

ANNUAL REPORT  
WENDEL INVESTISSEMENT  
2005



WENDEL  
I N V E S T I S S E M E N T

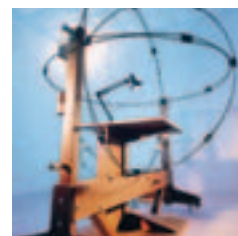
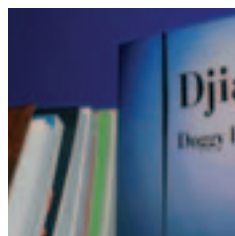
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# ENTREPRENEURSHIP AND INVESTMENT FOR THE LONG TERM

**WENDEL Investissement 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 Investissement is the majority or front-ranking shareholder in mainly unlisted companies, and its management operates as an industrial and financial partner. The Group effectively supports strongly motivated entrepreneurial teams, participates **in the definition and implementation of ambitious strategies,** and provides the financing required for their success.

The Group's investment and development strategy is based on **the confidence and close partnership** forged with subsidiaries' management. This partnership is at the heart of the process by which **value is created.** WENDEL Investissement does not intervene in the daily running of the company, for which its own management is responsible.

**“This partnership is at the heart of the process by which value is created.”**

WENDEL Investissement provides constant **active support,** shares the risks and lends its experience, as well as its financial and technical expertise. Representatives of WENDEL Investissement sit on the Board of Directors or Supervisory Board of each company.

**The objective is to increase the value of WENDEL Investissement** over the long term by more than 15% per year on average, while **offering its shareholders a net yield of approximately 3% per year.**

“WENDEL behaves as an industrial partner. WENDEL's teams backed us very quickly. They confirmed the existing management team, listened to us and started to work with us to build a medium-term strategy.”

Alain Kouck - Chairman  
and CEO, Editis  
(Le Monde - April 2005)

“For more than ten years, our teams have shared their points of view and expertise to boost the growth and development of Bureau Veritas.”

Franck Piedelièvre,  
Chairman of the Executive  
Board, Bureau Veritas

# MESSAGE FROM THE CHAIRMAN

“THE ALLIANCE OF A THREE-CENTURY-OLD INDUSTRIAL TRADITION WITH THE ABILITY TO INNOVATE AND ADAPT TO MODERN SITUATIONS CAN PRODUCE WONDERS.”

The WENDEL Group has now completed its transformation, with its simplified structure, reorganized corporate governance, new teams and refocused strategy. This shows that the alliance of a three-century-old industrial tradition with the ability to innovate and adapt to modern situations can produce wonders. Our shareholders have reason to be satisfied, since the result is greater value for WENDEL Investissement and one of the best performances on the Paris stock market.

But it seems to me to be even more important that the assets that comprise the Group give it a solid base for the future.



## /// CORPORATE LANDMARKS ///

### **1975** // CREATION OF MARINE-WENDEL

Through the WENDEL Group's takeover of the Marine-Firminy holding company.

**1977** // CREATION OF CGIP, which regroups WENDEL Group assets in sectors other than steel.

**1978** // Creation of the cement group Cedest.

**1982** // Acquisition of an equity interest in Capgemini Sogeti group.

**1983** // Sale of equity interest in Creusot-Loire.

**1988** // Merger of Carnaud and Metalbox to form CMB Packaging, the European leader in its field.

**1989** // Partnership with the Mérieux family to create bioMérieux Alliance.

**1993** // Diversification of Marine-Wendel through the acquisition of Reynolds.

**1994** // Sale of Cedest and acquisition of 100% of the capital of Wheelabrator Allevard.



The investment in Legrand, the additional equity interest in Bureau Veritas, the acquisition of Editis, Materis and soon Deutsch, all of which are leaders in their fields, are definite advantages for WENDEL Investissement. It is well known that our goal is to favor and support the development of these companies over the long term.

Thus it is that we have backed their growth investments, which totaled almost 800 million euros in 2005.

French and international investors have well understood WENDEL's new focus, which combines the search for increased value and a strategy that targets the growth and leadership of its companies.

It is undoubtedly because they believe in this model's chance for success that they have progressively eliminated the tenacious discount that penalized our shareholders. The WENDEL Group will continue to ally its faithful family shareholders' determination and an effective strategy. These two advantages help us pursue our twofold mission – to increase the value of the assets we are entrusted with and develop the companies that believe in us.

