2006, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II – Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

The accounting rules and methods applied by the company are set out in the notes to the financial statements, particularly as regards investments in subsidiaries and affiliates. As part of our assessment of the accounting rules and methods, we verified that the accounting methods mentioned above were appropriate and correctly applied, and obtained assurance that the resulting estimates were reasonable.

These assessments were made in the context of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III – Verifications and specific information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding:

- the fair presentation and conformity with the financial statements of the information given in the management report of the Executive Board, and in the documents addressed to shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information in the management report regarding compensation and benefits granted to certain executive and the commitments given to them when they are appointed or retire, or change post.

In accordance with the law, we obtained assurance that the management report contains the appropriate disclosures regarding the acquisition of investments and controlling interests, and the identity of shareholders.

Neuilly-sur-Seine and Paris-La Défense, April 30, 2007

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
François Carrega

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STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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.

Year ended December 31, 2006

To the shareholders,

In our capacity as Statutory Auditors of WENDEL Investissement, we hereby report to you on regulated agreements and commitments with third parties.

Pursuant to Article L. 225-88 of the French Commercial Code (Code de commerce), we were informed of the agreements and commitments which were approved by your Supervisory Board.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, on the main terms and conditions of agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of Article R. 225-58 of the French Commercial Code, it is your responsibility to determine whether the agreements and commitments are appropriate and should be approved.

We carried out our work in accordance with professional guidelines applicable in France. These guidelines require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents from which it was taken.

1. With Trief Corporation

Person concerned: Jean-Marc Janodet

a. Nature, purpose and terms

In the context of the acquisition of the Materis group, your Company entered into a service agreement with Trief Corporation on February 9, 2006 providing for an annual flat fee (excl. VAT) of 12,500,000 euros.

This agreement was authorized by the Supervisory Board on February 1, 2006.

b. Nature, purpose and terms

In the context of the acquisition of the Stahl group, your Company entered into a service agreement with Trief Corporation on June 1, 2006 providing for an annual flat fee (excl. VAT) of 4,500,000 euros.

This agreement was authorized by the Supervisory Board on May 29, 2006.

2. With Editis Holding

Person concerned: Ernest-Antoine Seillière

Nature, purpose and terms

Your Company entered into a service agreement with Editis Holding on December 29, 2006 providing for an annual flat fee (excl. VAT) of 1,000,000 euros.

This agreement was authorized by the Supervisory Board on December 6, 2006.

3. With Compagnie de l'Audon ("CDA")

Persons concerned: Ernest-Antoine Seillière, Jean-Bernard Lafonta and Bernard Gautier

Nature, purpose and terms

On April 3, 2007, WENDEL Investissement sold to CDA, a company held by Wendel's management team and the above-mentioned persons, 125,000 shares of Solfur, representing 100% of its share capital, for 79 million euros, a price determined by an independent expert appointed by WENDEL Investissement's Audit Committee. For information purposes, Solfur holds 13.5% of the capital of Wendel-Participations, a holding company controlled by the family holding company SLPS, which in turn holds 18.9 million WENDEL Investissement shares, representing 34% of the capital.

Separately, in October 2004, in the context of management's participation in creating value for the Group, Solfur sold call options for 4 million euros enabling CDA to acquire all Wendel-Participations shares held by Solfur no later than 2010.

These transactions are part of the simplification of the Wendel group's control structures, as described in the management report.

This agreement was authorized by the Supervisory Board on January 29, 2007.

4. With the Executive Board and the Chairman of the Supervisory Board of WENDEL Investissement

Persons concerned: Ernest-Antoine Seillière, Jean-Bernard Lafonta and Bernard Gautier

Nature, purpose and terms

In the context of the plan to have Wendel's management team participate in creating value for the Group, the Supervisory Board, in its meetings of December 6, 2006 and April 26, 2007, authorized the Executive Board to implement co-investment systems according to certain general principles applicable to all new transactions under which the Group assumes an economic risk on any listed or unlisted company.

The co-investment principles consist in asking the managers to invest alongside the Group, so that their personal assets are subject to the risks and rewards of these investments.

These general principles are as follows:

- (i) The individuals in question will invest alongside the Company and at the Company's request. The co-investments will total 0.5% of the amount of Wendel's investment;
- (ii) The individuals in question will finance their co-investment on their own; and
- (iii) 10% of the capital gain will accrue to the co-investments, provided that Wendel has obtained a minimum return of 7% p.a. and 40% of its investment. Otherwise, the management team will lose the amounts they have invested;
- (iv) Rights to co-investment benefits will vest in tranches of 20% p.a. (20% at the investment date, then 20% at each anniversary date);
- (v) The capital gain will be recognized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

The specific terms of each co-investment are to be defined later, after the Governance Committee has issued its opinion and the Supervisory Board has authorized the transaction.

Pursuant to the above authorization, after approval by the Supervisory Board on December 6, 2006, the management team, the Executive Board and the Chairman of the Supervisory Board invested in a new subsidiary, Winvest International, created as a venture capital investment Company. The acquisitions carried out in 2006 (Materis, Deutsch, Stahl and AVR) have been housed in Winvest International.

Furthermore, pursuant to the French Commercial Code, we have been informed that the following agreements and commitments entered into in prior years, remained in force during the year.

1. With Bureau Veritas

Nature, purpose and terms

After WENDEL Investissement became a shareholder of Bureau Veritas, it undertook to provide Bureau Veritas with various advisory and assistance services, particularly in the areas of accounting, management control, taxation, finance, law, administration, human resources and communications.

The amount invoiced to Bureau Veritas in respect of services rendered during the year totaled 2,000,000 euros.

2. With Société Lorraine de Participations Sidérurgiques (SLPS)

Nature, purpose and terms

On September 2, 2003, your Company entered into the following agreements with SLPS:

- a service agreement in respect of administrative assistance for 15,000 euros p.a., excluding VAT;
- a commitment to rent office space for an annual amount of 11,938 euros, excluding VAT but including rental charges.

3. With Stallergènes

Nature, purpose and terms

Your Company entered into an agreement with Stallergènes concerning administrative and tax services for Stallergènes. On March 5, 2003, the agreement was amended by an addendum bringing the fees to 80,000 euros p.a., excluding VAT.

4. With Wendel-Participations

Nature, purpose and terms

On September 2, 2003, your Company entered into an agreement with Wendel-Participations involving a commitment to rent office space for an annual amount of 19,360 euros excluding VAT but including rental charges.

5. With Société Lorraine de Participations Sidérurgiques (SLPS) and Wendel-Participations

Nature and purpose

On May 15, 2002, your Company entered into two agreements with SLPS and Wendel-Participations, which authorize your Company to use the family name "Wendel" as its corporate and commercial name. The agreements also grant an exclusive license to the Company to use the brand "WENDEL Investissement".

Terms and conditions

These agreements were entered into at no consideration and for an indefinite period, with the stipulation that they may be revoked if the direct or indirect interest of the family holding companies in the capital of your Company is less than 33.34% for 120 consecutive days. Should this right of revocation not be exercised immediately following such time as the minimum holding condition is not met, the right to use the name and the exclusive license to use the brand shall become definitive and irrevocable.

Paris-La Défense and Neuilly-sur-Seine, May 16, 2007

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
François Carrega

STATUTORY AUDITORS' SPECIAL REPORT ON THE ISSUANCE OF SHARES AND/OR SECURITIES WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

(11th, 12th, 13th and 14th resolutions presented at the June 4, 2007 Shareholders' Meeting)

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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,

In our capacity as Statutory Auditors of WENDEL Investissement and in accordance with Articles L. 225-135 and L. 228-92 of the French Commercial Code (Code de Commerce), we hereby report to you and ask you to approve the proposed issuance of shares and/or securities, with or without preferential subscription rights, granting access at any time or at specific dates to the capital of your Company.

Your Executive Board proposes, based on its report, that you grant it authority for a period of 26 months, to approve these transactions and set the terms and conditions thereof. It is also asking you, in the 12th and 13th resolutions, to waive your preferential subscription rights to the shares and/or securities issued.

We performed our procedures in accordance with professional guidelines applicable in France. These guidelines require us to perform procedures to assess the methods used for determining the issue price.

Subject to a subsequent review of the terms and conditions of these issues, we have no observations regarding the methods used for determining the issue price of the shares and/or securities as set forth in the Executive Board's report on the 12th and 13th resolutions.

As this report does not specify the methods for determining the issue price of shares and/or securities to be issued under the 11th and 14th resolutions, we are unable to express an opinion on the elements chosen to determine the issue price.

As the issue price of new shares is yet to be determined, we do not express an opinion on the final terms and conditions under which these issues will be conducted, nor, in consequence, on the proposed waiver of preferential subscription rights proposed to you in the 12th and 13th resolutions.

Pursuant to Article R. 225-116 of the French Commercial Code, we will issue an additional report whenever your Executive Board uses the authorizations to issue shares and/or securities without preferential subscription rights and to issue shares and/or securities granting access to capital.

Paris-La Défense and Neuilly-sur-Seine, April 30, 2007

ERNST & YOUNG Audit
François Carrega

PricewaterhouseCoopers Audit
Olivier Thibault

STATUTORY AUDITORS' SPECIAL REPORT

ON THE REDUCTION IN CAPITAL VIA THE CANCELLATION OF REPURCHASED SHARES

(16th resolution presented at the June 4, 2007 Shareholders' Meeting)

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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,

In our capacity as Statutory Auditors of WENDEL Investissement and in accordance with Article L. 225-209 (7) of the French Commercial Code (Code de Commerce) pertaining to reductions in capital through the cancellation of repurchased shares, we hereby report on our assessment of the reasons for and the terms and conditions of the proposed reduction in capital.

We performed our procedures in accordance with professional guidelines applicable in France. These guidelines require us to perform procedures aimed at determining whether the reasons for and terms and conditions of the reduction in capital are fair.

This transaction falls within the scope of the repurchase by your Company of up to 10% of its own shares, pursuant to Article L. 225-209 of the French Commercial Code. This repurchase authorization will be submitted for your approval at your Annual Shareholders' Meeting and is to be given for a period of 18 months.

Your Executive Board asks you to grant it full powers, as part of the implementation of your Company's authorization to repurchase its own shares, for a period of 26 months, to cancel the shares acquired, within the limit of 10% of the Company's capital in any 24-month period.

We have no observations regarding the reasons for or terms of the proposed capital reduction, the implementation of which is contingent on your prior approval of your Company's repurchase of its own shares.

Paris-La Défense and Neuilly-sur-Seine, April 30, 2007

ERNST & YOUNG Audit
François Carrega

PricewaterhouseCoopers Audit
Olivier Thibault

STATUTORY AUDITORS' REPORT

ON THE CAPITAL INCREASE OR ISSUANCE OF SHARES AND/OR SECURITIES GRANTING ACCESS TO CAPITAL RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN

(17th resolution presented at the June 4, 2007 Shareholders' Meeting)

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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,

In our capacity as Statutory Auditors of WENDEL Investissement and in accordance with Articles L. 225-135 et seq. of the French Commercial Code (Code de Commerce), we hereby report to you and ask you to approve the proposal to authorize the Executive Board to increase the share capital by issuing shares and/or other securities granting access to the capital without preferential subscription rights, for a maximum amount of 300,000 euros and reserved for members of one or more Company savings plans.

This capital increase is submitted for your approval pursuant to Article L. 225-129-6 of the French Commercial Code and Article L. 443-5 of the French Labor Code.

Your Executive Board proposes, based on its report, that you grant it authority for a period of 26 months, to carry out one or several capital increases and to waive your preferential subscription rights to the shares and/or securities to be issued. Where appropriate, the Executive Board will set the final terms and conditions of the capital increase.

It is for the Executive Board to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our responsibility to issue an opinion on the true and fair nature of the quantitative information taken from the financial statements, on the proposal to waive preferential subscription rights and on certain other information concerning the issue, as set forth in the report.

We performed our procedures in accordance with professional guidelines applicable in France. These guidelines require that we perform procedures to assess the content of the Executive Board's report in respect of this operation and the terms and conditions for determining the issue price of the securities to be issued.

Subject to a subsequent review of the terms and conditions of the capital increases that the Board may decide, we have no observations regarding the methods used for determining the issue price of the shares and/or securities to be issued, as set forth in the Executive Board's report.

As the issue price is yet to be determined, we do not express an opinion on the final terms and conditions under which these issues will be conducted nor, in consequence, on the proposed waiver of preferential subscription rights.

If this resolution is approved, and pursuant to Article R. 225-116 of the French Commercial Code, we will prepare an additional report, where applicable, each time this authorization is used by your Executive Board.

Paris-La Défense and Neuilly-sur-Seine, April 30, 2007

ERNST & YOUNG Audit
François Carrega

PricewaterhouseCoopers Audit
Olivier Thibault

STATUTORY AUDITORS' REPORT

ON THE GRANTING OF SHARE SUBSCRIPTION OR PURCHASE OPTIONS TO EMPLOYEES AND CORPORATE OFFICERS OF WENDEL INVESTISSEMENT AND COMPANIES AND ECONOMIC INTEREST GROUPINGS RELATED TO WENDEL INVESTISSEMENT

(18th resolution presented at the June 4, 2007 Shareholders' Meeting)

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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,

In our capacity as Statutory Auditors of WENDEL Investissement and in accordance with Articles L. 225-177 and R. 225-114 of the French Commercial Code (Code de Commerce), we report to you on the granting of share subscription or purchase options to employees and corporate officers of WENDEL Investissement and companies and economic interest groupings related to WENDEL Investissement, within the meaning of Article L. 225-180 of the French Commercial Code.

It is for the Executive Board to prepare a report on the reasons for granting share subscription or purchase options and on the proposed terms and conditions for setting the subscription or purchase price. It is our responsibility to report to you our observations on the proposed terms and conditions for setting the subscription or purchase price.

We performed our procedures in accordance with professional guidelines applicable in France. These guidelines require that we perform procedures to verify that the proposed terms and conditions for setting the subscription or purchase price are disclosed in the Executive Board's report, that they comply with legal requirements with regard to shareholder information, and that they do not appear manifestly inappropriate.

We have no matters to report regarding the proposed methods.

Paris-La Défense and Neuilly-sur-Seine, April 30, 2007

ERNST & YOUNG Audit
François Carrega

PricewaterhouseCoopers Audit
Olivier Thibault

STATUTORY AUDITORS' SPECIAL REPORT ON THE ALLOCATION OF NEW OR EXISTING SHARES FREE OF CONSIDERATION TO EMPLOYEES AND/OR CORPORATE OFFICERS OF WENDEL INVESTISSEMENT AND COMPANIES AND ECONOMIC INTEREST GROUPINGS RELATED TO WENDEL INVESTISSEMENT

(19th resolution presented at the June 4, 2007 Shareholders' Meeting)

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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,

In our capacity as Statutory Auditors of WENDEL Investissement and in accordance with Article L. 225-197-1 of the French Commercial Code (Code de Commerce), we report to you on the proposal to allocate new or existing shares free of consideration to employees and/or corporate officers of WENDEL Investissement and of companies and economic interest groupings related to WENDEL Investissement within the meaning of Article L. 225-197-2 of the French Commercial Code.

Your Executive Board asks that you authorize it to allocate new or existing shares free of consideration. It is for the Board to draw up a report on the proposed operation. It is our responsibility to report to you, where applicable, our observations on the information thus provided to you on the proposed operation.

In the absence of any specific professional guidelines applicable to such an operation, permitted under legislative provisions of December 30, 2004 and December 30, 2006, we performed the procedures that we deemed necessary. These procedures consisted in verifying that the proposed terms and conditions described in the Executive Board report are consistent with the provisions of the law.

We have no observations regarding the information contained in the Executive Board's report on the proposed allocation of shares free of consideration.

Paris-La Défense and Neuilly-sur-Seine, April 30, 2007

ERNST & YOUNG Audit
François Carrega

PricewaterhouseCoopers Audit
Olivier Thibault

REPORT OF THE SUPERVISORY BOARD TO THE SHAREHOLDERS' MEETING

To the shareholders,

In 2006 your Company was strengthened in France and internationally with the acquisition of three new subsidiaries: Materis, Deutsch and Stahl. Companies of the Group, such as Bureau Veritas, Legrand and Editis, have also increased their market shares through the completion of major acquisitions.

The growth in net income has been very gratifying. Net income from business sectors, reflecting the economic development of the Group, was up by 23% to 363 million euros. The net asset value, which records value creation, has grown by 35% and was 117 euros per share in March 2007.

These operations were skillfully executed throughout the fiscal year by the Executive Board with the full support of the Supervisory Board. In the section of the report on corporate governance you will find a detailed description of the work of the Board and its committees as well as the ethics and transparency rules that have been put in place or strengthened.

In our meeting of March 28, 2007, we reviewed the financial statements and reports the Executive Board is to present to you at the Annual Shareholders' Meeting, and we have no observations to make about them.

We endorse the resolutions submitted to you and recommend them for your approval. In particular, we are pleased to submit for your approval the renewal of the appointments of Didier Cherpitel and Guy de Wouters, whose terms expire this year.

In addition, we recommend you approve the transactions to simplify the share ownership structure. These transactions should increase liquidity, eliminate the ownership loop and be accretive for all shareholders. We also recommend you approve the proposal to declare an ordinary dividend of 1.7 euros plus an additional dividend of 0.3 euros per share. Finally, we endorse the proposal to simplify the name of the Company from "WENDEL Investissement" to "Wendel".

REPORT OF THE EXECUTIVE BOARD ON THE RESOLUTIONS SUBMITTED TO THE SHAREHOLDERS' MEETING

The purpose of this report is to explain to shareholders the text and the reasons for the resolutions proposed to them.

ORDINARY GENERAL MEETING

I. 2006 FINANCIAL STATEMENTS, ALLOCATION OF INCOME AND RELATED-PARTY AGREEMENTS

The purpose of the **first resolution** is to approve the parent-Company financial statements of WENDEL Investissement for the period from January 1, 2006 to December 31, 2006. These financial statements show net income of 259 million euros.

The purpose of the **second resolution** is to approve the transactions and consolidated financial statements of WENDEL Investissement for the period from January 1, 2006, to December 31, 2006. These financial statements show the Group share of net income as 365 million euros.

The **third resolution** proposes to allocate 2006 net income and retained earnings, which together comprise a total of 1,009 million euros, available for distribution by the shareholders in General Meeting.

The proposed allocation is as follows:

- 94.4 million euros to be distributed to shareholders in the form of a dividend of 1.70 euros per share;
- 16.6 million euros to be distributed to shareholders in the form of an additional dividend of 0.30 euros per share;
- 400 million euros to be allocated to "Other reserves";
- 498 million euros to be allocated to "Retained earnings";

The total dividend of 2 euros per share will be payable from June 6, 2007, the ex-dividend date.

It is specified that the dividend payable on treasury shares at the ex-dividend date will be allocated to the retained earnings account. Similarly, the dividend to be paid on shares issued as a result of options exercised after December 31, 2006 shall be appropriated from the retained earnings account.

Shareholders are reminded that, in keeping with new legislation, this dividend of 2.00 euros per share is no longer accompanied by a tax credit, but is eligible for a 40% tax allowance for individuals resident in France for tax purposes.

The **fourth resolution** concerns related-party agreements mentioned in articles L.225-38 and L.225-86 of the Commercial Code and which is the subject of a special report of the Statutory Auditors. This special report appears on pages 166-67 of this Reference Document. Pursuant to law, the Executive Board recommends that you approve the transactions or agreements detailed in this report.

II. SUPERVISORY BOARD: RENEWAL OF THE TERMS OF MEMBERS OF THE SUPERVISORY BOARD

The **fifth resolution** proposes to renew the appointment as a member of the Supervisory Board of Mr. Didier Cherpitel for a four-year term that will expire at the end of the Ordinary General Meeting of shareholders called in 2011 to approve the financial statements for the fiscal year ending December 31, 2010.

The **sixth resolution** proposes to renew the appointment as a member of the Supervisory Board of Mr. Guy de Wouters for a four-year term that will expire at the end of the Ordinary General Meeting of shareholders called in 2011 to approve the financial statements for the fiscal year ending December 31, 2010.

III. STATUTORY AUDITORS: RENEWAL OF THEIR APPOINTMENT

The **seventh resolution** proposes to renew the appointment of the firm Ernst & Young Audit as Statutory Auditors for a six-year term that will expire at the end of the Ordinary General Meeting of shareholders called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

The **eighth resolution** proposes to renew the appointment of the firm PricewaterhouseCoopers as Statutory Auditor for a six-year term that will expire at the end of the Ordinary General Meeting of shareholders called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

The **ninth resolution** proposes to renew the appointment of the firm Auditex as alternate Statutory Auditor for a six-year term that will expire at the end of the Ordinary General Meeting of shareholders called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

IV RENEWAL OF THE SHARE BUYBACK PROGRAM

The **tenth resolution** is intended to renew the authorization to buy back shares given by shareholders at the combined Ordinary and Extraordinary General Meeting of shareholders on May 29, 2006.

The purpose of this resolution is to authorize the Company to acquire its own shares within the legal limit of 10% of the number of shares comprising the share capital (i.e. 5,551,219 shares as of March 31, 2007), with a maximum purchase price set at 250 euros, corresponding to a total maximum share buyback amount of 1,387,804,750 euros. This authorization would be given for eighteen months.

EXTRAORDINARY GENERAL MEETING

V. RENEWAL OF FINANCIAL AUTHORIZATIONS

INCREASE OF CAPITAL WITHIN THE OVERALL LIMIT

The purpose of the **eleventh, twelfth, thirteenth, fourteenth and fifteenth resolutions** is to renew the expiring authorizations given by shareholders in the General Meeting of shareholders on May 31, 2005. Their purpose is to delegate to the Executive Board, with prior approval of the Supervisory Board, the power to increase capital within the overall limit set in the eleventh resolution. These authorizations, granted for a term of twenty-six months, would render null and void any unused authorizations for the same purpose that are still outstanding at the date of the resolution.

The purpose of these authorizations is to ensure the Company has some flexibility and the ability to act quickly by allowing, if needed or if the opportunity arises, the Executive Board, with the prior approval of the Supervisory Board, to undertake immediate or deferred capital increases through issues of any type of security authorized by law (shares, convertible bonds, OCEANE issues, etc.) without having to convene a General Meeting of shareholders.

The purpose of the **eleventh resolution** is to delegate to the Executive Board the power to issue shares or securities granting access to the capital, with preferential subscription rights, within an overall par value limit of 500 million euros for the capital increases.

This resolution also sets an overall limit of authorizations to issue shares provided for by the eleventh, twelfth, thirteenth, fourteenth, fifteenth, seventeenth, eighteenth and nineteenth resolutions at a total par value of 2 billion euros.

The purpose of the **twelfth resolution** is to delegate to the Executive Board the power to issue shares or securities granting access to the capital or providing entitlement to the allocation of debt securities, without preferential subscription rights, within an overall par value limit of 250 million euros for capital increases. This authorization also allows for payment of securities that would be tendered to the Company under a public offer. In accordance with legal and regulatory provisions, the issue price of shares issued or to be issued in connection with this authorization would be equal to at least the weighted average share price for the three trading days prior to the setting of the subscription price of the capital increase, reduced by a possible discount of 5%.

The purpose of the **thirteenth resolution** is to authorize the Executive Board to increase, in the thirty days following the closing date of the subscription and within a limit of 15% of the initial issue, the issue amounts decided upon in application of the eleventh and twelfth resolutions, on the assumption that these issues were oversubscribed by investors.

The purpose of the **fourteenth resolution** is to delegate to the Executive Board the power to issue shares or securities granting access to the capital, with a view to making payments in return for contributions in kind to the Company within a limit of 10% of the share capital.

The purpose of the **fifteenth resolution** is to delegate to the Executive Board the power to increase the capital of the Company by capitalization of reserves, retained earnings or share premiums within a limit of a par value amount of 2 billion euros. These capital increases would be brought about by the creation and allocation of free bonus shares, by an increase in the par value of existing shares or by the joint use of both these processes.

CANCELLATION OF SHARES

The purpose of the **sixteenth resolution** is to renew, for a period of twenty-six months, the authorization granted on May 29, 2006 to cancel all or part of the shares acquired by the Company by virtue of the authorizations given by shareholders at the Shareholders' Meetings of the Company in connection with share buyback programs within the limit of 10% of the share capital per twenty-four month period and to reduce the share capital correspondingly.

DEVELOPMENT OF EMPLOYEE SHARE OWNERSHIP

The purpose of the **seventeenth resolution** is to renew the delegation of power to the Executive Board to increase the Company's capital for the benefit of the Group's employees and corporate officers under the framework of a Group savings plan for a maximum par value amount of 300,000 euros, this amount being deducted from the overall limit provided by the eleventh resolution. In accordance with current legislation, the subscription price may not be higher than the average quoted share price in the twenty trading days prior to the date of the decision setting the opening date of the subscription, nor lower than this average reduced by a maximum discount of 20% authorized by law. This authorization would be valid for a period of twenty-six months.

ALLOCATION OF STOCK SUBSCRIPTION AND PURCHASE OPTIONS

The purpose of the **eighteenth resolution** is to authorize the Executive Board to grant share purchase or subscription options to employees and corporate officers of the Wendel group within a limit of 2,000,000 shares. The amount of any capital increase resulting from this authorization would be deducted from the overall limit provided for by the eleventh resolution. The subscription or purchase price would be set within the framework of the legal and regulatory provisions in force, without however being lower than the average of the opening prices quoted in the twenty trading days prior to the date of allocation. This authorization would be valid for a period of twenty-six months.

SHAREHOLDERS' MEETING

ALLOCATION OF FREE SHARES TO EMPLOYEES

The purpose of **the nineteenth resolution** is to authorize the Executive Board to grant free bonus shares to employees and corporate officers of the Wendel group. The total number of free bonus shares granted may not exceed 0.5% of the capital of the Company, it being understood that this number would be deducted from the overall limit set in the eighteenth resolution and in the case of shares to be issued, the par value amount of the increase in capital would be subject to the overall limit provided for in the eleventh resolution. The allocation of free bonus shares would only be fully vested at the end of a minimum two-year vesting period and beneficiaries would then be required to hold their shares for a further period of two years (holding period). This authorization would be valid for a period of twenty-six months.

VI. CHANGES TO THE BY-LAWS

The purpose of **the twentieth resolution** is to change the name of the Company from "WENDEL Investissement" to "Wendel".

The purpose of **the twenty-first resolution** is ensure that the provisions in the by-laws in relation to the participation of shareholders at General Meetings of shareholders comply with new regulatory requirements introduced by decree N° 2006-1566 of December 11, 2006 that restricts the period of unavailability of securities before a general meeting. It is now legally possible to participate at general meetings of shareholders through registration of shares in the nominal securities account maintained by the Company or by the authorized intermediary, up to midnight, Paris time, at the beginning of the third trading day prior to the general meeting of shareholders.

The purpose of **the twenty-second resolution** is to grant the necessary powers to accomplish any publication or legal formalities.

RESOLUTIONS OF THE SHAREHOLDERS' MEETING

RESOLUTIONS OF AN ORDINARY NATURE

FIRST RESOLUTION

APPROVAL OF THE 2006 PARENT COMPANY FINANCIAL STATEMENTS

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings,

- having heard the management report of the Executive Board on the activity and situation of the Company for the 2006 fiscal year, the observations of the Supervisory Board and the report of the Chairman of the Supervisory Board attached to the management report,

- after having heard the general report of the Statutory Auditors and the special report of the Statutory Auditors on the report of the Chairman,

hereby approves the financial statements for the fiscal year beginning on January 1, 2006 and ending on December 31, 2006, as presented by the Executive Board, giving rise to net income of 259,272,082.23 euros, as well as the transactions appearing in these statements or mentioned in these reports.

SECOND RESOLUTION

APPROVAL OF THE 2006 CONSOLIDATED FINANCIAL STATEMENTS

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings,

- having heard the report of the Executive Board on the activity and situation of the Group in the 2006 fiscal year and the observations of the Supervisory Board,

- after hearing the special report of the Statutory Auditors on the consolidated financial statements,

hereby approve the consolidated financial statements for the fiscal year beginning on 1 January 2006 and ending on December 31, 2006, as presented by the Executive Board, giving rise to a Group share of net income of 365,369,000 euros, as well as the transactions appearing in those statements or mentioned in these reports.

THIRD RESOLUTION

ALLOCATION OF NET INCOME, DETERMINATION AND PAYMENT OF DIVIDEND

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings, acting on the recommendation of the Executive Board approved by the Supervisory Board,

1. decide to allocate from 2006 net income,

totaling	259,272,082.23 €
increased by "Retained earnings" of	750,530,625.02 €
comprising distributable income of	1,009,802,707.25 €

as follows:

a) to shareholders,

(i) an amount of	94,362,173.70 €
representing a net dividend of 1.70 euros per share	

(ii) an amount of	16,652,148.30 €
representing an additional net dividend of 0.30 euros per share	

or a total amount of	111,014,322.00 €
representing a total net dividend of 2.00 euros per issued share at December 31, 2006	

b) to the "Other reserves" account,

an amount of	400,000,000.00 €
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c) with the balance allocated to the "Retained earnings"

account, an amount of	498,788,385.25 €
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2. decide that this net dividend of 2 euros per share shall be payable from June 6, 2007, the ex-dividend date;

3. decide that the dividend that cannot be paid in respect of the WENDEL Investissement treasury shares shall be allocated to the "Retained earnings" account and that the sums required to pay dividends on shares arising from stock options exercised before the dividend payment date shall be deducted from the "Retained earnings" account;

SHAREHOLDERS' MEETING

4. acknowledge the Executive Board's presentation of distributions allocated in the three previous fiscal years, together with the dividend that has been decided for the 2006 fiscal year, comprises the items in the following table:

Fiscal year	Number of ordinary shares issued	Net dividend per share	Tax credit per share ^(a)	Total earnings per share
2003	55,981,916	1.05	0.525	1.575 ^(b)
2004	56,183,048	1.15 ^(c)	-	-
2005	54,713,540	2.00 ^(d)	-	-
2006	55,507,161	2.00 ^(d)	-	-

(a) The tax credit rate is 50% of the net dividend (however, in the case where the beneficiary is a legal entity that does not benefit from the so-called "régime fiscal des sociétés mères" (parent Company tax system), the tax credit rate is 10%).

(b) The total amount of tax credits attached to a number of shares is calculated by multiplying the number of shares by 0.525, with this amount being rounded down to the next lower euro when the decimal amount is less than 0.50 euros and rounded up to the next higher euro when it is greater than or equal to 0.50 euros.

(c) Pursuant to article 243 bis of the French tax code (Code général des impôts), all of the proposed dividend is eligible for a 50% allowance for individuals resident in France for tax purposes as provided for in article 158-3 of the French tax code.

(d) Pursuant to article 243 bis of the French tax code (Code général des impôts) all of the proposed dividend is eligible for a 40% allowance benefiting individuals domiciled in France for tax purposes as provided for in article 158-3 2° of the French tax code.

FOURTH RESOLUTION

APPROVAL OF RELATED-PARTY AGREEMENTS

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings, after hearing the special report of the Statutory Auditors on the agreements mentioned in articles L.225-38 and following and L.225-86 and following of the Commercial Code, approve the agreements and transactions mentioned in this report.

FIFTH RESOLUTION

RENEWAL OF THE TERM OF A MEMBER OF THE SUPERVISORY BOARD

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings, hereby note that the term of Mr. Didier Cherpitel as a member of the Supervisory Board expires at the end of this General Meeting and renew the said term for a period of four years ending with the close of the ordinary General Meeting called in 2011 to approve the financial statements for the fiscal year ending on December 31, 2010.

SIXTH RESOLUTION

RENEWAL OF THE TERM OF A MEMBER OF THE SUPERVISORY BOARD

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings, hereby note that the term of Mr. Guy de Wouters as a member of the Supervisory Board expires at the end of this General Meeting and renew the said term for a period of four years ending with the close of the General Meeting called in 2011 to approve the financial statements for the fiscal year ending on December 31, 2010.

SEVENTH RESOLUTION

RENEWAL OF THE TERM OF A STATUTORY AUDITOR

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings, hereby note that the term of the firm Ernst & Young Audit, Tour Ernst & Young, 92037 Paris – La Défense, as Statutory Auditor, expires at the end of this General Meeting of shareholders and renew the said term for a

period of six years ending with the close of the General Meeting called in 2013 to approve the financial statements for the fiscal year ending on December 31, 2012.

EIGHTH RESOLUTION

RENEWAL OF THE TERM OF A STATUTORY AUDITOR

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings, hereby note that the term of the firm PricewaterhouseCoopers Audit, 63 rue de Villiers, 92208 Neuilly-sur-Seine, as Statutory Auditor expires at the end of this General Meeting and renew the said term for a period of six years ending with the close of the Ordinary General Meeting called in 2013 to approve the financial statements for the fiscal year ending on December 31, 2012.

NINTH RESOLUTION

APPOINTMENT OF AN ALTERNATE STATUTORY AUDITOR

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings, hereby note that the term of the firm Barbier Frinault & Autres, 41 rue d'Ybry, 92576 Neuilly-sur-Seine, as alternate Statutory Auditor expires at the end of this General Meeting and appoint in replacement the firm Auditex, Tour Ernst & Young, 92037 Paris – La Défense, for a period of six years ending with the close of the Ordinary General Meeting called in 2013 to approve the financial statements for the fiscal year ending on December 31, 2012.

TENTH RESOLUTION

AUTHORIZATION PROVIDED TO THE EXECUTIVE BOARD TO TRADE IN THE COMPANY'S SHARES

The shareholders in General Meeting, voting under the quorum and majority required for ordinary general meetings,

- after hearing the report of the Executive Board,
- and pursuant to articles L.225-209 and following of the Code de commerce, of the general regulations of the Autorité des Marchés Financiers, and of European regulation N° 2273/2003 of the European Commission,

1. hereby authorize the Executive Board, with the power of sub-delegation under conditions set by law, to buy back shares in the Company within limits such that:

- the number of shares purchased by the Company during the buyback program may not exceed 10% of the number of shares comprising the capital, at any time, with this percentage applying to capital adjusted for operations that may impact it subsequent to this Shareholders' Meeting, for example as of March 31, 2007, 5,551,219 shares;

- the number of shares held by the Company at any time shall not exceed 10% of the Company's capital at the date under consideration;

2. decide that the Company's shares, within the limits defined above, may be purchased for the following purposes:

- the delivery of shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs or asset contributions; or

- the delivery of shares on the occasion of the exercise of rights attached to securities granting access to the Company's share capital immediately or at a later date; or

- market-making in the secondary market or the liquidity of the Company's stock by an investment service provider within the framework of a liquidity contract in conformity with the code of conduct recognized by the Autorité des Marchés Financiers; or

- the introduction of Company stock purchase option plans as defined in article L.225-177 and following of the Commercial Code, subject to approval of the eighteenth resolution of this meeting; or

- the allocation of bonus shares pursuant to articles L.225-197-1 and following of the Commercial Code;

- the allocation or the sale of shares as part of the contribution to the expansion of the income of the business and the implementation of any Company savings plan (plan d'épargne d'entreprise) under the terms and conditions and in accordance with procedures provided by law, notably articles L.442-5 and L.443-1 and following of the French Labor Code; or

- cancellation of all or part of the shares purchased;

The Company may also use the program to pursue any other authorized purpose or for any purpose that becomes authorized by law or by regulations in effect. In such an event, the Company shall inform its shareholders by issuing a press release;

3. decide that the acquisition, sale or transfer of shares may be made at any time, subject to applicable legal and regulatory restrictions, including during a public offer, by any means, by purchases in the stock market or through private transactions, including the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be conducted in this way), through takeover bids, public sales or share exchange transactions, or by the use of options or derivatives traded in a regulated stock market or through private transactions, or by the delivery of shares subsequent to the issue of securities granting access to the Company's capital through conversion, exchange, repayment, exercise of warrants or otherwise, either directly or indirectly through an investment service provider.

4. set the maximum purchase price at 250 euros per share, for a total maximum share buyback amount of 1,387,804,750 euros, on the basis of 5,551,219 shares in issue at March 31, 2007, and gives powers to the Executive Board, in the event of transactions on the Company's capital, to adjust the above-mentioned purchase price so as to take into account the impact of these transactions on the value of the shares;

5. give full powers to the Executive Board, with the faculty of sub-delegation, to decide and apply this authorization, to specify, if needed, the terms and procedures, to carry out the share buyback program, and to trade in the stock market, enter into any agreements, facilitate the recording of purchases and sales in stock market registers, make any declarations required by the Autorité des Marchés Financiers or any other regulatory body that might take its place, carry out any formalities, and, generally speaking, to do what is required for the application of this authorization;

6. decide that this authorization, which cancels and replaces any preceding authorizations of the same nature, for any amounts not yet called, is valid for a period of eighteen months from the date of this General Meeting of shareholders.