### Ernest-Antoine Seillière

Chairman, Supervisory Board

**1995** // Merger of CMB Packaging with Crown Cork and Seal to create the world's largest packaging manufacturer. Acquisition of a 20% equity interest in Bureau Veritas. Marine-Wendel acquires Stallergènes.

**1996** // Acquisition of 20% of the capital of Valeo.

**1997** // CGIP STRENGTHENS ITS POSITION IN SERVICES  
Capgemini (30%), Bureau Veritas (34%). Acquisition of a 22% equity interest in Afflelou.

**1998** // Sale of Crown Cork and Seal. Acquisition of a 29% equity interest in Trader.com. Sale of 28.4% of the capital of Stallergènes when floated on the stock market.

**1999** // Sale of Reynolds. Marine-Wendel invests in AOM Participations.

**2000** // Merger of Capgemini and Ernst & Young. Sale of Afflelou. Marine-Wendel invests in Boucle Locale Radio.

**2001** // Acquisition of 5% of the capital of LDCOM,

which replaced the investment in Boucle Locale Radio.

**2002** // CREATION OF WENDEL INVESTISSEMENT  
Merger of Marine-Wendel and CGIP. Partial sale of equity interest in Valeo. Acquisition of 37.4% of the capital of Legrand. Progressive sale of interest in Capgemini.

**2004** // Sale of Trader Classified Media. bioMérieux floated on the stock exchange and sale of shares. Acquisition of Editis. Equity interest in Bureau Veritas increased to 99%.

### 2005 // PORTFOLIO REDESIGNED TO ENSURE DYNAMIC GROWTH

Sale of Wheelabrator Allevard.  
Sale of non-strategic listed equity holdings: 2.1% of bioMérieux, 8.3% of Valeo, and Capgemini. Acceleration of subsidiaries' external growth: 800 million euros in acquisitions.

# INTERVIEW WITH THE CHAIRMAN OF THE EXECUTIVE BOARD



Jean-Bernard Lafonta  
Chairman, Executive Board

## How would you qualify WENDEL's results in 2005?

In 2005, we focused on growth, and the results were very satisfying from this point of view, reflecting the efficient initiatives of WENDEL's teams and those of our subsidiaries. In 2005, two figures were particularly significant:

- the 58% increase in net income from Group activities: all Group companies reported good performance levels and increased their contribution to the results of WENDEL Investissement;
- 800 million euros in investments by Legrand, Bureau Veritas, Editis, Oranje-Nassau and Stallergènes. This major development in acquisitions on all continents reflects the long-term vision and growth strategy the Group has adopted.

Altogether, the Group's value increased by 37% in 2005, and its share price by 57%.

## What news of the three major investments you have made since WENDEL was created – Legrand, Bureau Veritas and Editis?

These three companies, acquired in the last three years, reported good performance levels, characterized by strong profitability and significant external growth. **Legrand**, whose successful IPO in April is clear proof of its quality, pursued its targeted acquisition policy in 2005, in the amount of 400 million euros. These acquisitions enabled the company to

acquisition policy with an expenditure of almost 50 million euros. These results pointed up the relevance of the choice of a profitable and dynamic growth model.

## With the sale of Wheelabrator Allevard, do you consider that you have finished remodeling your portfolio?

In 2005, we sold Wheelabrator Allevard, which had been in the Group for more than 40 years, and we continued to dispose of shares in Capgemini, bioMérieux and Valeo. Altogether, since the creation of WENDEL, we have sold more than 80% of the portfolio and reinvested almost 2 billion euros. Our Group is now based on solid foundations comprised of less than ten companies. They are very diversified in terms of sector and location, and all are leaders in their field. We are going to pursue our policy of diversification, development and internationalization. The last two acquisitions (Materis in April 2006 and Deutsch, which is now in progress) are good examples.

## Is asset turnover going to accelerate?

There is no reason for that. Whether it be a question of continued cooperation with Legrand, now that the company has gone public, or of our role for more than ten years in **Stallergènes**, which has seen its value multiply more than 30 times, our approach is that of a long-term shareholder. In a universe characterized by very short-term strategies, we have defined a position that has demonstrated the relevance of a longer view. Our business is to invest in companies of quality, understand the fundamentals, take risks, ask management to invest with us (see the chapter on specific information), and give ourselves the time to reap the benefits. Development over the long term and creation of value are not antonymic. The Group's intrinsic value increased by 37% in 2005, in line with performance in the last three years. Overall, WENDEL's value has multiplied fourfold in four years.