RESOLUTIONS OF AN EXTRAORDINARY NATURE

ELEVENTH RESOLUTION

DELEGATION OF POWER TO THE EXECUTIVE BOARD TO DECIDE TO ISSUE SHARES OR SECURITIES GRANTING ACCESS TO SHARE CAPITAL WITH PREFERENTIAL SUBSCRIPTION RIGHTS

The shareholders in General Meeting, acting on the basis of the quorum and majority required for extraordinary general meetings of shareholders,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,

- and pursuant to articles L.225-129 to L.225-129-6 and articles L.228-91 and L.228-92 of the Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation, subject to the prior authorization of the Supervisory Board in application of article 15-V b) of the by-laws, its power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, with maintenance of preferential subscription rights, ordinary shares or any other securities of the Company that give access at any time or at a future date, through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner, to a proportion of the share capital of the Company or one of the companies provided for in article L.228-93 of the Commercial Code, it being specified that such securities issued may be denominated either in euros or in any other currency, or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offset of debts, or through a bonus issue from reserves, retained earnings or premiums;

2. decide that the par value of the share capital increases that may be issued immediately or at a later date, by virtue of the above-mentioned authorization, shall not exceed 500,000,000 euros or the counter-value at the date of issue of this amount in other currencies or in a monetary unit established by reference to a number of currencies.

SHAREHOLDERS' MEETING

cies, it being stipulated that the maximum overall par value of share capital to be raised by virtue of this authorization and those conferred by virtue of the twelfth, thirteenth, fourteenth, fifteenth, seventeenth, eighteenth and nineteenth resolutions of this General Meeting of shareholders, is set at 2,000,000,000 euros;

3. decide that to these amounts shall be added, if necessary, the par value of additional shares to be issued to preserve the rights of holders of securities entitling them to share capital of the Company;

4. decide that shareholders shall have preferential rights under the share issue, or issues, and enjoy irreducible subscription rights, in proportion to the number of shares they own;

take note that the Executive Board may grant shareholders the right to subscribe reducibly a higher number of shares than they may subscribe irreducibly, in proportion to their subscription rights, and in any case, within the limit of their request;

take note that if the irreducible and, if necessary, reducible subscriptions have not fully taken up the issue, the Executive Board may use, under the terms and conditions provided by law and in the order that it shall determine, one or more of the powers below:

- restrict the increase of capital to the subscription amount, subject to this amount attaining at least three quarters of the increase decided;
- freely distribute all or a portion of the securities not taken up;
- offer to the public all or a portion of the securities not taken up;

5. decide that the issues of equity warrants in the Company may be realized by subscription offer, but also by the free allocation to the owners of past shares, it being specified that the Executive Board shall have the power to decide that allocation rights comprising fractional shares shall not be negotiable and that the corresponding shares shall be sold;

6. give full powers to the Executive Board, with the power of sub-delegation pursuant to the terms and conditions set by law, to put in place this authorization, specifically to:

- decide the issues and set all terms and conditions, notably, determining the dates and amounts of the issues as well as the form and characteristics of securities to be created; set the issue price of the shares or securities granting access to share capital, their entitlement date, including a retroactive date, the method by which they become fully paid; provide for, if necessary, the conditions for their repayment, purchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities during a period not to exceed the maximum provided by legal provisions in force; carry out all adjustments intended to take into account the impact of transactions on the capital of the Company and set the terms and conditions ensuring, if necessary, that the rights of the holders of securities granting access to capital are preserved;
- in the event of an issue of debt securities, decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their duration (fixed or indefinite), the redemption price (fixed or variable, with or without premium), the amortization terms, based, notably, on market conditions, the conditions by which these securities will give rights

to shares and more generally to determine all other issue and liquidation terms and conditions – if necessary, these securities may take the form of complex bonds as defined by stock exchange regulators; modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;

- recognize, if necessary, the cost of any capital increases and notably issue expenses, in the share premium account, and deduct from this amount the sums necessary for the legal reserve;

- recognize the capital increase(s) resulting from any issue carried out through the use of this authorization and modify the by-laws accordingly;

- and, generally, take appropriate initiatives and enter into any agreements to achieve the goal of the issues planned;

7. decide that this authorization, which cancels and replaces any preceding authorizations of the same nature, for any amounts not yet called, is valid for a period of twenty-six months from the date of this General Meeting of shareholders.

TWELFTH RESOLUTION

DELEGATION OF POWER TO THE EXECUTIVE BOARD FOR THE PURPOSE OF ISSUING SHARES OR SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General Meetings of shareholders,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,

- and pursuant to the provisions of articles L.225-129 to L.225-129-6 and articles L.225-135 and L.225-148 of the Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation under the terms and conditions set by law, subject to the prior approval of the Supervisory Board in application of article 15 V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or securities of any kind granting access, at any time or at a specified date – by subscription, conversion, exchange, repayment, by the exercise of warrants or in any other manner – to a portion of the share capital of the Company or one of the companies provided for in article L.228-93 of the Commercial Code or giving entitlement to the allocation of debt securities, it being specified that these shares or securities may be issued in consideration for securities that may be sold to the Company in the framework of a public offer comprising an exchange component undertaken in France or outside France in accordance with local regulations on securities meeting the terms and conditions of article L.225-148 of the Commercial Code, it being specified that the securities issued may be denominated either in euros or in any other currency, or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offset of debts, realizable and due from the Company, or through a bonus issue from reserves, retained earnings or premiums;

2. delegate to the Executive Board, with the power of sub-delegation under conditions set by law, subject to the prior authorization of the Supervisory Board in application of article 15-V b) of the by-laws, its power to issue shares or securities giving entitlement to the capital of the Company subsequent to the issuance, by companies in which the Company holds directly or indirectly more than half of the share capital, of securities granting access to the share capital of the Company. By virtue of this decision, shareholders of the Company waive their preferential subscription right under these shares or securities in favor of the holders of securities that might thus be issued by companies of the Company's group;

3. decide that the par value amount of capital increases liable to be raised immediately or in the future by virtue of the aforementioned authorization, may not be higher than 250,000,000 euros or the counter-value of this amount at the issue date in the case of an issue in other currencies or in a monetary unit established by reference to a number of currencies, it being specified that this amount will be allocated from the overall limit referred to in paragraph 2 of the eleventh resolution of this General Meeting of shareholders;

4. decide that to these amounts should be added, if necessary, the par value amount of additional shares to be issued to preserve the rights of holders of securities granting access to share capital in the Company;

5. decide to cancel the preferential subscription right of shareholders to securities to be issued by the use of this authorization, it being understood that the Executive Board may grant to shareholders, during a period and according to the terms and conditions that it shall set in accordance with applicable regulatory and legal provisions, on all or part of the issue, a priority period to subscribe to the securities referred to above, proportionally to the number of shares held by each shareholder, irreducibly and if applicable reducibly, without giving rise to the creation of negotiable rights;

6. note that if the subscriptions, including those of shareholders, have not taken up the full issue as defined above, the Executive Board may restrict the issue to the amount of subscriptions received;

7. note that, pursuant to article L.225-136 1 1st paragraph of the Commercial Code

- the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date;

- the issue price of securities granting access to the share capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, is, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph;

8. give full powers to the Executive Board, with the power of sub-delegation pursuant to the terms and conditions set by law, to put in place this authorization, and in particular to:

- decide to carry out the issues and set all terms and conditions, notably, determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities granting access to the share capital, the date, including a retroactive date, when rights of ownership take effect, determining the method of payment; providing for

their possible repurchase on the market or exchange for shares or other securities, the possibility of suspension of exercises of rights to shares attached to securities for a period not to exceed the maximum period pursuant to legal and regulatory provisions in force; carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it would ensure, if necessary, the preservation of the rights of the holders of securities granting access to the share capital;

- more particularly in the case of shares or debt securities issued in consideration of securities contributed under a public offer with exchange component, initiated by the Company, to set the exchange ratio as well as any equalization payment; to note the number of securities exchanged as well as the number of shares or securities to be created in consideration; to determine the dates, terms of issue, notably the price and the date when rights of ownership take effect, of new shares or any securities granting access immediately and/or in the future to a portion of the share capital of the Company; record in an account entitled "Share premium" on the liabilities side of the balance sheet, to which all shareholders shall have rights, the difference between the issue price of shares and their par value; to carry out, if necessary, the allocation, on this "Share premium" account, of all expenses related to the authorized transaction;

- in the case of the issue of debt securities, to decide whether they shall be subordinated or not, set their interest rates and the methods for payment of interest, their duration (fixed or indefinite), the redemption price (fixed or variable, with or without premium), amortization terms, based, notably on market conditions, the terms under which these securities shall give access to shares and more generally to determine other terms and conditions of the issue and amortization. If necessary, these securities may be accompanied by warrants granting access to the grant, acquisition or the subscription of bonds or other securities represented by debt or take the form of complex bonds as defined by the stock exchange authorities;

- modify, during the life of the securities concerned, the terms and conditions referred to above, while adhering to the applicable procedures;

- carry out, if necessary, any allocations to the share premium account and notably of issuance costs, and to appropriate from this amount the sums necessary for the legal reserve;

- recognize the capital increase(s) resulting from any issue carried out by virtue of this authorization and modify the by-laws accordingly;

- and, generally, take appropriate step and enter into any agreements to achieve the goal of the issues planned;

9. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any amounts not yet called, is valid for a period of twenty-six months from the date of this General Meeting of shareholders.

SHAREHOLDERS' MEETING

THIRTEENTH RESOLUTION

DELEGATION OF POWER TO THE EXECUTIVE BOARD FOR AN EXPANSION OF THE INCREASE IN CAPITAL IN THE EVENT OF SURPLUS DEMAND

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General Meetings of shareholders,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,

- and pursuant to articles L.225-135-1 of the Commercial Code,

1. delegate power to the Executive Board, with the power of sub-delegation under the terms and conditions set by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, for each of the issues decided on in application of the eleventh and twelfth resolutions of this general meeting, in the event of surplus demand, to increase the number of securities to be issued at the same price as that retained for the initial issue and within the time frames and limits provided by the applicable regulation on the issue date (currently within thirty days of the close of subscription and within the limit of 15% of the initial issue);

2. decide that the par value of capital increases decided by this resolution shall be allocated from the amount of the overall limit provided for in paragraph 2 of the eleventh resolution and, if necessary, in paragraph 3 of the twelfth resolution of this General Meeting of shareholders;

3. decide that this authorization is given for a period of twenty-six months from the date of this General Meeting of shareholders.

FOURTEENTH RESOLUTION

DELEGATION OF POWER TO THE EXECUTIVE BOARD FOR THE PURPOSE OF INCREASING CAPITAL WITH A VIEW TO REMUNERATING CONTRIBUTIONS IN KIND OF EQUITY SECURITIES OR OTHER SECURITIES

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General Meetings of shareholders,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,

- and pursuant to article L.225-129 and following of the Commercial Code and, notably, article L.225-147 paragraph 6 of the said Code,

1. delegate to the Executive Board, with the power of sub-delegation under conditions set by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, the necessary powers to issue, on one or more occasions, shares or securities granting access to the share capital of the Company, on the basis of the report from the official valuation expert (commissaires aux apports), within a limit of 10% of the share capital at the time of issue, with a view to remunerating contributions in kind, granted to the Company and made up of shares or securities giving entitlement to the capital, when the provisions of article L.225-148 of the Commercial Code are not applicable;

2. decide, when required, to cancel, for the benefit of holders of shares or securities granting access to the share capital, subject to contributions in kind, the preferential subscription right of shareholders in equities and other securities issued in this way;

3. decide that the overall amount of capital increases likely to be realized immediately or in the future by virtue of the above-mentioned authorization shall be allocated from the overall limit referred to in paragraph 2 of the eleventh resolution of this General Meeting of shareholders;

4. decide that to this amount shall be added, if necessary, the par value amount of additional shares to be issued to preserve the rights of holders of securities granting access to the share capital of the Company;

5. give full powers to the Executive Board to implement this authorization and notably to:

- approve the evaluation of contributions and set the exchange ratio as well as, if necessary, the amount of the equalization payment;

- approve the granting of special benefits, and reduce, if the contributors agree to them, the evaluation of the contributions or the remuneration of special benefits;

- recognize the number of securities to be issued;

- determine the dates, terms and conditions of issues, notably the price and the dividend due date of the to-be-issued shares or other securities granting access to the share capital of the Company;

- record in an account entitled "Share premiums" on the liabilities side of the balance sheet, to which all shareholders shall have rights, the difference between the issue price of shares and their par value;

- allocate, if necessary, all costs related to the authorized transaction to this account and appropriate therefrom the sums to be allocated to the legal reserve;

- recognize the capital increase(s) resulting from any issue carried out by virtue of this authorization and modify the by-laws accordingly;

- and, generally, to take any appropriate steps, enter into any agreements to successfully achieve the planned issues;

6. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any amounts not yet called, is valid for a period of twenty-six months from the date of this General Meeting of shareholders.

FIFTEENTH RESOLUTION

DELEGATION OF POWER TO THE EXECUTIVE BOARD FOR THE PURPOSE OF INCREASING SHARE CAPITAL THROUGH INCORPORATION OF RESERVES, RETAINED EARNINGS, PREMIUMS.

The shareholders in General Meeting, voting under the quorum and majority required for Extraordinary General Meetings of shareholders,

- after hearing the report of the Executive Board,

- and pursuant to articles L.225-129-2 and L.225-130 of the Commercial Code,

1. delegate to the Executive Board, with the power of sub-delegation under conditions set by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, its power for the purpose of increasing, on one or more occasions, in the proportions and at the times that it shall determine, the share capital within the limit of a maximum par value amount of 2,000,000,000 euros, through the incorporation, successive or simultaneous, into the capital of all or part of the reserves, retained earnings, premiums (issue, merger or contribution) or other amounts realized by the creation and free allocation of shares or through the raising of the par value of shares or by the joint use of these two processes;

2. decide that the overall par value amount of the capital increases decided by this resolution shall be allocated from the overall global limit referred to in paragraph 2 of the eleventh resolution of this General Meeting of shareholders;

3. decide, in the event of the distribution of free shares:

- that the rights representing fractional shares will not be negotiable and that the corresponding shares shall be sold; the sums arising from the sale shall be allocated to the rights holders under the terms and conditions provided for by the applicable law and regulation;

- to carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and to set the terms and conditions by which it shall ensure, if necessary, the preservation of the rights of the holders of securities granting access to the share capital;

4. give full powers to the Executive Board to implement this authorization and notably to:

- set the amount and nature of the sums to be incorporated in share capital;

- set the number of shares to be issued or the amount by which the par value of shares comprising the share capital may be increased;

- set the date, including a retroactive date, from which the shares will carry full entitlements or that on which the increase in par value shall take effect;

- appropriate from one or more reserve accounts the necessary sums to be allocated to the legal reserve;

- recognize the capital increase(s) resulting from any issue carried out by virtue of this authorization and modify the by-laws accordingly;

- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues;

5. decide that this authorization, which cancels and replaces any previous authorization of the same nature, for any amounts not yet called, is valid for a period of twenty-six months from the date of this General Meeting of shareholders.

SIXTEENTH RESOLUTION

AUTHORIZATION TO THE EXECUTIVE BOARD TO REDUCE THE CAPITAL THROUGH THE CANCELLATION OF SHARES

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General Meetings of shareholders,

- having heard the report of the Executive Board and the special report of the Statutory Auditors,

- pursuant to articles L.225-209 and following of the Commercial Code,

1. authorize the Executive Board, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, to cancel, on one or more occasions, at its own initiative, all or a part of the treasury shares held by the Company, within the limit of 10% of the capital per period of twenty-four months from the date of this General Meeting of shareholders;

2. authorize the Executive Board to reduce the capital by a corresponding degree by allocating the difference between the purchase value of the cancelled shares and their par value to the available premium and reserve accounts of its choice;

3. give full powers to the Executive Board, with the faculty of sub-delegation, to make corresponding modifications in the by-laws, make any declarations, carry out any formalities and, generally speaking, do what is required for the application of this authorization;

4. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any as yet uncalled amounts, is valid for a period of twenty-six months from the date of this General Meeting of shareholders.

SEVENTEENTH RESOLUTION

DELEGATION OF POWER TO THE EXECUTIVE BOARD FOR THE PURPOSE OF ISSUING SHARES OR SECURITIES GRANTING ACCESS TO CAPITAL RESERVED FOR MEMBERS OF THE COMPANY'S SAVINGS PLAN

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General meetings of shareholders,

- after hearing the report of the Executive Board,

- and after hearing the special report of the Statutory Auditors,

- and pursuant to articles L.225-129-6 and L.225-138-1 of the Commercial Code and articles L.443-1 and following of the French Labor Code,

1. delegate to the Executive Board, with the power of sub-delegation under the terms and conditions set by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, its power to increase the capital, on one or more occasions, by the issue of shares or securities granting access to the capital reserved for members of one or more of the Company savings that may be put in place within the Group;

2. decides to set at a maximum of 300,000 euros, the total par value amount of capital increases authorized by this resolution, it being specified that the maximum par value amount of capital increases that may be realized immediately or in the future, by virtue of this authorization shall be deducted from the total limit mentioned in the second paragraph of the eleventh resolution of this General Meeting of shareholders;

3. authorize the Executive Board to allocate, free of valuable consideration, to the above-mentioned beneficiaries, in addition to the

SHAREHOLDERS' MEETING

shares and securities granting access to capital that must be subscribed for in cash, shares or securities granting access to issued or to-be-issued share capital, in full or partial substitution for the discount set by the Executive Board and/or any matching contributions, it being understood that the resulting benefit from this allocation cannot exceed the applicable legal or regulatory limits pursuant to articles L.443-5 and L.443-7 of the Labor Code;

4. authorize the Executive Board, under the terms and conditions of this authorization to sell shares to members of a Company savings plan as provided for by the last paragraph of article L.443-5 of the Labor Code;

5. decide to cancel, in favor of the above-mentioned beneficiaries, the shareholders' preferential subscription rights to securities concerned by this resolution;

6. decide that the subscription or sale price of new shares shall be set by the Executive Board under the conditions and limits provided for by current legislation;

7. give full powers to the Executive Board to implement this authorization and notably to:

- draw up under legal conditions the list of the companies in which the above-mentioned beneficiaries may subscribe to, receive or acquire shares or securities allocated under this resolution;

- decide that subscriptions or acquisitions may be realized directly by the beneficiaries, members of a Company savings plan or other structures or entities authorized under current legislation or regulations;

- determine the amount to be issued or to be sold, set the issue or sale price within the conditions and limits set by current legislation, the release or sale terms and conditions, decide the dates and terms of the issues or sales that will be realized by virtue of this authorization;

- determine the date, including a retroactive date, from which the new shares will enjoy full rights, set the time limits for liberation within the restrictions for time limits set by the current legal and regulatory provisions, as well as, if necessary, the required length of service for beneficiaries to participate in the operation and benefit from the Company's contribution;

- in the event of the free allocation of shares or securities granting access to the share capital, set the number of shares or securities entitling access to capital to be issued, the number to be allocated to each beneficiary, and to set the dates, time limits, the terms and conditions of the allocation of these shares or securities granting access to the share capital within current legal and regulatory restrictions and, notably, choose either to substitute fully or partially the allocation of these shares or securities granting access to the share capital to discounts decided by the Executive Board, either by deducting the counter-value of these shares or securities from the total amount of the contribution or by combining the two possibilities;

- allocate, if necessary, any charges to the share premiums account and notably for expenses incurred in the issuance of securities, and appropriate from this amount the necessary sums for the legal reserve;

- recognize the capital increase(s) resulting from any issue carried out by virtue of this authorization and modify the by-laws accordingly;

- and, generally, take any appropriate steps and enter into any agreements to successfully achieve the planned issues;

8. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any amounts not yet called, is valid for a period of twenty-six months from the date of this General Meeting of shareholders.

EIGHTEENTH RESOLUTION

AUTHORIZATION TO THE EXECUTIVE BOARD TO GRANT SHARE PURCHASE OR SUBSCRIPTION OPTIONS IN FAVOR OF CORPORATE OFFICERS AND EMPLOYEES

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General meetings of shareholders,

- after hearing the report of the Executive Board,

- and after hearing the special report of the Statutory Auditors,

- and pursuant to articles L.225-177 to L.225-185 of the Commercial Code,

1. authorize the Executive Board, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws in the case of the allocation of subscription options, to grant, on one or more occasions, share subscription and purchase options, in favor of individuals it shall designate – or cause to be designated – from amongst the corporate officers and other employees of the Company or of companies or corporate groups related to it, pursuant to article L.225-180 of the Commercial Code;

2. decide that the number of shares available for acquisition or subscription by the exercise of options granted under this authorization may not exceed 2,000,000 shares, it being specified that the par value of the capital increases resulting from the taking up of share subscription options granted under this authorization shall be allocated from the overall limit provided for in paragraph 2 of the eleventh resolution of this General Meeting;

3. expressly waive, in favor of the beneficiaries of such share subscription options, their preferential right to subscribe to the shares that are issued as these options are exercised;

4. decide that the options to be granted under this authorization shall be subject to disclosure in the form of a special report of the Executive Board to the General Meeting of shareholders, in accordance with current legal and regulatory provisions;

5. give full powers to the Executive Board to implement this authorization and notably to:

- set the terms and conditions by which the options shall be granted and decide on the list or categories of option beneficiaries;

- determine the dates of each allocation;

- determine the subscription price of new shares and the purchase price of existing shares, it being specified that this share subscription or purchase price shall be set within the framework of legal and regulatory provisions in force on the day that the options are granted,

without however being lower than the average of the opening market prices in the twenty trading days prior to this day;

- take the steps necessary for the protection of the interests of beneficiaries by taking into account possible financial transactions that may arise before the exercise of the options;
- set the terms and conditions for the exercise of the options and notably the option exercise period(s) for options granted, it being specified that the duration for which these options may be exercised shall not exceed ten years from their grant date;
- provide the right to temporarily suspend the exercise of options within the legal and regulatory conditions for a maximum period of three months in the event of financial transactions involving the exercise of rights attached to shares;
- recognize, if necessary, in its first meeting subsequent to the close of each fiscal year, the number and amount of shares issued during the fiscal year as a result of the exercise of options;
- carry out, if necessary, any allocations to the share premium account and notably of issuance costs, and to appropriate from this amount the necessary sums for the legal reserve;
- recognize the capital increase(s) resulting from any issue carried out by use of this authorization and modify the by-laws accordingly;
- and, generally, take the appropriate steps and enter into any agreements to successfully achieve the planned issues;

6. decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any as yet uncalled amounts, is valid for a period of twenty-six months from the date of this General Meeting.

NINETEENTH RESOLUTION

AUTHORIZATION TO THE EXECUTIVE BOARD TO GRANT FREE BONUS SHARES TO COMPANY EMPLOYEES AND OFFICERS

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General Meetings of shareholders,

- after hearing the report of the Executive Board,
- and after hearing the special report of the Statutory Auditors,
- and pursuant to articles L.225-197-1 and following of the Commercial Code,

1. authorize the Executive Board, with the power of sub-delegation under the terms and conditions set by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws in the event of shares to be issued, to grant, on one or more occasions, free bonus allocations of existing Company shares, or shares to be issued, for the benefit of employees or corporate officers of the Company who meet the conditions set out in paragraph II of article L.225-197-1 of the Commercial Code, or employees and corporate officers of companies or corporate groups linked to it, under the conditions stipulated in article L.225-197-2 of the Commercial Code, or of certain categories of them;

2. decide that the total number of shares in existence or to be issued that might be granted free of valuable consideration under this authorization may not exceed 0.5% of the capital at the grant date, with the understanding that this number shall be taken into account in the calculation of the overall limit referred to in the second paragraph of the eighteenth resolution of this General Meeting of shareholders and that the maximum par value amount of capital increases that might be carried out immediately, or in the future under this authorization, shall be deducted from the overall limit amount in paragraph 2 of the eleventh resolution;

3. decide that the shares granted to beneficiaries shall become vested at the end of a minimum acquisition period of two years and that beneficiaries must hold the shares for a minimum period of not less than two years from the date on which they become vested;

4. authorize the Executive Board to adjust the number of shares during the vesting period, if necessary, as a result of any transactions on the Company's capital, so as to preserve the rights of the beneficiaries;

5. note that, as this resolution concerns shares to be issued free of valuable consideration, shareholders hereby expressly waive their preferential rights to be granted shares whose issuance, through incorporation of reserves or share premiums, is hereby authorized;

6. give the Executive Board full powers to implement this authorization and notably to:

- determine the list of the beneficiaries of free shares or the category or categories of beneficiaries of free share grants and the number of shares granted to each of them;
 - set the vesting and holding periods in compliance with the minimum time frames fixed above, it being specified that in the event of disability of the beneficiary corresponding to a second or third category classification under article L.341-4 of the social security code, the shares shall vest immediately before the end of the vesting period and shall become freely negotiable before the end of the holding period;
 - adjust, if necessary, the number of shares granted free of monetary consideration so as to preserve the rights of beneficiaries, based on any transactions involving the share capital of the Company. Any shares allocated in application of these adjustments shall be deemed granted on the same day as the initially allocated shares;
 - set the grant conditions and, if necessary, the share grant criteria;
 - in the case of the issue of new shares, allocate, if necessary, the sums required for the full payment of shares to reserves, retained earnings or share premium account;
 - allocate, if necessary, amounts to share premiums, notably issuance costs, and appropriate from this amount the necessary sums for the legal reserve;
 - recognize the capital increase(s) resulting from any issue carried out by use of this authorization and modify the by-laws accordingly;
 - and, generally, take the appropriate steps and enter into any agreements to successfully achieve the planned issues;
- 7.** decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any as yet uncalled amounts, is valid for a period of twenty-six months from the date of this General Meeting of shareholders.

SHAREHOLDERS' MEETING

TWENTIETH RESOLUTION

MODIFICATION TO ARTICLE 2 OF THE BY-LAWS: CHANGE OF THE COMPANY'S NAME

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General meetings of shareholders, decide to change the name of the Company as of today from "WENDEL Investissement" to "Wendel" and as a consequence decide to modify article 2 of the by-laws, which shall henceforth read as follows:

"Article 2 – Company name

The name of the Company is: Wendel"

TWENTY-FIRST RESOLUTION

CHANGE TO ARTICLE 25 II OF THE BY-LAWS: CHANGE IN THE FORMALITIES FOR PARTICIPATION AT GENERAL MEETINGS OF SHAREHOLDERS

The shareholders in General Meeting, acting on the basis of the quorum and majority required for Extraordinary General Meetings of shareholders, decide to replace the second section (II) of article 25 of the by-laws by the following paragraph:

"Any shareholder whose shares are registered under the conditions and at a date set by the applicable legal and regulatory provisions has the right to participate at the general meeting of shareholders on proof of his or her qualification and identity".

Any shareholder fulfilling the conditions required to participate at meetings may attend in person or through a proxy or vote by correspondence. Voting forms will only be taken into account if they arrive at the address indicated in the notice of meeting no later than the third business day prior to the date of the general meeting, unless a later date is set by the Executive Board."

RESOLUTION OF A COMBINED ORDINARY AND EXTRAORDINARY NATURE

TWENTY-SECOND RESOLUTION

POWERS FOR LEGAL FORMALITIES

The shareholders in General Meeting, voting under the quorum and majority required for Ordinary General Meetings of shareholders, hereby give full powers to the bearers of copies or extracts of the minutes of these proceedings to make all necessary filings and carry out any registration, filing or other legal formalities.

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GENERAL INFORMATION ON WENDEL INVESTISSEMENT

COMPANY NAME AND REGISTERED OFFICE

Company name: WENDEL Investissement.

It will be proposed to shareholders at their General Meeting on June 4, 2007 that the name of the Company be changed to: Wendel.

Registered office: 89, rue Taitbout - 75009 Paris, France.

LEGAL STRUCTURE AND APPLICABLE LEGISLATION

WENDEL Investissement is a French "Société Anonyme" (limited company) with an Executive Board and a Supervisory Board governed by the French Commercial Code.

DURATION

The Company was formed on December 4, 1871 for a period of 99 years, subsequently extended to July 1, 2064.

OFFICIAL REGISTRATION

The Company is registered in the Paris Company Register ("Registre du commerce et des sociétés") under number 572 174 035.

PURPOSE OF THE COMPANY

Pursuant to Article 3 of the by-laws, the Company has the following purpose, in all countries, directly or indirectly:

- any equity holdings in industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise; all disposals, exchanges or other operations concerning these shares, ownership rights or equity interests;
- the purchase, rental and operation of any equipment;
- the acquisition, sale and commercial use of any processes, patents, or patent licenses;
- the acquisition, operation, sale or exchange of any real estate or real estate rights;
- and generally, any commercial, industrial, financial, investment and real estate operations directly or indirectly related to the abovementioned activities or to any similar or connected activities.

CONSULTATION OF LEGAL DOCUMENTS RELATING TO THE COMPANY

Company documents that shareholders have a legal right to consult under the terms stipulated by law, including the by-laws, minutes of Shareholders' Meetings and auditors' reports, may be consulted at the Company's registered office.

FISCAL YEAR

The fiscal year runs from January 1 to December 31 of every year.

APPROPRIATION OF NET INCOME

Article 27 of the by-laws provides for the following:

I. At least five percent of net income for each year, less any losses carried forward from prior years, is credited to the legal reserve until such time as the legal reserve represents one-tenth of share capital, as well as any amount credited to reserves pursuant to applicable legislation.

Earnings available for distribution correspond to net income for the year plus any unappropriated retained earnings carried forward from prior years.

Of this amount, shareholders may decide in their General Meeting to deduct, on the recommendation of the Executive Board:

- the amounts they consider should be allocated to any special reserve account;
- the sum required to serve a revenue on shares based on the amount of paid-up, non-repaid capital within the limit of 5% per year;
- the amounts they consider should be allocated to the general reserve or to share capital repayment.

II. Any balance remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings.

III. On the condition that all earnings available for distribution have been allocated in the form of dividends, shareholders may, in their Ordinary Shareholders' Meeting, on the recommendation of the Executive Board, decide to allocate any amounts transferred from the share premium account.

IV. As an exception to the provisions of the present Article, funds may be allocated to the special employee profit-sharing reserve under the terms and conditions set by law.

V. Dividends are paid in the form and at the times determined by shareholders at their Ordinary Meeting or by the Executive Board with the authorization of shareholders at their Ordinary Meeting in accordance with applicable legislation. The Executive Board may decide to distribute an interim dividend before the approval of the financial statements for the year in accordance with applicable legislation.

The shareholders, convened in their Annual Meeting to approve the year's financial statements, may, on the recommendation of the Executive Board, offer each shareholder, for all or a part of the dividend (or the interim dividend) being distributed the choice between the payment of the dividend (or interim dividend) in cash or in shares under the terms and conditions defined by applicable legislation.

Dividends not claimed within five years from the date on which they were to be paid are forfeited and the amounts paid over to the State.

RULES CONCERNING EXECUTIVE BOARD MEMBERSHIP

Articles 17 and 18 of the by-laws provides for the following:

EXECUTIVE BOARD

The Company shall be managed by an Executive Board composed of no less than two members and no more than the number of members permitted by law. They are appointed by the Supervisory Board on the recommendation of its Chairman.

The members of the Executive Board need not be shareholders. They must be individuals. No member of the Supervisory Board may also be a member of the Executive Board. Members of the Executive Board may be tied to the Company through an employment contract, which remains in force during and after the member's term on the Executive Board.

Any member of the Executive Board may be revoked by the Supervisory Board. Revocation of a member of the Executive Board does not cause his or her employment contract to be terminated.

TERMS OF THE EXECUTIVE BOARD MEMBERS

The Executive Board is appointed for four years and may be reappointed.

The age limit for members of the Executive Board is 65. Any member of the Executive Board reaching this age is automatically deemed to have resigned.

As long as the number of members of the Executive Board is less than the number permitted by law, the Supervisory Board may appoint, on the recommendation of its Chairman, new members to the Executive Board, whose term expires with that of the Executive Board.

RULES CONCERNING SUPERVISORY BOARD MEMBERSHIP

Article 12 of the by-laws provides for the following:

The Supervisory Board shall be composed of no less than three and no more than 18 members, subject to the legal exception in the event of a merger.

The members of the Supervisory Board are appointed by shareholders in their Ordinary Shareholders' Meeting. However, in the event of a vacancy of one or more seats, the Supervisory Board may appoint new members for the remaining term of the previous members, with the proviso that these appointments must be approved by shareholders at the next Shareholders' Meeting.

Supervisory Board members are appointed for four years and may be reappointed.

As an exception to this rule, the initial members of the Supervisory Board shall be appointed as follows: two years for a third of them, three years for another third, and four years for the remaining third.

This is to ensure that subsequent reappointments take place in thirds. All subsequent appointments shall be for a period of four years.

The term of a member of the Supervisory Board ends at the close of the Shareholders' Meeting called to approve the financial statements of the previous year and held during the year in which his term expires.

At the close of each Ordinary Shareholders' Meeting called to approve the parent company financial statements, the number of members of the Supervisory Board aged 70 or more may not exceed one-third of the number of members (rounded if necessary, to the next highest whole number).

Should this proportion be exceeded, the term of the oldest member of the Supervisory Board, except for the Chairman, shall end at the close of the next Ordinary Shareholders' Meeting.

During their terms, the members of the Supervisory Board must own at least 100 fully paid-up shares of the Company.

INFORMATION ON SHAREHOLDERS' MEETINGS

Article 25 of the by-laws provides for the following:

INVITATION TO ATTEND SHAREHOLDERS' MEETINGS

Shareholders' Meetings are convened and held as prescribed by law.

They are held at the Company's registered office, or at another location, as indicated in the notice of the meeting.

PARTICIPATING IN SHAREHOLDERS' MEETINGS

All shareholders have the right to participate in Shareholders' Meetings personally or by proxy, or to vote by mail.

To vote at Shareholders' Meetings as a registered shareholder, shares must be registered in the Company's books at least five days prior to the meeting. Holders of bearer shares must submit a certificate from the financial institution that manages their shares, at least five days prior to the meeting at the address indicated in the notice of the meeting, according to the terms and conditions prescribed by law.

Nevertheless, new regulations give shareholders the right to participate in the Company's Shareholders' Meetings if the shares are recorded in their name or in the name of the financial intermediary that holds them on their behalf no later than midnight Paris time before the third business day prior to the Meeting:

- for holders of registered shares: in the nominative securities accounts held by the Company;
- for holders of bearer shares: in the bearer securities accounts of the authorized financial intermediary pursuant to regulations in force.

As a result of this change, it will be proposed to shareholders at their Shareholders' Meeting on June 4, 2007 that the by-laws be amended accordingly. Any shareholder whose shares are registered at midnight before the third business day prior to the Shareholders' Meeting will have the right to participate at the Meeting on proof of his or her identity and credentials.

In accordance with applicable legal conditions, the Executive Board may organize a video-conference to allow shareholders to participate and vote or use other telecommunications systems that ensure identification. Shareholders who participate in Shareholders' Meetings by video-conference or another system are deemed present for the purposes of calculating the quorum and the majority.

VOTING RIGHTS AND ACQUISITION OF DOUBLE VOTING RIGHTS

Voting rights attached to the shares are proportionate to the percentage of capital they represent.

Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

In the event of a bonus share issue through the capitalization of reserves, distributable net income or share premium amounts, double voting rights will be granted at issue on the registered shares thus distributed to shareholders in proportion to their existing shares that benefited from this right.

Shares converted to bearer shares or transferred to another owner lose their double voting rights. However, registered shares that are transferred by way of an inheritance, the liquidation of a marital estate or a gift to a spouse or a direct relative do not lose their double voting rights and are considered as having remained the property of the same shareholder for the purpose of determining the two-year minimum holding period.

Double voting rights may be cancelled at any time by a decision of shareholders at an Extraordinary Meeting without having to call a separate meeting of holders of double voting rights. There are no

other limitations on the exercise of voting rights.

DISCLOSURE THRESHOLDS

In addition to the legal requirements for disclosing thresholds passed, Article 28 of the by-laws requires any individual or corporate shareholder, acting alone or in concert with other shareholders, who comes to own a number of shares or voting rights representing more than 2% of the share capital or voting rights, or any multiple thereof, to disclose to the Company the number of shares and voting rights held within two weeks of crossing this threshold.

The same disclosure requirements apply when the number of shares or voting rights held is reduced to below the said 2% threshold or any multiple thereof.

Failure to comply with the above requirements is sanctioned, as prescribed by law, by the deprivation of voting rights for those shares exceeding the fraction that should have been disclosed, and this for all Shareholders' Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. This sanction is applicable at the request (recorded in the minutes of the Shareholders' Meeting) of one or more shareholders holding a number of shares or voting rights representing at least 2% of the Company's capital.

GENERAL INFORMATION ON THE COMPANY'S SHARE CAPITAL

SHARE CAPITAL

As of March 31, 2007, the share capital amounted to 222,028,644 euros, divided into 55,507,161 shares with a par value of 4 euros. These shares were fully paid-up. The shares are held in registered or bearer form at the shareholder's discretion.

As a result of the exercise of 5,032 subscription-type stock options, the total number of shares outstanding on March 31, 2007 was 55,512,193, with a par value of 4 euros and rights accruing from the same date.