## “DEVELOPMENT OVER THE LONG TERM AND CREATION OF VALUE ARE NOT ANTONYMIC.”

complement its product offerings, win market share and access strong growth markets. In addition, the majority of the cash generated by improved productivity was reinvested in commercial development and innovation.

The results of **Bureau Veritas** are in line with the business plan for 2009, which is designed to enable the company to double in size. Ambitions in terms of acquisitions were significantly exceeded, since they totaled 200 million euros, versus an objective of 100 million euros.

Finally, **Editis** had a particularly remarkable year in 2005 with 8% growth in a difficult publishing market. The company reported strong organic growth and implemented an active



## OPERATING COMMITTEE



### Chairman, Executive Board

Jean-Bernard Lafonta

#### Investment

Bernard Gautier<sup>(\*)</sup> (1)  
Yves Moutran<sup>(\*)</sup> (2)  
Stéphane Bacquaert<sup>(\*)</sup> (3)  
David Darmon<sup>(\*)</sup> (4)  
Fanny Picard<sup>(\*)</sup> (5)  
Olivier Chambriard<sup>(\*)</sup> (6)  
Karim Souid  
Stanislas Panhard

#### Legal

Arnaud Desclèves<sup>(\*)</sup> (7)  
Sébastien Willerval

#### Tax

Jean-Yves Hémary<sup>(\*)</sup> (8)  
Sophie Parise  
Nicolas Sabban

#### Finance and Accounting

Jean-Michel Ropert<sup>(\*)</sup> (9)  
Benoit Drillaud  
Stéphane Gutierrez  
Ouarda Bekhouche

#### Communications

Christine Dutreil<sup>(\*)</sup> (10)  
Gérard Lamy<sup>(\*)</sup> (11)  
Philippe Aérons

#### General Secretariat

Jean-Michel Mangeot<sup>(\*)</sup> (12)

#### Human Resources

Gérard Combes

#### Information Technology

Noël Chevaudonnat  
Aziz Sedrati

#### Shareholding

Jocelyne Bensamon

(\*) Member of the Operating Committee.

# SUPERVISORY BOARD AND EXECUTIVE BOARD

## /// SUPERVISORY BOARD //////////////////////////////////////

	DATE OF FIRST APPOINTMENT AND END OF TERM*	PRINCIPAL FUNCTION*	OTHER RESPONSIBILITIES
<b>ERNEST-ANTOINE SEILLIÈRE</b> ////////////////////////////////	<ul style="list-style-type: none"> <li>&gt; Member of the Board 1985-2005</li> <li>&gt; Member of the Supervisory Board 2005-2009</li> </ul>	<b>Chairman of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• WENDEL Investissement</li> </ul>	<b>Chairman of the Board of Directors and Chief Executive Officer:</b> <ul style="list-style-type: none"> <li>• SLPS</li> </ul> <b>Chairman of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Lumina Parent (Luxembourg)</li> </ul> <b>Chairman of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• Oranje-Nassau Groep BV (Netherlands)</li> </ul> <b>Vice Chairman of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Capgemini</li> </ul> <b>Member of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Sofisamc (Suisse)</li> </ul> <b>Member of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• Bureau Veritas</li> <li>• Editis Holding</li> <li>• Gras Savoye &amp; Cie (S.C.A.)</li> <li>• Hermès International (S.C.A.)</li> <li>• Peugeot S.A.</li> </ul>
<b>DIDIER CHERPITEL</b> ////////////////////////////////	<ul style="list-style-type: none"> <li>&gt; Member of the Board 2002-2005</li> <li>&gt; Member of the Supervisory Board 2005-2007</li> </ul>	<b>Chairman of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• Atos Origin</li> </ul>	<b>Chairman of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Managers sans Frontières (ONG Quebec - Canada)</li> </ul> <b>Member of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Foundation of the Red Cross</li> </ul> <b>Member of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• WENDEL Investissement</li> </ul>
<b>JEAN-MARC JANODET</b> ////////////////////////////////	<ul style="list-style-type: none"> <li>&gt; Member of the Board 1997-2005</li> <li>&gt; Member of the Supervisory Board 2005-2008</li> </ul>	<b>Member of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• WENDEL Investissement</li> </ul>	<b>Chairman of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Sofisamc (Switzerland)</li> <li>• Trief Corporation (Luxembourg)</li> </ul> <b>Member of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Solfur</li> </ul> <b>Member of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• Banque de Neufлизe</li> <li>• Oranje-Nassau Groep BV (Netherlands)</li> </ul> <b>Permanent representative of:</b> <ul style="list-style-type: none"> <li>• Compagnie Financière de la Trinité to the Board of Directors of Stallergènes</li> </ul>
<b>ÉDOUARD DE L'ESPÉE</b> ////////////////////////////////	<ul style="list-style-type: none"> <li>&gt; Member of the Board 2004-2005</li> <li>&gt; Member of the Supervisory Board 2005-2009</li> </ul>	<b>Member of the Board of Directors and Chief Executive Officer:</b> <ul style="list-style-type: none"> <li>• Calypso Asset Management SA</li> </ul>	<b>Member of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Concorde Asset Management Ltd</li> <li>• SLPS</li> </ul> <b>Member of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• WENDEL Investissement</li> </ul> <b>External Consulting Member of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Praetor Management Company SA</li> </ul>
<b>FRANÇOIS DE MITRY</b> ////////////////////////////////	<ul style="list-style-type: none"> <li>&gt; Member of the Board 2004-2005</li> <li>&gt; Member of the Supervisory Board 2005-2008</li> </ul>	<b>Member of the Board of Directors and Investment Officer:</b> <ul style="list-style-type: none"> <li>• Intermediate Capital Group Plc</li> </ul>	<b>Member of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Groupe Nocibe S.A.S.</li> <li>• Holding Sia S.A.S.</li> <li>• Pro One Finance S.A.S.</li> </ul> <b>Member of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• Sebia International S.A.S.</li> </ul>
<b>GRÉGOIRE OLIVIER</b> ////////////////////////////////	<ul style="list-style-type: none"> <li>&gt; Member of the Board 2003-2005</li> <li>&gt; Member of the Supervisory Board 2005-2009</li> </ul>	<b>Chairman of the Board of Directors and Chief Executive Officer:</b> <ul style="list-style-type: none"> <li>• Sagem Communication</li> </ul> <b>Member of the Executive Board:</b> <ul style="list-style-type: none"> <li>• Safran</li> </ul>	<b>Member of the Board of Directors:</b> <ul style="list-style-type: none"> <li>• Sagem Défense Sécurité</li> <li>• Snecma</li> </ul> <b>Member of the Supervisory Board:</b> <ul style="list-style-type: none"> <li>• Imérys</li> <li>• WENDEL Investissement</li> </ul>



	DATE OF FIRST APPOINTMENT AND END OF TERM*	PRINCIPAL FUNCTION*	OTHER RESPONSIBILITIES
<b>FRANÇOIS DE WENDEL</b> ////////////////////	> Member of the Board 2004-2005 > Member of the Supervisory Board 2005-2007	<b>Member of the Supervisory Board:</b> • WENDEL Investissement	<b>Member of the Board of Directors:</b> • Burelle SA • SLPS
<b>GUY DE WOUTERS</b> ////////////////////	> Member of the Board 1992-2005 > Member of the Supervisory Board 2005-2007	<b>Vice Chairman of the Supervisory Board:</b> • WENDEL Investissement	

### /// NEW MEMBERS subject to the approval of the Shareholders' Meeting of May 29, 2006.

<b>NICOLAS CELIER</b> ////////////////////	2006-2010	<b>Manager:</b> • FKO Invest BV (Netherlands)	<b>Chairman:</b> • Cherche-Midi Participations S.A.S.  <b>Chairman of the Supervisory Board:</b> • Optimprocess SA	<b>Member of the Board of Directors:</b> • Financière de Mussy • Pakers Mussy S.A.S.
<b>BÉATRICE DAUTRESME</b> ////////////////////	2006-2010	<b>Executive Vice President, Corporate Communications, External Affairs and Prospective:</b> • L'Oréal		
<b>JEAN-MARC ESPALIOUX</b> ////////////////////	2006-2010		<b>Member of the Board of Directors:</b> • Air France - KLM • Veolia	<b>Member of the Supervisory Board:</b> • Caisse Nationale des Caisses d'Épargne