EXISTING FINANCIAL AUTHORIZATIONS

At the date this reference document was filed, the following financial authorizations were in effect:

Authorization	Date of Shareholders' Meeting	Period and expiration date	Authorized amount (amount used)	Overall ceiling
A. Issue of shares or other securities giving access to the capital				
Securities giving access to the capital				
• with preferential subscription rights	05.31.2005	26 months 07.30.2007	Capital: \pm 200 M Debt: \pm 2,000 M	
• without preferential subscription rights	05.31.2005	26 months 07.30.2007	Capital : €100 M Debt : €2,000 M	Capital: \pm1,000 M
• under greenshoe option	05.31.2005	26 months 07.30.2007	15% of the initial issue	
• as remuneration for contributions in kind	05.31.2005	26 months 07.30.2007	10% of share capital	
Incorporation of reserves	05.31.2005	26 months 07.30.2007	€1,000 M	
Group savings plan	05.29.2006	26 months 07.28.2008	€250,000 (€80,280)	Debt: \pm2,000 M
Bonus share issue	05.29.2006	38 months 07.28.2009	0,5% of share capital	
B. Share buybacks and share cancellations				
Share buybacks	05.29.2006	18 months 11.28.2007	10% of share capital or €875,416,640 (36,839 shares or €3,307,450.74)	
Share cancellations	05.29.2006	26 months 07.28.2008	10% of share capital per 24-month period	

During the 2006 fiscal year, WENDEL Investissement made use of the following authorizations:

Employee share ownership

At the Shareholders' Meeting of May 29, 2006, shareholders approved the principle of a Group savings plan and authorized the Executive Board, with prior approval from the Supervisory Board, to issue shares, on one or more occasions until July 2008, reserved to Group employees and corporate officers for a maximum amount of 250,000 euros.

At the end of March 2007, after a capital increase of 80,280 euros in July 2006, the amount available under this authorization totaled 169,720 euros.

At that date the number of options available but unused was 26,200.

Subscription or purchase options

At the Shareholders' Meeting of June 1, 2004 shareholders authorized the Board of Directors (subsequently the Executive Board with prior approval of the Supervisory Board) to grant purchase or subscription stock options to

SUPPLEMENTAL INFORMATION

corporate officers and employees of the Group, on one or more occasions until July 2006, within the limit of 560,000 options.

After a grant of 424,200 options by the Board of Directors on July 9, 2004, 49,000 options by the Executive Board on July 6, 2005, and 60,600 options by the Executive Board on July 3, 2006, this authorization expired on July 31, 2006.

In accordance with the provisions of Ordinance 2004-604 of June 24, 2004, the decision to issue bonds and similar instruments is now the competence of the Executive Board.

The Company has carried out the following issues of securities:

- bonds exchangeable for Capgemini shares amounting to 279 million euros, issued on June 19, 2003, maturing in six years on June 19, 2009 and offering a 2% coupon;
- bonds amounting to 500 million euros, issued on February 16, 2004, maturing in seven years on February 16, 2011, and offering a coupon of 5%;

- a supplementary issue of 100 million euros on June 23, 2004 ranking pari passu with the 500 million euro issue of February 16, 2004;

- bonds amounting to 400 million euros, issued on November 4, 2004, maturing in 10 years on November 4, 2014, and offering a coupon of 4.875%;

- bonds amounting to 300 million euros, issued on August 9, 2005, maturing in 12 years on August 9, 2017, and offering a coupon of 4.375%;

- bonds amounting to 400 million euros, issued on May 24, 2006, maturing in 10 years on May 26, 2016, and offering a coupon of 4.875%;

- bonds amounting to 400 million euros, issued on March 21, 2007, maturing in eight and one-half years on September 21, 2015, and offering a coupon of 4.875%;

FINANCIAL AUTHORIZATIONS TO BE PROPOSED AT THE SHAREHOLDERS' MEETING OF JUNE 4, 2007

The 11th, 12th, 13th, 14th, 15th, 16th, 17th and 19th resolutions submitted to shareholders for approval at the June 4, 2007 Shareholders' Meeting will replace and cancel the unused amounts of the resolutions with the same purpose that were adopted at the May 31, 2005 and May 29, 2006 Shareholders' Meetings.

Authorization	Resolution no.	Period and expiration date	Authorized amount	Overall ceiling
A. Issue of shares or other securities giving access to the capital				
Securities giving access to the capital				
• with preferential subscription rights	11	26 months 08.03.2009	Capital: \approx 500 M	Capital: \approx2,000 M
• without preferential subscription rights	12	26 months 08.03.2009	Capital: \approx 250 M	
• under greenshoe option	13	26 months 08.03.2009	15% of the initial issue	
• as remuneration for contributions in kind	14	26 months 08.03.2009	10% of share capital	
Incorporation of reserves	15	26 months 08.03.2009	\approx 2,000 M	
Group savings plan	17	26 months 08.03.2009	\approx 300,000	
Stock options	18	26 months 08.03.2009	2,000,000 options	
Bonus share issue	19	26 months 08.03.2009	0.5% of share capital	
B. Share buybacks and share cancellations				
Share buybacks	10	18 months 08.03.2009	10% of share capital or \approx 1,387,804,750	
Share cancellations	16	26 months 08.03.2009	10% of share capital per 24-month period	

SECURITIES GIVING ACCESS TO THE CAPITAL AND SECURITIES NOT REPRESENTING CAPITAL

There are no securities representing liabilities of the Company – convertible bonds, exchangeable bonds and/or bonds redeemable in shares – that give or could give access to the capital.

There are no shares that do not represent capital, such as founder shares or voting rights certificates.

PLEDGE OF ISSUER'S SHARES HELD IN PURE REGISTERED FORM

61,365 WENDEL Investissement shares held in registered form have been pledged.

GENERAL INFORMATION ON THE COMPANY'S SHARE CAPITAL

Statement of changes in share capital in the last five years

Date of change in capital	Transaction	Change in the number of shares
Situation as of June 30, 2001		
June 2002	One-for-two share split	17,649,370
June 2002	Capital increase to remunerate merger with CGIP	23,876,729
June 2002	Merger expenses charged against share premium account	
June 2002	Cancellation of shares	- 3,254,506
July 2002	Issue of shares reserved for employees	10,653
July 2002	Exercise of options	71
Situation as of December 31, 2002		
May 2003	According to the 3rd resolution of the May 27, 2003 Shareholders' Meeting	
June 2003	Exercise of options	11,722
July 2003	Issue of shares reserved for employees	38,507
Situation as of December 31, 2003		
July 2004	Exercise of options	12,958
July 2004	Issue of shares reserved for employees	40,154
December 2004	Exercise of options	148,020
December 2004	Issue of shares as authorized at the December 3, 2004 Shareholders' Meeting	3,394,440
December 2004	Issue of shares as authorized by the Board of Directors on December 3, 2004	- 3,394,440
Situation as of December 31, 2004		
January 2005	Cancellation of shares authorized by the Board of Directors on January 18, 2005	- 2,224,765
January 2005	Exercise of options	21,799
February 2005	Exercise of options	6,508
March 2005	Exercise of options	6,446
April 2005	Exercise of options	9,762
May 2005	Exercise of options	33,385
June 2005	Issue of shares reserved for employees	27,221
June 2005	Exercise of options	129,396
July 2005	Exercise of options	35,058
Août 2005	Exercise of options	18,560
September 2005	Exercise of options	43,253
October 2005	Exercise of options	9,329
November 2005	Exercise of options	41,741
December 2005	Exercise of options	372,799
Situation as of December 31, 2005		
January 2006	Exercise of options	1,098
June 2006	Issue of shares reserved for employees	20,070
July 2006	Exercise of options	7,017
October 2006	Exercise of options	20,026
November 2006	Exercise of options	17,743
December 2006	Exercise of options	727,667
Situation as of December 31, 2006		

Number of shares comprising the capital	Par value	Change in share capital (euros)	Amount of share capital (euros)	Change in share premiums (euros)	Amount of share premiums
17,649,370	8 €		141,194,960		-
35,298,740	4 €	-	-	-	-
59,175,469	4 €	95,506,916	236,701,876	351,346,211	351,346,211
				- 6,766,559	344,579,652
55,920,963	4 €	- 13,018,024	223,683,852	- 118,359,911	226,219,741
55,931,616	4 €	42,612	223,726,464	201,235	226,420,976
55,931,687	4 €	284	223,726,748	591	226,421,567
55,931,687	4 €		223,726,748		226,421,567
	-	-	-	- 100,000,000	126,421,567
55,943,409	4 €	46,888	223,773,636	84,633	126,506,200
55,981,916	4 €	154,028	223,927,664	592,623	127,098,823
55,981,916	4 €		223,927,664		127,098,823
55,994,874	4 €	51,832	223,979,496	120,461	127,219,284
56,035,028	4 €	160,616	224,140,112	1,076,930	128,296,214
56,183,048	4 €	592,080	224,732,192	3,558,877	131,855,091
59,577,488	4 €	13,577,760	238,309,952	162,430,240	294,285,331
56,183,048	4 €	- 13,577,760	224,732,192	-	294,285,331
56,183,048	4 €		224,732,192		294,285,331
53,958,283	4 €	- 8,899,060	215,833,132	- 100,714,528	193,570,803
53,980,082	4 €	87,196	215,920,328	616,519	194,187,322
53,986,590	4 €	26,032	215,946,360	202,008	194,389,330
53,993,036	4 €	25,784	215,972,144	206,723	194,596,053
54,002,798	4 €	39,048	216,011,192	303,013	194,899,066
54,036,183	4 €	133,540	216,144,732	1,094,663	195,993,729
54,063,404	4 €	108,884	216,253,616	1,264,415	197,258,144
54,192,800	4 €	517,584	216,771,200	4,001,834	201,259,978
54,227,858	4 €	140,232	216,911,432	1,145,844	202,405,822
54,246,418	4 €	74,240	216,985,672	491,876	202,897,698
54,289,671	4 €	173,012	217,158,684	1,629,216	204,526,914
54,299,000	4 €	37,316	217,196,000	323,360	204,850,274
54,340,741	4 €	166,964	217,362,964	1,312,911	206,163,185
54,713,540	4 €	1,491,196	218,854,160	10,083,025	216,246,210
54,713,540	4 €		218,854,160		216,246,210
54,714,638	4 €	4,392	218,858,552	34,082	216,280,292
54,734,708	4 €	80,280	218,938,832	1,381,017	217,661,309
54,741,725	4 €	28,068	218,966,900	195,215	217,856,523
54,761,751	4 €	80,104	219,047,004	475,618	218,332,141
54,779,494	4 €	70,972	219,117,976	606,677	218,938,818
55,507,161	4 €	2,910,668	222,028,644	22,296,538	241,235,356
55,507,161	4 €		222,028,644		241,235,356

SHARE BUYBACK POLICY AND SPECIAL REPORT OF THE EXECUTIVE BOARD

SPECIAL REPORT OF THE EXECUTIVE BOARD PURSUANT TO ARTICLE L.225-209 OF THE FRENCH COMMERCIAL CODE

LEGAL FRAMEWORK

The Ordinary and Extraordinary Shareholders' Meeting of May 29, 2006 (9th resolution) authorized a share buyback program limited to the number of shares representing 10% of the share capital at the time of the buyback.

At the Shareholders' Meeting of May 29, 2006 (13th resolution) shareholders authorized the Executive Board, following approval of the Supervisory Board, to reduce the share capital of the Company by no more than 10% per 24-month period through the cancellation of shares repurchased in the various share buyback programs authorized by shareholders.

FEATURES OF THE SHARE BUYBACK PROGRAM

The share buyback authorization is valid for a period of 18 months beginning on the date of the Shareholders' Meeting, i.e. until November 28, 2007. Under this authorization, the maximum price is 160 euros.

The Executive Board is authorized to repurchase the number of shares representing a maximum of 10% of the share capital. At the date the authorization was granted, this maximum was 5,471,354 shares.

In accordance with applicable regulations and market practices permitted by the AMF, the objectives of the share buyback program were as follows:

- payment or means of exchange in one or more potential future acquisitions, mergers spin-offs or asset contributions;
- delivery of shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- enabling an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the Autorité des Marchés Financiers;
- enabling an investment services company to effect purchases, sales or transfers by any and all means, in particular in the context of over-the-counter transactions;
- implementation of a purchase-type stock option plan pursuant to Articles L. 225-177 sqq. of the French Commercial Code;
- distribution of bonus shares pursuant to Articles L. 225-197-1 sqq. of the French Commercial Code;
- distribution of shares to employees under a Company savings

plan under the terms and conditions stipulated by law, in particular Articles L. 443-1 sqq. of the French Labor Code;

- cancellation of all or part of the shares purchased;

SHARE BUYBACKS CARRIED OUT BY THE COMPANY UNDER THE BUYBACK PROGRAM APPROVED BY SHAREHOLDERS AT THEIR MAY 29, 2006 SHAREHOLDERS' MEETING

Under this authorization, WENDEL Investissement purchased, between May 29, 2006 and March 31, 2007, 36,839 of its own shares for a total amount of 3,307,450.74 euros and an average unit price of 89.78 euros, through direct market purchases. These shares were repurchased with the intention to cancel them.

Separately, on October 7, 2005, WENDEL Investissement signed a liquidity contract with Oddo Corporate Finance with the intention of generating market activity, by putting 5,000,000 euros and 80,000 shares at the disposal of the market maker.

Between May 29, 2006 and March 31, 2007, Oddo Corporate Finance purchased 1,633,764 of the Company's shares on its behalf under the liquidity contract for a total amount of 175,445,440.07 euros at an average unit price of 107.39 euros. Similarly, under the same contract, Oddo Corporate Finance sold 1,656,232 of the Company's shares for a total amount of 178,148,427.00 euros at an average unit price of 107.56 euros.

Thus, on balance, 22,468 shares were sold under the liquidity contract between May 29, 2006 and March 31, 2007.

The Company has not repurchased shares for any of the other purposes authorized by the program. The Company reserves the right to reallocate the repurchased shares directly to the other purposes, in accordance with regulations and market practices permitted by the AMF.

WENDEL Investissement did not make use of any derivative instruments in the context of this share buyback program.

SALE OF SHARES CARRIED OUT BY WENDEL INVESTISSEMENT IN THE CONTEXT OF THIS BUYBACK PROGRAM

Since May 29, 2006, WENDEL Investissement has sold 109,624 shares at an average exercise price of 40.77 euros pursuant to the exercise of purchase-type stock options granted by the Board of Directors of CGIP on July 19, 2001.

As indicated above, between May 29, 2006 and March 31, 2007, Oddo Corporate Finance sold 1,656,232 of the Company's shares under the liquidity contract for a total amount of 178,148,427.00 euros at an average unit price of 107.56 euros.

CANCELLATION OF WENDEL INVESTISSEMENT SHARES

As of April 30, 2007, WENDEL Investissement had not cancelled any shares during the previous 24 months.

SITUATION AS OF MARCH 31, 2007

As of March 31, 2007, WENDEL Investissement held 5,312,844 shares, or 9.6% of its share capital. Of these shares, 26,789 were classified as "marketable securities", because they were being used to cover purchase-type stock option plans, and 28,282 were being used in the liquidity contract. The remainder, 5,257,773 shares, were classified as "Non-current financial assets".

In accordance with applicable legislation, there are no dividends or voting rights attached to these shares.

At that date, no subsidiary held any WENDEL Investissement shares.

DESCRIPTION OF THE SHARE BUYBACK PROGRAM PROPOSED TO SHAREHOLDERS AT THEIR JUNE 4, 2007 SHAREHOLDERS' MEETING

The tenth resolution proposed at the June 4, 2007 Shareholders' Meeting asks shareholders to approve a new share buyback program, pursuant to Articles L. 225-209 sqq. of the French Commercial Code, to Title IV of Book II of the General Regulation of the AMF and to European Commission regulation 2273/2003, dated December 22, 2003.

Under this program, shares may be repurchased for one of the following purposes:

- the delivery of shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs or asset contributions;
- delivery of shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date;
- enabling an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the Autorité des Marchés Financiers;
- implementation of a purchase-type stock option plan pursuant to Articles L. 225-177 sqq. of the French Commercial Code;
- distribution of bonus shares pursuant to Articles L. 225-197-1 sqq. of the French Commercial Code;

- allocation or sale of shares as part of the Company's profit-sharing plan and the implementation of any Company savings plan (plan d'épargne d'entreprise) under the terms and conditions and in accordance with procedures provided by law, notably Articles L.442-5 and L.443-1 sqq. of the French Labor Code;

- cancellation of all or part of the shares purchased;

The program would also be intended to enable the Company to pursue any other authorized purpose or any purpose that becomes authorized by law or by regulations in effect. In such an event, the Company would inform shareholders via a press release;

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed of 10% of the share capital. As of March 31, 2007, this authorization represented 5,551,219 shares, or a maximum theoretical investment of 1,387,804,750 euros, based on the maximum price of 250 euros per share.

Pursuant to Article L.225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10%. As of March 31, 2007, the number of WENDEL Investissement shares held by the Company was 5,312,844. In light of the shares already held in treasury, the Company would be able to repurchase 238,375 shares, or 0.43% of the share capital, for a maximum amount of 59,593,750 euros, based on the maximum unit purchase price of 250 euros. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization would be valid for a period of 18 months from the June 4, 2007 Shareholders' Meeting, i.e. until December 3, 2008.

SUMMARY OF TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SHARES BETWEEN MAY 29, 2006 AND MARCH 31, 2007 ⁽¹⁾

	Gross transaction amounts		Open positions as of March 31, 2007					
	Purchases	Sales/Transfers	Open long positions			Open short positions		
			Calls purchased	Puts written	Forward purchases	Calls written	Puts purchased	Forward sale
Number of shares	1,670,603	1,765,856						
Maximum average maturity			NA	NA	NA	NA	NA	NA
Average transaction price	€106.99	€103.4						
Average strike price	NA	NA	NA	NA	NA	NA	NA	NA
Amounts	€178,752,890	€182,617,797.5						

(1) The period under consideration begins the day of the Shareholders' Meeting during which the report on the previous program was approved and ends at the most recent available date.

INFORMATION ABOUT THE PRINCIPAL SHAREHOLDERS

CURRENT SHAREHOLDER STRUCTURE AND VOTING RIGHTS

As of March 31, 2007, the number of shares issued by the Company was 55,507,161, and they carried 78,542,157 voting rights. In addition, 5,032 shares had been issued to satisfy option exercises. Double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder. At that date, 28,319,558 shares enjoyed double voting rights.

To the best of the Company's knowledge, the main shareholders as of March 31, 2007 were as follows:

	% of capital	% voting rights
Wendel-Participations*	35.9	50.1
Arnhold & Bleichroeder	7.9	10.0
Treasury shares	9.5	-
Employees - Group savings plan	0.3	0.3
Free float	46.4	39.6

** Pursuant to Article L. 233-10 of the French Commercial Code, these figures include Wendel-Participations, SLPS and the executives of the family holding companies.*

To the best of the Company's knowledge:

- no other shareholder owns more than 5% of the Company's shares;
- As of March 31, 2007, members of the Supervisory Board and the Executive Board hold or represent 2.1% of the shares and 2.5% of the voting rights. All members are individuals.