### /// EXECUTIVE BOARD //////////////////////////////////////

<b>JEAN-BERNARD LAFONTA</b> ////////////////////	May 31, 2005 May 31, 2009	<b>Chairman of the Executive Board:</b> • WENDEL Investissement	<b>Chairman of the Supervisory Board:</b> • Bureau Veritas • Editis Holding  <b>Member of the Board of Directors:</b> • Legrand Holding • Legrand France • Lumina Parent (Luxembourg) • Valeo	<b>Member of the Supervisory Board:</b> • Oranje-Nassau Groep BV (Pays-Bas)  <b>Manager:</b> • Granit (SARL) • JBMN Sàrl (Luxembourg)
<b>BERNARD GAUTIER</b> ////////////////////	May 31, 2005 May 31, 2009	<b>Member of the Executive Board:</b> • WENDEL Investissement	<b>Vice Chairman of the Supervisory Board:</b> • Editis Holding  <b>Member of the Supervisory Board:</b> • Altineis (SCPI)  <b>Member of the Board of Directors:</b> • Communication Media Partner	<b>Manager:</b> • BG Invest • BJPG Conseil • SCI La République

# RECENT EVENTS AND HIGHLIGHTS OF 2006



## WENDEL INVESTISSEMENT PURSUES ITS INVESTMENT STRATEGY:

### ACQUISITION OF MATERIS

On February 10, 2006, WENDEL Investissement signed an agreement with LBO France for the acquisition of Materis, a world leader in specialty chemicals for the construction industry (paint, mortar, aluminates and additives).

April 27, 2006: acquisition of Materis subsequent to the opinion of Materis's works councils, and approval by antitrust authorities (the European Union, the United States, South Africa and Brazil).

Present in 35 countries, with almost 7,500 employees, Materis generated net sales of approximately 1,500 million euros in 2005.

The price agreed upon for 100% of the Materis group is 1 billion euros for 100% of shareholders' equity and 2.1 billion euros in enterprise value. This amount was financed for approximately 420 million euros in capital and 1,680 million euros through an acquisition debt at the level of the holding company. The investment in capital was conducted jointly by WENDEL Investissement for 76%, and by third parties (including the company's management) for the balance. In keeping with its role as a true long-term financial and industrial partner, WENDEL Investissement may provide additional funds if external growth operations so require.



Materis, a world leader in specialty materials for the construction industry



## WENDEL INVESTISSEMENT DEVELOPS ITS INTERNATIONAL INVESTMENT STRATEGY:

### ACQUISITION OF DEUTSCH

On April 25, 2006, WENDEL Investissement announced it had bought the American group Deutsch, a world leader in high-performance connectors in three sectors – aerospace and defense, heavy vehicles and oil production. The price agreed upon for 100% of the Deutsch group is USD 1,040. The acquisition is funded in the amount of 395 million euros by WENDEL Investissement (89%) and the company's management (11%), and through an acquisition debt at the level of the holding company for the balance. It remains subject to the approval of the Committee on Foreign Investment in the United States (CFIUS) and antitrust authorities, particularly in the United States, France and Germany. Created in 1938 in the United States, the Deutsch group is now active in 25 countries with a significant volume of business in the United States, France and the United Kingdom. It reported combined net sales of USD 500 million in 2005, and has a global workforce of 3,500 at a dozen plants, three of which are located in France. WENDEL Investissement's industrial project targets reliance on the company's quality management team with its strong corporate culture, the implementation of synergies among the different subsidiaries and the enhancement of the Group's growth and development.



## WENDEL INVESTISSEMENT ACQUIRES STAHL

Through its subsidiary Oranje-Nassau, WENDEL Investissement signed an agreement with the Carlyle group in May 2006 to acquire Stahl Holdings B.V. held by Investcorp. The transaction is subject to approval by antitrust authorities.