In January 2007, a study was performed, as done every year, to identify the shareholders of WENDEL Investissement. As of December 31, 2006, the distribution of shareholders was as follows:

	% of capital
Wendel-Participations*	36.5
Individuals	25.7
Institutional investors outside France	21.0
Institutional investors in France	7.0
Treasury shares	9.5
Employees - Group savings plan	0.3

** Pursuant to Article L. 233-10 of the French Commercial Code, these figures include Wendel-Participations, SLPS and executives of the family holding companies.*

At that date, there were more than 45,000 shareholders, representing an increase of more than 15% over the previous 12 months.

CHANGE IN THE NUMBER OF REGISTERED AND BEARER SHARES

The breakdown of share capital into registered shares and bearer shares was as follows:

	Situation as of 12.31.2004			Situation as of 12.31.2005			Situation as of 12.31.2006		
	Number of share	% of capital	% of voting right	Number of share	% of capital	% of voting right	Number of share	% of capital	% of voting right
Registered shares	25,252,368	45.0	61.8	30,397,444	55.6	73.3	31,301,634	56.4	74.8
Registered shares held in treasury	2,161,076	3.8	0.0	5,265,562	9.6	0.0	5,284,562	9.5	0.0
Bearer shares	28,769,604	51.2	38.2	19,050,534	34.8	26.7	18,920,965	34.1	25.2
Total	56,183,048	100.0	100.0	54,713,450	100.0	100.0	55,507,161	100.0	100.0

SIGNIFICANT CHANGES IN THE SHAREHOLDER STRUCTURE OVER THE LAST TWO YEARS

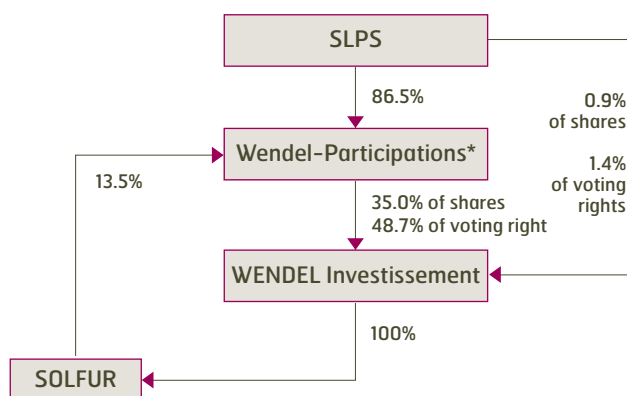
	Situation as of 01.31.2005**		Situation as of 12.31.2005		Situation as of 12.31.2006	
	% of capital	% of voting rights	% of capital	% of voting rights	% of capital	% of voting rights
Wendel-Participations*	34.9	51.7	35.9	55.0	36.5	53.0
Arnhold & Bleichroeder	10.1	7.7	9.9	7.6	9.8	7.6
Treasury shares	9.0	-	9.6	-	9.5	-
Employees - Group savings plan	0.2	0.2	0.3	0.3	0.3	0.3
Other shareholders (institutional and individuals)	45.8	40.4	44.3	37.1	43.9	39.1

* Figures include Wendel-Participations, SLPS and executives of family holding companies.

** Analysis performed after the simplified purchase offer in December 2004-January 2005.

As of December 31, 2006, no other shareholder had disclosed ownership of more than 2% of the shares or voting rights.

ORGANIZATION CHART AS OF MARCH 31, 2007



* Pursuant to Article L. 233-10 of the French Commercial Code, these figures include Wendel-Participations, SLPS and executives of the family holding companies.

PRESENTATION OF SLPS AND WENDEL-PARTICIPATIONS

SLPS and Wendel-Participations are two holding companies. SLPS owns shares in Wendel-Participations and in WENDEL Investissement; Wendel-Participations only holds shares in WENDEL Investissement.

SLPS is owned by 800 individual shareholders, members of the Wendel family.

PURPOSE OF SLPS

The Company's purpose is to:

- invest and manage its own funds and acquire participating interests;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities, rights to intangible or tangible property, and engage in any type of short-, medium- or long-term capital transactions;

- participate in any guarantees, placements or other syndicates;
- create new companies;
- preserve the assets and other interests of the Wendel family;
- and generally, in France, French overseas territories and any other country, undertake any commercial, industrial, financial, investment or real estate operations directly or indirectly related, in whole or in part, to the above-mentioned activities.

PURPOSE OF WENDEL-PARTICIPATIONS

The Company's purpose is to hold equity interests in any industrial, commercial and financial companies of whatever nature through the creation of new companies, asset transfers, subscriptions to or purchases of shares or ownership rights, through mergers, alliances, associations or otherwise, and generally, any operations related to such equity interests.

SIMPLIFICATION OF CONTROL STRUCTURE

To finalize the process of simplifying the controlling shareholder structure, begun in 2002, the following transactions are to be carried out:

- Cancellation of treasury shares

WENDEL Investissement is to cancel most of the Wendel shares held in treasury, i.e. nearly 10% of the shares of Wendel.

- Elimination of the ownership loop

Using options acquired in 2004, the management of Wendel acquired shares in Wendel-Participations via Solfur (see pp. 210-11), according to procedures submitted for approval to the Supervisory Board on the recommendation of the Audit and Governance Committees.

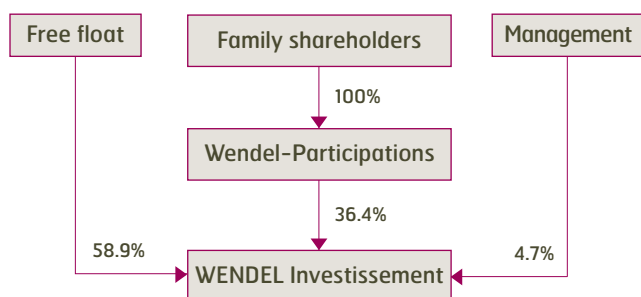
- Simplification of family holding structure:

SLPS / Wendel-Participations will:

SUPPLEMENTAL INFORMATION

- exchange WENDEL Investissement shares with Wendel management for the Wendel-Participations shares obtained as described;
- merge, giving family shareholders a direct stake of around 36% in Wendel.

Once these transactions are completed, the Wendel Group's control structure will be as follows:



These transactions will eliminate the indirect holding through Solfur, simplify the Group's control structure, increase the share's liquidity by raising free float from 54% to 59%. They will be accretive for all shareholders.

ECONOMIC AND FINANCIAL TIES WITH WENDEL INVESTISSEMENT

There are no financial or economic ties between Wendel-Participations and SLPS on the one hand and WENDEL Investissement on the other, other than those resulting from the ownership of shares (dividends).

There is an agreement involving a brand license (exclusive license to use the brand WENDEL Investissement), which is mentioned in the Statutory Auditors' special report.

There are also agreements with SLPS and Wendel-Participations that are mentioned in the Statutory Auditors' special report.

OTHER SHAREHOLDERS

ARNHOLD & BLEICHROEDER

By letter dated December 16, 2002, Arnhold & Bleichroeder informed the Company that it owned 1,720,526 WENDEL Investissement shares, representing 3.08% of the capital.

By letter dated March 24, 2003, Arnhold & Bleichroeder informed the Company that it owned 3,144,126 WENDEL Investissement shares, representing 5.62% of the capital, and had exceeded the threshold of 5% of the capital.

By letter dated January 15, 2004, Arnhold & Bleichroeder informed the Company that it owned 5,603,260 WENDEL Investissement shares, representing 10.01% of the capital. The firm added the following declarations to its threshold disclosure statement:

- We are acting alone.
- We intend to continue buying and selling WENDEL Investissement shares depending on their discount to our estimate of their intrinsic value. We define intrinsic value as the price that a strategic or financial investor would pay in cash to acquire the whole company.
- We have no intention of taking control of the Company.
- We do not intend to seek a seat on the Board of Directors of the Company;
- We support all initiatives that contribute to recognition of the Company's intrinsic value.

By letter dated March 16, 2004, Arnhold & Bleichroeder informed the Company that it had passed below the 10% disclosure threshold and owned 9.99% of the capital. By letter dated March 26, 2004, this shareholder informed the Company that it had again gone over the 10% disclosure threshold and owned 10.01% of the capital. The firm added disclosures to its threshold disclosure that were analogous in all respects to the previous declarations. On June 23, 2004, this shareholder informed the Company that it had again passed below the 10% disclosure threshold and owned 9.99% of the capital.

By letter dated January 31, 2005, this shareholder informed the Company that it had again gone over the 10% disclosure threshold and owned 10.12% of the capital. The firm added declarations to its threshold disclosure that were similar in all respects to the previous declarations.

On January 26, 2006, this shareholder informed the Company that it had again passed below the 10% disclosure threshold and owned 9.99% of the capital. On January 31, 2006, this shareholder informed the Company that it had purchased 58,000 shares and had again gone over the 10% disclosure threshold and owned 10.1% of the capital of WENDEL Investissement. Finally, on April 3, 2006, this shareholder informed the Company that it had again passed below the 10% disclosure threshold and owned 9.8% of the capital of WENDEL Investissement.

On March 6, 2007, this shareholder informed the Company that it had sold 18,941 shares on February 26 and that on March 2 it had crossed above the 6% and 8% voting rights thresholds after obtaining double voting rights on a part of the shares it holds. As a result, on March 6, 2007, it held 4,369,456 shares, representing 7.9% of the capital and 10.0% of the voting rights.

SHAREHOLDERS AGREEMENTS

CONCERNING WENDEL INVESTISSEMENT

Under the requirements of the Dutreil act of August 1, 2003, the Company has been informed of agreements between Wendel-Participations, SLPS, SPIM and certain individual shareholders requiring shares to be held for defined periods, as follows:

- commitments to hold shares for a period of six years pursuant to article 885 I bis of the French Tax Code, dated December 23, 2003, December 17, 2004, December 21, 2005 and December 19, 2006 and relating to shares representing 24.95%, 23.27%, 36.67% and 34.49% of the capital, respectively, at those dates;
- commitments to hold shares for a period of two years pursuant to article 787 B of the French Tax Code, dated December 17, 2004 and December 19, 2006 and relating to shares representing 23.27% and 33.25% of the capital, respectively, at that date.

In addition to the commitment to hold shares for a defined period, these agreements stipulate that pre-emptive rights have been granted to Wendel-Participations, SLPS, and SPIM in respect of shares representing 8.9% of the capital. The shareholders concerned by these obligations are not considered to be acting in concert.

As required by articles 885 I bis and 787 B of the French Tax Code and L. 233.11 of the French Commercial Code, these agreements have been reported to the AMF.

Other than the above agreements, and to the best of the Company's knowledge, there is no agreement, accord or contract between shareholders related to their interest in Wendel Investissement.

CONCERNING THE SUBSIDIARY AND AFFILIATED COMPANIES OF WENDEL INVESTISSEMENT

SHAREHOLDERS AGREEMENT DISCLOSED TO THE REGULATORY AUTHORITIES: LEGRAND

Legrand's listing on the stock exchange terminated the 2002 agreement between the Company, KKR and the principal minority shareholders.

WENDEL Investissement and the other principal shareholders have concluded new agreements, as follows:

- on March 21, 2006, WENDEL Investissement and KKR signed a new shareholders agreement (the "New Agreement");
- on March 21, 2006, WENDEL Investissement, KKR and the principal minority shareholders (WestLB AG, Goldman Sachs Capital Partners and Montagu Private Equity) signed an Offering Rights Agreement and a Tag Along Agreement (the "Special Agreements").

The New Agreement governs the relationship between KKR and WENDEL Investissement vis-à-vis Legrand and covers in particular:

- the principle of joint ownership and various provisions in the event one of the parties initiates a takeover bid;

- the company's governance, in particular the composition of the Board of Directors;
- certain rules concerning exit mechanisms (lock-up period, followed by tag-along rights and right of first refusal).

The Special Agreements govern the relationship between WENDEL Investissement, KKR and the principal minority shareholders and cover in particular:

- the terms and conditions for secondary offers of Legrand shares;
- proportional tag-along rights with prior consultation required in certain cases.

For more details on these agreements, see the basic listing document (document de base) filed on February 21, 2006 (no. I 06-0009) in preparation for the IPO and the prospectus (note d'information) approved by the AMF on March 22, 2006 (no. 06-0082). These documents are available on Legrand's website (www.legrand-eletric.com) and that of the AMF (www.amf-france.org).

SHAREHOLDERS AGREEMENTS ENTERED INTO BY THE WENDEL GROUP CONCERNING UNLISTED COMPANIES

AGREEMENTS WITH CO-INVESTORS

WENDEL Investissement is party to several shareholders agreements under which it has given or received certain rights. These agreements govern its relationship with its co-investors in Materis, Deutsch, Stahl and AVR.

These agreements include standard clauses including ones related to:

- corporate governance (composition of management entities and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights);
- exit terms in the event of a sale or IPO (tag-along and drag-along rights).

AGREEMENTS REGARDING EXECUTIVE CO-INVESTMENT IN CERTAIN SUBSIDIARIES

The Wendel group has concluded several agreements governing its relationship with co-investors who are executives of certain Wendel subsidiaries, such as Editis, Bureau Veritas, Materis, Deutsch and Stahl (as described on pages 210-11 of this Reference Document).

These agreements include standard clauses including ones governing:

- executive departure (vesting);
- terms of share transfers (lock-up periods, pre-emptive rights);
- exit terms in the event of a sale or IPO (tag-along rights for executives, drag-along rights in favor of Wendel);
- liquidity in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time.

MARKET FOR WENDEL INVESTISSEMENT SHARES, DIVIDENDS

WENDEL INVESTISSEMENT SHARE PRICE AND VOLUMES TRADED SINCE JANUARY 2005

Month	Highest / lowest prices		Average price (euros)	Number of shares traded (average per trading day)	Amount traded in thousands of euros (average per trading day)
	Highest (euros)	Lowest (euros)			
January 2005	59.00	48.90	57.44	188,651	10,837
February 2005	61.80	58.20	59.53	48,151	2,867
March 2005	61.50	55.00	59.58	34,697	2,067
April 2005	64.30	60.00	62.19	56,069	3,487
May 2005	65.00	60.25	63.66	54,397	3,463
June 2005	68.90	62.50	64.85	69,823	4,528
July 2005	73.55	66.00	69.58	44,948	3,128
August 2005	73.50	70.00	71.82	33,465	2,403
September 2005	88.15	73.00	82.59	82,201	6,789
October 2005	83.00	74.80	79.41	86,596	6,876
November 2005	85.00	79.40	81.18	52,499	4,262
December 2005	86.60	83.55	84.63	53,851	4,558
January 2006	89.75	84.20	87.08	62,592	5,450
February 2006	99.45	88.60	93.30	70,693	6,596
March 2006	100.00	93.20	97.10	68,721	6,673
April 2006	107.10	97.65	102.48	145,162	14,877
May 2006	105.70	85.10	96.47	91,709	8,847
June 2006	94.95	83.10	90.02	64,853	5,838
July 2006	95.50	86.80	91.46	36,208	3,311
August 2006	91.75	88.00	89.95	33,672	3,029
September 2006	97.60	90.30	94.63	66,481	6,291
October 2006	106.80	96.80	102.39	86,251	8,831
November 2006	115.80	104.10	110.01	72,490	7,975
December 2006	114.60	110.30	112.71	55,169	6,218
January 2007	115.30	109.00	112.47	112,811	12,688
February 2007	122.99	110.55	118.31	91,739	10,854
March 2007	129.20	108.75	119.14	108,862	12,970

DIVIDENDS (adjusted and in euros)

The following table presents the adjusted series of dividends for the last five years:

Year	Ordinary dividend (euros)	Exceptional dividend (euros)	Total dividend distributed (millions of euros)
2001-2002	2.10	-	90.93
2003	1.05	-	58.78
2004	1.15	-	56.48
2005	1.40	0.60	98.90
2006	1.70	0.30	100.40

Until 2001, the fiscal year began on July 1 and ended on June 30 of the following year. The 2001-02 fiscal year was 18 months long, and the shareholders of Marine-Wendel were paid an interim dividend of 1.10 euro per share in June 2002 and 1.00 euro per share in June 2003.

INTEREST OF CORPORATE OFFICERS AND EMPLOYEES

EXECUTIVE COMPENSATION

In 2006, the following compensation was paid to the Chairman and the members of the Executive Board, including compensation received from controlled companies within the meaning of Article L.233-16 and from the company that controls WENDEL Investissement:

(euros)	Gross compensation		2006 Board fees	Benefits in kind	Total compensation	2005
	Fixed	Variable				Total compensation
J.-B. Lafonta	1,123,597	400,000	35,000	5,193	1,563,790	961,468
B. Gautier	576,000	294,000	-	-	870,000	347,500
E.-A. Seillière	422,097	-	80,566	5,031	507,694	764,874

Compensation of the members of the Executive Board is approved every year by the Supervisory Board, after review by the Governance Committee. The Governance Committee bases its recommendation for overall compensation on comparison with market practices for listed companies. The amount of the bonus is set on the basis of Wendel's progress with regard to its medium-term objectives. Board fees are included in overall compensation.

COMPENSATION OF THE FIVE MOST HIGHLY PAID INDIVIDUALS

In 2006, compensation paid to the five most highly paid individuals, including WENDEL Investissement for the corporate officers, as well as controlling company in the case of the Chairman and members of the Executive Board:

	euros
Compensation	3,270,950
Board fees	258,578
Total	3,529,528

OTHER CORPORATE OFFICERS

Compensation paid by the Company and the companies in the Wendel Group's scope of consolidation consisted mainly of Board fees totaling 423,618 euros, with the following breakdown:

	euros
Nicolas Celier	21,000
Didier Cherpitel	39,500
Béatrice Dautresme	21,000
Jean-Marc Janodet	134,118
Edouard de l'Espée	39,500
François de Mitry	39,500
Grégoire Olivier	39,500
François de Wendel	39,500
Guy de Wouters	50,000
	423,618

B. SUBSCRIPTION AND PURCHASE OPTIONS FOR WENDEL INVESTISSEMENT SHARES

As of December 31, 2006, options entitling the corporate officers and managers of WENDEL Investissement to subscribe to or purchase shares concerned exclusively WENDEL Investissement shares.

Stock option policy

Options on WENDEL Investissement shares are granted as incentives to motivate, compensate and ensure the loyalty of Group managers. They may be either purchase- or subscription-type options, even though the table below shows that subscription-type options have been the more common practice. For several years now, they have been granted at the same time of year (early July), at a price based on the average opening price of the 20 trading days following the ex-dividend date, with no discount.

Company policy for stock option grants is reviewed by the Governance Committee and the Supervisory Board, which approves the guiding principles. Implementation and individual grants are decided by the Executive Board. As of 2005, corporate officers no longer receive option grants.

On July 4, 2006, the Executive Board decided to grant at least 100 options to all employees, both management and non-management, except for members of the Operations Committee and corporate officers, who, with rare exception, did not receive grants.

The 18th resolution presented to shareholders at their June 4, 2007 Shareholders' Meeting calls for a new grant of subscription-type or purchase-type options.

1) OUTSTANDING OPTIONS AS OF DECEMBER 31, 2006 AND CHANGES IN 2006

Outstanding options as of December 31, 2005	1,185,339
Options exercised in 2006	896,390
Options granted in 2006	60,600
Outstanding options as of December 31, 2006	349,549

SUPPLEMENTAL INFORMATION

OPTIONS EXERCISED IN 2006

Plan	CGIP 3-2	CGIP 3-3	CGIP 4-1	CGIP 4-2
Date of Board meeting	06/03/1998	06/02/1999	06/02/1999	05/30/2000
Strike price	35.04 €	37.10 €	37.10 €	44.23 €

Type	Subscription	Subscription	Subscription	Subscription
Options exercised by:				
• corporate officers		65,070	65,070	91,121
Mr. Seillière		65,070	65,070	91,121
Mr. Janodet		-	-	-
Mr. de Moustier		-	-	-
• The top 10 optionees		29,079	18,415	10,652
• Other employees	1,098	5,208	1,953	5,326
TOTAL	1,098	99,357	85,438	107,099

CGIP 5-2	CGIP 5-3	WI 1-1	WI 2-1	WI 3-1	TOTAL
07/19/2001	09/25/2001	07/17/2002	07/16/2003	07/09/2004	
33.35 €	28.50 €	24.59 €	25.96 €	39.98 €	
Purchase	Subscription	Subscription	Subscription	Subscription	
109,073		104,006	141,328	171,612	747,280
99,157		90,854	141,328	171,612	724,212
-		13,152	-	-	13,152
9,916		-	-	-	9,916
10,467		24,227	9,943	22,899	125,682
3,299		3,083	-	3,461	23,428
122,839		131,316	151,271	197,972	896,390

SUPPLEMENTAL INFORMATION

2) HISTORY OF SUBSCRIPTION AND PURCHASE OPTION GRANTS

The number of shares that may be subscribed to or purchased and the subscription or purchase price as reported in the following table have been adjusted for:

- the October 1998 split;
- the December 1999 one-for-ten bonus issue;
- the June 2001 grant of Capgemini Ernst & Young warrants;

- the share buyback and simplified takeover bid of January 2002;
- the June 2002 bonus issue;
- the simplified share buyback of January 2005.

	PLANS					
	COMPAGNIE GÉNÉRALE D'INDUSTRIE ET DE PARTICIPATIONS					
	PLAN n° 3			PLAN n° 4		
Date of Shareholders' Meeting	June 4, 1996			June 2, 1999		
Total number of options authorized	602,685			393,022		
Options not granted – plans closed	-			-		
Options granted – plans in existence	-			-		
Total number of shares that may be subscribed	602,685			393,022		
Date of Board of Directors or Executive Board Meeting	12/05/1996	06/03/1998	06/02/1999	06/02/1999	05/30/2000	
Plans	CGIP 3-1	CGIP 3-2	CGIP 3-3	CGIP 4-1	CGIP 4-2	
Starting date for the exercise of the options	12/05/1999	06/03/2001	06/02/2002	06/02/2002	05/30/2003	
Expiration date of the options	12/04/2004	06/02/2006	06/01/2007	06/01/2009	05/30/2010	
Subscription price per share	€12.32	€35.04	€37.10	€37.10	€44.23	
Discount	20%	5%	0%	0%	0%	
Options granted	278,664	154,348	169,673	179,997	213,025	
<i>of which:</i>						
<i>Subscription-type options</i>	<i>278,664</i>	<i>154,348</i>	<i>169,673</i>	<i>179,997</i>	<i>213,025</i>	
<i>Purchase-type options</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Number of shares that may be subscribed or purchased:						
. by corporate officers	-	-	65,070	65,070	100,234	
. by the top 10 optionees	-	-	33,336	33,345	28,997	
. by other employees	-	-	5,860	5,862	10,654	
Number of shares subscribed at 12.31.2006	278,664	154,348	164,764	161,158	180,239	
Number of options remaining to be subscribed or purchased at 12.31.2006	-	-	4,909	18,839	32,786	
Number of shares that may be subscribed or purchased by corporate officers:						
Mr. Gautier						
Mr. Janodet	-	-	-	-	-	

				PLANS					TOTAL
				WENDEL Investissement					
	PLAN n° 5			PLAN n° 1	PLAN n° 2	PLAN n° 3			
	May 30, 2000			June 13, 2002	May 27, 2003	June 10, 2004			
	313,111			562,410	562,821	564,023			
	-			278,900	239,000	-			
	-			-	-	-			
	313,111			283,510	323,821	537,823			
	07/20/2000	07/19/2001	09/25/2001	07/17/2002	07/16/2003	07/09/2004	07/06/2005	07/04/2006	
	CGIP 5-1	CGIP 5-2	CGIP 5-3	WI 1-1	WI 2-1	WI 3-1	WI 3-2	WI 3-3	
	07/20/2000	07/19/2002	09/25/2002	07/17/2003	07/16/2004	07/09/2005	07/06/2006	07/04/2007	
	07/19/2010	07/18/2011	09/24/2011	07/16/2012	07/15/2013	07/08/2014	07/05/2015	07/03/2016	
	€44.23	€33.35	€28.50	€24.59	€25.96	€39.98	€65.28	€90.14	
	0%	0%	0%	0%	0%	0%	0%	0%	
	5,919	224,549	82,643	283,510	323,821	428,223	49,000	60,600	2,453,972
	-	-	82,643	283,510	323,821	428,223	49,000	60,600	2,223,504
	5,919	224,549	-	-	-	-	-	-	230,468
	-	109,073	-	116,091	141,328	191,802	-	-	788,668
	5,919	24,505	-	31,293	27,284	76,469	45,000	52,000	358,148
	-	10,131	-	12,325	7,571	33,022	4,000	8,600	98,025
	-	203,679	82,643	255,117	298,909	324,902	-	-	2,104,423
	5,919	20,870	-	28,393	24,912	103,321	49,000	60,600	349,549

C - RETIREMENT AND SEVERANCE PAY

The pension plan set up in 1947 by the company "Les petits-fils de François de Wendel et Cie", which has since been renamed WENDEL Investissement, is a defined benefit plan that was closed to new entrants on December 31, 1998. All employees of the Company – executives, managers, supervisors, technicians and other employees – who worked for the Company until that date are entitled to benefits under the plan, on the same terms, provided they retire while employed by the Group. Apart from this plan, the executives of WENDEL Investissement do not benefit from any other specific retirement plan. No current corporate officer benefits from this supplementary retirement plan.

Executives of WENDEL Investissement are not contractually entitled to severance pay should they leave the Company at the request of the Supervisory Board. In addition, no corporate officer benefited upon arrival nor is contractually entitled to any exceptional compensation, in the meaning of the joint AFEF/MEDEF recommendation, in the event of departure.

D - BONUS SHARES

Although the eleventh resolution of the May 29, 2006 Annual Shareholders' Meeting authorized the granting of bonus shares, no bonus shares were issued in 2006, neither to employees nor to corporate officers.

E - PARTICIPATION OF MANAGEMENT IN THE COMPANY'S INVESTMENTS

1. CO-INVESTMENT BY EXECUTIVES OF THE SUBSIDIARIES

Over time, WENDEL Investissement has implemented a policy for its subsidiaries based on the following principles:

- Executives are invited to personally invest significant amounts of their own funds, through special-purpose companies, alongside Wendel.
- Stock options are now reserved for all other managers.

Investments made by executives generate gains only once Wendel has achieved a certain profitability threshold (between 10% and 15%).

These investments present a risk for the executives inasmuch as the amounts invested are lost if the return on investment is below these levels. In return for accepting this high level of risk, executives share in any performance beyond the threshold, in variable proportions.

As of December 31, 2006, such arrangements were in place at Editis, Bureau Veritas, Materis, Deutsch, Stahl and AVR.

2. CO-INVESTMENT BY THE EXECUTIVES OF WENDEL UNTIL 2006

In an effort to confirm the absence of conflicts of interest, the investments of WENDEL Investissement executives are systematically submitted for approval to the Supervisory Board, supported by an opinion of the Governance Committee, which has authority in matters related to corporate ethics.

A) INVESTMENT IN SUBSIDIARIES AND AFFILIATES

The executives of Wendel have also been invited to make personal investments of a significant amount in all newly acquired companies of the Group, thereby undertaking an economic risk on all listed and unlisted companies, at terms similar to those proposed to the executives of those companies, where applicable.

These investments present a risk for the executives of Wendel inasmuch as the amounts invested are lost if the return on investment is below a certain threshold. In return for accepting this high level of risk, executives share in any performance beyond the threshold, in variable proportions.

For investments made before 2006, such programs were implemented when Legrand and Editis were acquired, with mechanisms similar to those introduced for the executives of those subsidiaries.

Regarding the most recent investments made by Wendel in 2006 (Materis, Deutsch, Stahl and AVR, which were grouped in the investment company Winvest International, see pages 41 and 84), the co-investment was carried out in accordance with the principles described in §4 on page 211.

B) INVESTMENT IN LEGRAND OPTIONS

As indicated in documents published in relation to the IPO of Legrand shares (see § 11.5 of the Legrand IPO prospectus), certain Wendel executives have acquired options on Legrand shares as a group from a financial institution, via a newly-created company. These options, exercisable at any time, have a maturity of five years and represent around 1% of the capital of Legrand. These options were not exercised in 2006.

C) INVESTMENT IN THE SHARES OF WENDEL-PARTICIPATIONS

In addition, in 2004 the executives of Wendel acquired options to purchase Wendel-Participations shares (corresponding to the shares recognized in Wendel's consolidated balance sheet). These options, which expire in October 2010, have a strike price corresponding to 40 euros per Wendel share, reduced each year by the amount of dividends paid to shareholders. Forty euros was the average Wendel share price during the six months prior to October 22, 2004, the date at which the Board of Directors approved these arrangements. The premium to be paid by the executives to acquire these options was valued by an independent expert and set by the Board of Directors at 4 million euros.

This arrangement, announced in a press release dated December 3, 2004, was intended for executives willing to assume an investment risk on the Group and on its future value. It had the advantage of reducing the magnitude of the stock option program, thereby limiting dilution of existing Wendel shareholders. It also ensured that the interests of executives would be aligned with those of shareholders regarding dividend policy, as dividends are taken into account in the option strike price. Finally, it made it possible ultimately to remove the Wendel-Participations shares from Wendel's balance sheet. Illiquid and tied to individuals, these shares are difficult to sell.

As part of the plan to simplify the control structure (see pages 199-200) and in light of the program described above, the company representing the interests of Wendel executives acquired the Wendel-Participations shares underlying the options via the acquisition of Solfur, according to procedures submitted for approval to the Supervisory Board on the recommendation of the Audit and Governance Committees. The purchase price of 79 million euros

was calculated by an independent expert.

3. IMPACT OF THESE CO-INVESTMENT MECHANISMS ON WENDEL

Based on Legrand's valuation at the time of its IPO, the investment programs implemented for executives of Legrand and Wendel (detailed in paragraphs E1 and E2 above) caused a dilution in Wendel's stake in Legrand from 37% to 34% (before the IPO).

All of these programs taken together would have a dilutive impact of 5-15% over five years, assuming the business plans envisioned by WENDEL Investissement at the time of the acquisition of Bureau Veritas, Materis, Editis, Deutsch, Stahl and AVR are realized.

4. FROM 2007, CHANGE IN THE SYSTEM THROUGH WHICH WENDEL EXECUTIVES PARTICIPATE IN THE GROUP'S PERFORMANCE

The system of investment applicable to Wendel executives, based until now essentially on the performance of Wendel-Participations shares, is set to change, in particular as a result of the simplification of the structure by which SLPS, the family holding company (see pages 199-200) controls the Wendel Group. The system through which Wendel executives participate in the Group's performance will henceforth operate as follows:

- A stock option program with an annual grant limited to 2% of the share capital. These options will only be exercisable five years after grant and the ultimate number of options in the grant will depend on the performance of NAV per share:
 - If this performance (including dividends paid to shareholders during the period) is less than 30% at the end of five years, the number of options allocated will be divided by four.
 - If this performance (including dividends paid to shareholders during the period) is more than 120% at the end of five years, the full number of options allocated will be maintained.
- Co-investment on the part of the management team: in accordance with its entrepreneur / investor strategy, Wendel wants the members of its management team to be directly and personally linked to the Company's investments by sharing in the risks and benefits thereof. The principles of management co-investment in all new Group investments entailing an economic risk on listed or unlisted companies has been defined as follows: Using their personal funds, Wendel executives will invest 0.5% of the amounts invested by Wendel in each of Wendel's investments. Wendel will receive all capital gains until the internal rate of return has reached 7% and it has achieved a total capital gain of 40% on its investment. If these thresholds are exceeded, management will receive, as a return on its investment, 10% of the total capital gain realized on the investment. If one of these thresholds is not reached, Wendel executives will lose their investment. Rights to co-investment benefits will vest in tranches of 20% each (20% at the investment date, then 20% at each anniversary date). The capital gain will be recognized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

Given that certain corporate officers might be affected, in the interest of transparency and good corporate governance, these co-investment principles were approved by the Supervisory Board at its meetings of December 6, 2006 and April 26, 2007, based on the opinion of the Governance Committee. They are mentioned in the

Statutory Auditors' Special Report on Related-Party Agreements, page 166-67.

These two programs, stock options and co-investment, implemented with the approval of the Supervisory Board, will lead to an equilibrium between Group performance and that of new investments. The potentially dilutive effect of stock options should be offset as Wendel repurchases its own shares and cancels them.

F. INFORMATION ON THE NATURE OF THE TRANSACTIONS BETWEEN THE COMPANY AND ITS CORPORATE OFFICERS

The Company has not entered into any agreement with its corporate officers or with companies with which it has executives in common, excluding ordinary business transactions, other than those mentioned in the Statutory Auditors' Special Report on Related-Party Agreements.

G. LOANS TO MEMBERS OF THE COMPANY'S MANAGEMENT ENTITIES

None.

H. OBLIGATION OF CORPORATE OFFICERS TO HOLD SHARES OBTAINED THROUGH OPTION EXERCISES OR BONUS SHARE GRANTS

Pursuant to the January 2007 AFEP/MEDEF recommendations, on March 28, 2007 the Supervisory Board, based on a proposal from the Governance Committee, asked that corporate officers hold at least 30% of the WENDEL Investissement shares obtained through option exercises or bonus share grants. In addition the Board recommended that this request also apply to shares already issued prior to March 28, 2007 for corporate officers in office at that date.

Similarly, so as to remain in the position of entrepreneur / investor, the executives have proposed to make a commitment to hold, in the form of Wendel shares, individually and for the duration of their presence in the Group, at least 30% of their portion of the capital gain recognized when the investment in Wendel Participations is terminated.

INFORMATION ON THE ACTIVITIES OF THE COMPANY

BRIEF HISTORY OF THE COMPANY

Marine-Wendel was created in 1975 when the Wendel Group took control of the Marine-Firminy holding company. The predominance of the Group's steel industry assets (Sacilor, Forges et Aciéries de Dilling, etc.), alongside its diversified activities (Carnaud, Forges de Gueugnon, Oranje-Nassau, Cimenteries de l'Est, several mechanical engineering companies, etc.) led to the break-up of the Group into two entities during the European steel crisis of 1977. By transferring all of its non-steel industry assets in November 1977, Marine-Wendel created Compagnie Générale d'Industrie et de Participations (CGIP), in which it retained only a 20% equity interest. Thereafter, Marine-Wendel progressively divested itself of its steel industry assets. Over the years and through numerous internal restructurings, it increased its stake in CGIP to the point of acquiring control of the company. In June 2002, Marine-Wendel and CGIP merged. The merged entity took the name of WENDEL Investissement and at that date, market capitalization totaled 1,190 million euros. Our industry approach and the focus of our management teams on long-term corporate development has helped give our Group a strong and image. This has prompted us to propose to you, at your June 4, 2007 Annual Meeting, to simplify the legal name of the Company from "WENDEL Investissement" to "Wendel", thereby putting the emphasis on the long-term, industry values that have been a part of the Group for 300 years. A summary of key dates and events can be found in the chapter entitled, "Development stages" in this document.

The principal changes that took place in the Group over the last three fiscal years are discussed in the consolidated financial statements in the section dealing with the consolidation scope.

HISTORICAL FINANCIAL INFORMATION

The consolidated financial statements for the year ended December 31, 2005 and the Statutory Auditors' report thereon, which are included in the Reference Document filed by WENDEL Investissement with the AMF on May 24, 2006 under the number D.06-0484 are included herein by reference.

The consolidated financial statements for the year ended December 31, 2004 and the Statutory Auditors' report thereon, which are included in the Reference Document filed by WENDEL Investissement with the AMF on June 2, 2005 under the number D.05-0818 are included herein by reference.

COMPETITIVE POSITION

WENDEL Investissement's competitors are European and Anglo-Saxon investment firms, other investment funds, as well as listed and unlisted holding companies.

Unlike investment funds, WENDEL Investissement plays an active, professional role in the companies in which it invests, defining the

strategy of its subsidiaries and pursuing long-term investment objectives. Its business approach and strategy aim to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation and boosting productivity. Wendel is both a shareholder and an active partner. It supports entrepreneurial teams, gives them responsibility and works with them over time to achieve ambitious growth and value creation objectives.

DEPENDENCE ON PATENTS, LICENSES, OR INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS

The Wendel Group seeks to optimize the diversification of its assets. For this reason, the Group does not have any significant dependence on specific patents, licenses, or industrial, commercial or financial contracts.

AGREEMENTS WITH SUBSIDIARY AND AFFILIATED COMPANIES

There are no industrial, commercial or management agreements between WENDEL Investissement and its subsidiary or affiliated companies. WENDEL Investissement provides certain of them with advice and assistance regarding strategic, legal, tax, financial and accounting matters. These services are billed on an arm's length basis by reference to actual costs if identifiable or at flat rates.

Amounts billed for these services during the last three accounting periods were as follows (in thousands of euros, excluding VAT):

	2006	2005	2004
Wheelabrator Allevar	-	2,007	2,559
Stallergènes	80	80	80
Bureau Veritas	2,000	2,000	-
Editis	1,000	-	4,600
Deutsch	1,375	-	-
Materis	1,333	-	-
Trief Corporation	17,000	-	-
Other subsidiaries	104	534	97

NET ASSET VALUE

METHODOLOGY

Net asset value in December 2006 was calculated on the basis of the financial statements of Wendel, its consolidated subsidiaries and its equity-accounted subsidiaries as of December 31, 2006.