Stahl Holdings B.V. reports consolidated net sales of 307 million euros, and has its headquarters in the Netherlands. It is specialized in surface effects, and offers a wide range of formulated products and services in the form of leather chemicals and high-performance coatings in materials other than leather. As an international group, Stahl operates nine production

facilities and 26 technical service laboratories. It markets its products in 66 countries. The company employs 1,400 employees, including a large number of specialized technical experts, offering tailored customer service through the world.

The transaction totaled approximately 520 million euros. The shareholders' equity invested by the Oranje-Nassau Groep, the Carlyle group and Stahl's management totals approximately 160 million euros (the Oranje-Nassau Groep and the Carlyle group invested the same amount).

"AFTER THE ACQUISITION OF AN EQUITY INTEREST IN AVR, THE TRANSACTION CONFIRMS THE STRATEGIC DIVERSIFICATION OF ORANJE-NASSAU, BACKED BY WENDEL INVESTISSEMENT AND PROVIDING ACCESS TO NEW INTERNATIONAL DEVELOPMENTS."

**Bernard Gautier**, member of the Executive Board, WENDEL Investissement

## NEW ACQUISITIONS FOR BUREAU VERITAS

Since the beginning of 2006, Bureau Veritas has pursued its external growth policy by acquiring different companies, including Advance Data Technology in Taiwan, Natlsco Risk & Safety in the United States, NSQ Hawk in Germany, Kilpatrick & Associates Pty Australia et Nagtglas in the Netherlands. These operations represent an investment of 66 million euros.

These companies are specialized in the testing and certification of electric and electronic appliances (ADT), workplace health and security (Natlsco), inspection in the sectors of oil and gas, chemicals and energy (NSQ Hawk), the management of environmental impact, the evaluation of workplace hygiene and health conditions (Kilpatrick) and industrial and construction-related inspection and certification (Nagtglas). Altogether, they report net sales of almost 50 million euros.



## RECENT EVENTS AND HIGHLIGHTS OF 2006

### LEGRAND'S INITIAL PUBLIC OFFERING

On April 7, 2006, WENDEL Investissement and KKR organized the sale of a part of Legrand's capital on the stock market under good market conditions. Significantly over-subscribed, the shares were sold at a price of 19.75 euros per share. This price values the company's total worth at 5.4 billion euros.

For its equity interest in Legrand, WENDEL Investissement received approximately 100 million euros and after the IPO holds 80.6 million Legrand shares, representing approximately 30% of the company's capital.

Once this company was listed again, the rating agencies Standard & Poor's and Moody's, respectively increased their ratings for Legrand from BB+ to BBB- and from Ba1 to Baa3.



J.-B. Lafonta (WENDEL Investissement),  
G. Schnepf (Legrand), J. Garaialde (KKR),  
O. Bazil (Legrand).

"LEGRAND'S IPO OPENS UP NEW PROSPECTS FOR DEVELOPMENT, AND WE ENTHUSIASTICALLY RETURN TO THE STOCK MARKET WITH THE GOAL OF PURSUING THE GROUP'S SELF-FINANCED, PROFITABLE GROWTH AND CREATING VALUE FOR OUR SHAREHOLDERS."

**Gilles Schnepf**

Chairman and CEO, Legrand

"THIS IS AN IMPORTANT STAGE IN THE DEVELOPMENT OF LEGRAND, WHICH NOW REPRESENTS APPROXIMATELY 25% OF OUR GROUP. WE ARE HAPPY THAT THE MARKET HAS RECOGNIZED THIS QUALITY COMPANY. WE REMAIN COMMITTED SHAREHOLDERS WHO WISH TO JOIN FORCES WITH OUR PARTNER AND ITS MANAGEMENT TO PURSUE THE COMPANY'S STRATEGY OF GROWTH AND DEVELOPMENT."

**Jean-Bernard Lafonta**

Chairman of the Executive Board, WENDEL Investissement

### LEGRAND'S EXPANSION IN CHINA

At the beginning of 2006, Legrand pursued its strategy of targeted external growth, rapid development in emerging markets and strengthened positions in energy distribution through the acquisition of two new companies, Shidean, the leader in audio and video door entry systems, and Cémar, the leader in distribution boxes and industrial envelopes.

Based in Shenzhen (China), Shidean reports annual net sales of approximately 15 million euros and has a workforce of 900. Based in Caxias in southern Brazil, Cémar reports annual net sales of approximately 28 million euros and has a workforce of roughly 400.