Stakes in **unlisted subsidiaries** are valued by applying stock market multiples of similar companies in the same reference period to the principal measures of earnings. These measures were earnings before interest, tax, depreciation and amortization (EBITDA) and earnings before interest, tax and amortization (EBITA), i.e. before amortization of goodwill. These figures were restated to exclude non-recurring items, if any.

The peer group does not vary over time. In this way, average sector multiples are calculated, then used to determine the enterprise value of a given company. The companies in the sample have a significant free float percentage; the changes in their share prices thus reflect changes in enterprise value. Moreover, these companies are covered by several analysts who regularly publish research on them and on the sectors to which they belong. The analysts' estimates are used to calculate prospective multiples, which reflect the outlook for growth of the companies and their sector. All debt are deducted from enterprise value, as is the estimated amount of co-investment gains that would be paid to management if the company were sold at that value. This gives the net asset value of the investment, assuming an interest of 100%.

New investments are valued at cost for the first few months following their acquisition until the company prepares consolidated financial statements for six months of operations and updates its earnings forecasts for the current year. The subsidiaries acquired in 2006 – Deutsch, Materis and Stahl – were valued at cost at December 31, 2006. These subsidiaries will be valued at market value in 2007.

Shares in **listed companies** are valued at the average closing price over the 20 trading days preceding the valuation. As the liquidity of listed companies is sufficient, no discount is applied to the average share price as calculated. Should a commitment give rise to any restrictions on the sale of shares in the market over a given period of time, a discount would be applied to the average share price as calculated. The same would apply if liquidity were to become insufficient with regard to the number of shares held by Wendel.

WENDEL Investissement shares held in treasury to be sold to executives who exercise purchase-type stock options are valued at their subscription price. Other shares are valued at the lower of the net asset value per share or the average of the last 20 closing prices preceding the valuation.

The main investments of **Oranje-Nassau** are in oil and gas fields and in real estate. To value its oil and gas assets, Oranje-Nassau uses hypotheses for the following parameters to develop potential scenarios:

- reserves and annual extraction rate for each field;
- future trends in crude oil prices;

- extraction costs for each field;
- changes in the euro/US dollar exchange rate;
- the discount rate.

This analysis results in estimates of revenues and earnings for future years. The net present value of future cash flows gives the valuation of the Company's Energy businesses.

Real estate investments are mainly in office and commercial properties located in the main cities of the Netherlands. These properties, leased to government agencies or to companies, are valued by the Company at their market value.

Current assets and liabilities are included at their net book value or their market value if this value can be determined at regular intervals or is provided by third parties.

Net asset value is given before taking into account future tax on unrealized capital gains.

IMPLEMENTATION OF THE NEW STRATEGY AND CHANGES IN THE COMPOSITION OF NAV

Beginning in 2002, Wendel sold all its minority shareholdings and the proceeds were reinvested so as to take control of companies with strong market positions and genuine prospects for growth. Since 2002, Wendel has been taking control of listed and unlisted companies with strong growth potential, both in France and abroad. A professional, long-term shareholder that controls the companies in which it invests, Wendel implements strategies that accelerate growth.

Between 2002 and 2006, Wendel sold assets worth 2,300 million euros.

The Company's stake in Capgemini was partially sold in 2003. In 2004, the Company sold its stake in Trader Classified Media and most of its holding in bioMérieux at the time of bioMérieux's IPO. In 2005, WENDEL Investissement continued to divest, selling additional bioMérieux, Valeo and Capgemini shares. Wheelabrator Allevard was sold in mid-2005. Additional disposals in 2006 brought these investments down to an immaterial level.

During the same period, Wendel invested in assets worth 2,200 million euros.

Wendel acquired 37% of Legrand in December 2002. In the second half of 2004, Wendel acquired Editis and strengthened its holding in Bureau Veritas from 34% to 99%. In 2006, Wendel acquired Materis, Deutsch, Stahl and AVR.

During that period, Wendel subsidiaries invested 1,500 million euros to strengthen their presence in new markets, acquire new expertise and expand further. Legrand acquired more than ten companies and Bureau Veritas more than 30.

SUPPLEMENTAL INFORMATION

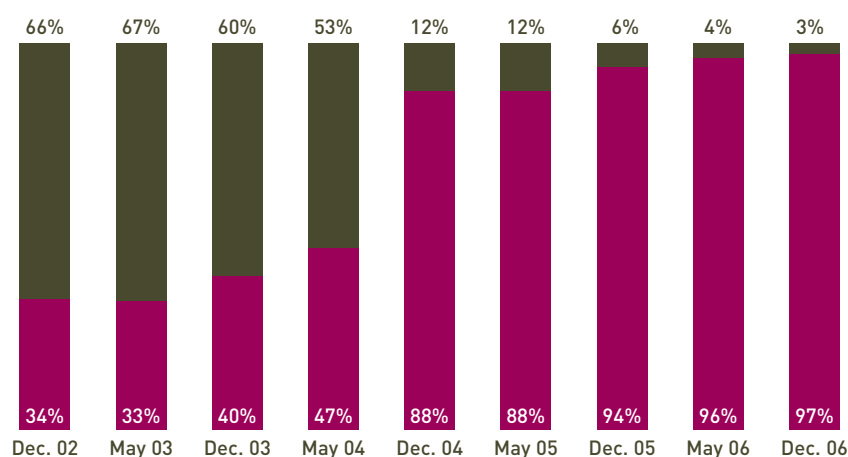
GROWTH IN GROSS ASSETS AND NET ASSET VALUE BETWEEN 2002 AND 2006

The breakdown of gross assets and changes over the period are shown in the table below:

in millions of euros	Dec. 02	%	Dec. 03	%	Dec. 04*	%	Dec. 05	%	Dec. 06	%
Controlled subsidiaries	1,050	34%	1,340	40%	3,770	88%	4,530	94%	6,470	97%
Minority investments	2,000	66%	2,060	60%	520	12%	300	6%	230	3%
Gross assets, revalued	3,050	100%	3,400	100%	4,290	100%	4,830	100%	6,700	100%
Wendel shares held in treasury	-		-		240		430		570	
Cash	270		90		570		820		780	
Financial debt	(1,230)		(970)		(1,670)		(1,600)		(2,000)	
Net asset value	2,090		2,520		3,430		4,480		6,050	
Net asset value per share	38€		45€		61€		82€		109€	

* The calculation of net asset value includes the impact of WENDEL Investissement's simplified share buyback on its own shares, which ended in January 2005.

BREAKDOWN OF GROSS REVALUED ASSETS



as a % of assets *

■ Controlled ■ Minority investments

(*) excluding Wendel shares held in treasury

The change in the breakdown between companies under Wendel's control and minority investments illustrates the Company's shift from a passive investment company to an active one. Net assets rose significantly over the period, highlighting how the Group has created value with its new strategy.

The net asset value of WENDEL Investissement was 6,050 million euros in December 2006, vs. 2,090 million euros in December 2002. In four years, net asset value per share has virtually tripled, even before taking into account dividends distributed to shareholders in June of each year.

The 430 million euro increase in net asset value in 2003 derived largely from appreciation in the value of Legrand, acquired at the end of 2002. The 910 million euro increase in 2004 came about because Legrand continued to appreciate, as did Bureau Veritas. Wendel had just increased its stake in Bureau Veritas to 99%. The 1,050 million euro increase in 2005 was linked to further appreciation in the value of Legrand, Bureau Veritas and Editis.

In 2006, net asset value rose by 1,570 million euros, reflecting good performance across all subsidiaries. Valued at its cost of 660 million euros at the end of 2002, Legrand was revalued in April 2006 at 1,900 million euros, based on its share price. This is the month during which Legrand became a listed company again. The value of this investment more than tripled in a little over three years.

Net debt, which represents financial debt less cash and cash equivalents, rose from 960 million euros at end-2002 to 1,220

million euros at end-2006. Net debt is monitored in terms of its ratio to gross revalued assets. Net debt to gross revalued assets measures WENDEL Investissement's indebtedness compared with the assets it manages. From 31% at end-2002, this ratio declined to 26% at end-2003, 24% at end-2004, 15% at end-2005 and 17% at end-2006.

In March 2007, net asset value stood at 6,500 million euros, or 117 euros per share. At that date, WENDEL Investissement's gross revalued assets totaled 7,350 million euros.

THIRD-PARTY VALIDATION AND COMMUNICATION

Net asset value is disclosed to the financial community four times a year: when annual and semi-annual financial statements are published, at the Shareholders' Meeting and at the information meeting on unlisted companies. It is included in the press release published in connection with each of these events.

At the request of the Audit Committee, Associés en Finance, a recognized independent expert in the Paris market, regularly values the Group's assets for comparison with the value calculated by WENDEL Investissement.

(1) Net debt equals financial debt less cash and cash equivalents of WENDEL Investissement and its holding companies, excluding those companies whose debt is without recourse to the Company. Shares held in treasury are included in gross revalued assets.

RISK FACTORS

MARKET RISKS

(See section on risk management in the notes to the consolidated statements.)

LEGAL RISKS AND LITIGATION

SPECIFIC REGULATIONS APPLICABLE TO THE GROUP AND DEPENDENCE

Given the geographic and business diversity of the activities of Wendel and the subsidiaries it controls, there is no specific regulation uniformly applicable to the entire Group. The Group is not directly subject to any particular regulation that might affect the normal conduct of its business.

Each company carries out its business in compliance with applicable law and regulations. Bureau Veritas benefits from numerous authorizations, approvals and accreditations from governments and international organizations, which are periodically renewed. To the Company's knowledge, there is no problem relating to the renewal of any of these that might have a significant impact on the activities of Bureau Veritas. By virtue of its book publishing and distribution activities, Editis is subject to French uniform sales price regulations on books, under which the publisher or importer sets the price and retail discounts are limited, and to the applicable libel and privacy legislation. As a pharmaceutical laboratory, Stallergènes is subject to the public health directives of the European Commission and complies with recommendations and guidelines of official French "Good Manufacturing Practices", which are regularly inspected by AFSSAPS, the French healthcare product safety authority. Materis and Deutsch are not subject to any specific regulation that might have a significant impact on their activities.

To the Company's knowledge, there is no foreseeable change in regulations or development in case law that could have a significant impact on the Group's activities.

In addition, WENDEL Investissement and the subsidiaries it controls are not dependent on any patent or licenses, or on any industrial, commercial or financial supply agreement. To the best of the Company's knowledge, no company in the Group has entered into any agreement of this type that would have a significant impact on its activity should it expire or be terminated.

LITIGATION

In the normal course of business, WENDEL Investissement and the companies it controls are involved in litigation, arbitration and administrative disputes and are regularly subject to tax, labor or administrative review.

A provision is set aside any time a risk is determined and the cost associated with this risk can be estimated. The methods for deter-

mining provisions and for accounting for liabilities comply with applicable accounting standards. Provisions set aside represent the best estimate of the financial consequences for the Group of ongoing disputes based on available information.

Provisions for disputes included on the consolidated balance sheet totaled nearly 100 million euros, of which 67 million euros related to Bureau Veritas. In the normal course of business, Bureau Veritas is party to several thousand disputes and legal proceedings intended to invoke its professional liability.

At the present time, the principal disputes involving the company are as follows:

- on November 8, 2004, Editions Odile Jacob appealed the July 30, 2004 decision of the European Commission before the European Court of First Instance. Under that decision, the EC had approved Wendel as the seller of certain Editis assets. Wendel is an intervener to this procedure for which the Court has not yet set a date for a hearing. Wendel believes that the EC adhered to all of the conditions for granting approval and that the action initiated by Odile Jacob is without merit.
- pollution discovered on a site near Rouen is alleged to have originated from the steelmaking activities of Hauts Fourneaux de Rouen (HFR), which ceased operations in 1967. The Prefect of the Seine-Maritime département, alleging an ownership link between HFR and Sofiservice (a Group subsidiary), issued a prefectoral decree in 1998 ordering Sofiservice to conduct an environmental study and rehabilitate the site. This decree was contested and was overturned by order of the Administrative Court, but this decision was itself overturned by the Administrative Court of Appeal in October 2002, which ordered that the environmental study be undertaken. On January 10, 2005, the Conseil d'État (Supreme Administrative Court) confirmed the ruling of the Administrative Court of Appeal. As a result, the provision against this litigation remains on the books.

Other than the foregoing, the Company has no knowledge of any dispute, arbitration or exceptional event that may substantially affect or has recently had a substantial impact on the financial situation, results and activity of the Company or the Group.

INDUSTRIAL AND ENVIRONMENTAL RISKS

The principal risks are described on page 56 under the heading "Environmental policy".

INSURANCE

As part of its risk management policy, WENDEL Investissement has taken out policies with leading insurance companies. Principally, these policies cover the following risks:

- damage to property (buildings and/or tenant's liability risk) and contents (approximately 11 million euros in coverage). This policy covers physical damage to property;
- third-party operating liability (approximately 7 million euros in coverage). This policy covers bodily injury, physical damage and other losses to third parties;
- automotive fleet and travel insurance covering Company employees;
- liability insurance for executives and corporate officers. This policy covers the Company's corporate officers, its representatives on the management entities of subsidiary and affiliated companies, and persons considered executives de facto or de jure, who might

be held responsible for a professional error in connection with their duties of management, supervision or administration.

Every company controlled by the Group directly manages its own insurance policy and has risk coverage suited to its specific needs.

UNAVAILABLE ASSETS

(See note 40 to the consolidated financial statements)

SIGNIFICANT CHANGES IN FINANCIAL OR COMMERCIAL CONDITION OR BUSINESS STATUS

To the best of the Company's knowledge, there has been no major event so far in 2007 that could cause a significant change in the Company's financial condition or business status.

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

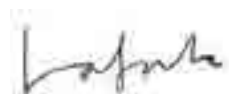
(in thousands of euros)	2005				2006			
	Ernst & Young Amount	Audit %	PricewaterhouseCoopers Amount	%	Ernst & Young Amount	Audit %	PricewaterhouseCoopers Amount	%
Audit								
Audit, audit report, of the parent-company consolidated financial statements	1,170		2,504		3,836		5,101	
- WENDEL Investissement	221	8%	285	6%	250	4%	325	5%
- fully-consolidated subsidiaries	949	36%	2,219	45%	3,586	59%	4,776	77%
Other verifications and services directly related to the auditing assignment	640		2,268		1,368		846	
- WENDEL Investissement	23	1%	144	3%	10	0%	175	3%
- fully-consolidated subsidiaries	617	23%	2,124	43%	1,358	22%	671	11%
Sub-total	1,810	68%	4,772	96%	5,204	86%	5,947	96%
Other services								
Legal, tax, employment	539	20%	195	4%	750	12%	250	4%
Review of internal control procedures fully-consolidated subsidiaries	322	12%	-	0%	99	2%	-	0%
Other	-	0%	-	0%	-	0%	-	0%
Sub-total	861	32%	195	4%	84	14%	250	4%
Total	2,671	100%	4,967	100%	6,053	100%	6,197	100%

PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT AND THE AUDIT OF THE FINANCIAL STATEMENTS

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT

"I hereby certify, having taken all reasonable measures in this regard, that the information contained in this reference document is, to the best of my knowledge, accurate and that no information has been omitted that would be likely to alter its substance.

The Company has obtained a comfort letter from its Statutory Auditors, wherein they indicate that they have verified the information regarding the financial position and financial statements included in the Reference Document and that they have read the entire Reference Document".



Jean-Bernard Lafonta
Chairman, Executive Board

PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

STATUTORY AUDITORS

- ERNST & YOUNG AUDIT

Member of the "Compagnie Régionale des Commissaires aux Comptes de Versailles"

represented by François Carrega

Tour Ernst & Young - 92037 Paris-La-Défense

- date of first appointment: Shareholders' meeting of November 15, 1988 (formerly named Castel Jacquet et Associés);
- appointment last renewed: Ordinary and Extraordinary Shareholders' meeting of November 23, 2000;
- term of office: 6 years;
- current term of office ends: Shareholders' Meeting convened to approve the accounts for the year ending December 31, 2006.

- PRICEWATERHOUSECOOPERS AUDIT

Member of the "Compagnie Régionale des Commissaires aux Comptes de Versailles"

represented by Olivier Thibault

63 rue de Villiers - 92208 Neuilly-sur-Seine Cedex

- date of first appointment: Shareholders' meeting of November 24, 1994 (formerly named Befec-Mulquin et Associés, Befec-Price Waterhouse);
- appointment last renewed: Ordinary and Extraordinary Shareholders' meeting of November 23, 2000;
- term of office: 6 years;
- current term of office ends: Shareholders' Meeting convened to approve the accounts for the year ending December 31, 2006.

ALTERNATE AUDITORS

- BARBIER FRINAULT & AUTRES

41 rue Ybry - 92576 Neuilly-sur-Seine

- date of first appointment: Shareholders' meeting of November 23, 2000;
- term of office: 6 years;
- current term of office ends: Shareholders' Meeting convened to approve the accounts for the year ending December 31, 2006.

- JEAN-FRANÇOIS SERVAL

114 rue Marius Aupiais - 92300 Levallois-Perret

- date of first appointment: Shareholders' meeting of June 13, 2002;
- term of office: 6 years.
- current term of office ends: Shareholders' Meeting convened to approve the accounts for the year ending December 31, 2007.

PERSON RESPONSIBLE FOR CORPORATE COMMUNICATION

Gérard Lamy, Director of financial communication

Tél : 01 42 85 30 00

e-mail : g.lamy@wendelgroup.com

DOCUMENTS AVAILABLE TO SHAREHOLDERS AND THE PUBLIC

The Company's by-laws, minutes of Shareholders' Meetings and other Company reports, as well as historical financial information and other documents prepared by experts at the request of WENDEL Investissement that shareholders have the right to consult under the terms stipulated by law, may be consulted at the Company's registered office, at 89 rue Taitbout, 75009 Paris.

In addition, all financial news and all information documents published by WENDEL Investissement are accessible on the Company's website.

CROSS REFERENCE INDEX

To facilitate the reading of this Annual Report, filed as the Reference Document, the following cross reference index identifies the principal categories of information required under Appendix 1 of European Regulation 809/2004 and indicates the corresponding pages of this document.

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The original French version of this report was registered with the French stock exchange authorities ("Autorité des Marchés Financiers" - AMF) on May 24, 2006, pursuant to article 212-13 of the AMF General Regulation.

It may be used as support for a financial transaction if it is accompanied by a prospectus ("note d'opération") approved by the AMF.



W E N D E L

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All the information in Wendel Investissement's 2006 annual report is available online
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