### LEGRAND RESTRUCTURES ITS FINANCIAL DEBT

Favorable market conditions enabled Legrand to refinance the greater part of its debt through the launch of a new 2.2 billion euro syndicated loan with a five-year maturity. The new loan was used to restructure and optimize the financial debt, and was particularly allocated to the early reimbursement of high-yield bonds. Through this refinancing, Legrand counts on reducing its recurring financial expense by approximately 40 million euros by year and thus on improving its cash flow.

## EDITIS STRENGTHENS ITS PARTNERSHIP WITH LES ÉDITIONS XO



A biography of Mozart recently published by XO

In January 2006, Editis and the XO group signed an agreement for Editis to acquire Les Éditions XO and its subsidiaries, including Oh ! Éditions, created in 2002. After the transaction, Editis holds 100% of the capital of Les Éditions XO, the publishing house founded in 1999 by Bernard Fixot, in which, from the beginning, Editis has played a role through its 25% equity interest and its responsibility for distribution. In 2005, the XO group reported net sales of 17 million euros.

“THE INTEGRATION OF THE XO GROUP INTO EDITIS REINFORCES OUR STRATEGY OF DYNAMIC DEVELOPMENT AND CONFIRMS THE GROUP’S DETERMINATION TO CONSOLIDATE ITS POSITIONS IN FRANCE AND OTHER COUNTRIES. HERE AT EDITIS, WE ARE HAPPY TO WELCOME A PUBLISHER OF TALENT WITH WHOM WE STRENGTHEN TIES ALREADY SOLIDLY FORGED.”

Alain Kouck, Chairman and CEO, Editis

## EDITIS INVESTS IN WHOLESALE ACTIVITIES

In April 2006, Editis and the DNL group signed an agreement for Editis to acquire 100% of the DNL group. This transaction will not be finalized until employee representative bodies have been consulted and antitrust authorities have given their approval. It enables Editis to take a position in a new sector as a wholesale distributor of books to neighborhood shops, with a multi-brand offering. Comprised of three companies, DNL Distribution, DNL Rhône-Alpes and RDL, DNL has approximately 150 employees and reports net sales of roughly 55 million euros.

“WE ARE HAPPY TO WELCOME DNL’S PROFESSIONAL TEAMS TO EDITIS. THEIR EXPERTISE IS RECOGNIZED BY CUSTOMERS OF SUPERMARKETS AND NEIGHBORHOOD SHOPS, WHICH PLAY A GROWING ROLE IN THE DISTRIBUTION OF PUBLISHING IN FRANCE.”

Alain Kouck, Chairman and CEO, Editis



Alain Kouck and Jean-Bernard Lafonta



## RECENT EVENTS AND HIGHLIGHTS OF 2006



### EDITIS: A MORE FLEXIBLE FUTURE

In April 2006, in order to benefit from favorable market conditions, Editis refinanced its bank and bond debt through a new 700 million euro bank loan, including 150 million euros earmarked for future acquisitions. The new loan has a maturity of seven years, and a large portion is to be reimbursed in fine. It provides Editis with greater flexibility and also improves its financing costs.

### ORANJE-NASSAU ACQUIRES AVR

In January 2006, Oranje-Nassau signed an agreement with CVC Capital Partners (CVC) and Kohlberg Kravis Roberts & Co (KKR) to acquire AVR on the basis of an enterprise value of 1.4 billion euros.

AVR is Holland's leading waste management firm, with net sales of more than 500 million euros and 2,100 employees. The firm processes more than 4 million metric tons of waste. AVR is also a leader in residential trash collection, recycling and sorting. The WENDEL Investissement Group's minority equity interest in this acquisition, together with CVC and KKR, represents approximately 60 million euros.



### A DECISIVE STEP FORWARD FOR STALLERGÈNES

The positive results of the study on the ORALAIR® grass pollen allergen tablet opens a new therapeutic class, and Stallergènes plans to submit a request for marketing authorization in the first half of 2006 using the European mutual recognition procedure. In preparation for the launch of the ORALAIR® grass pollen tablet in 2007, Stallergènes has bolstered industrial and commercial investments. In March 2006, Stallergènes issued a press release on the positive results of the "proof of concept" study on the therapeutic interest of birch recombinant allergens.

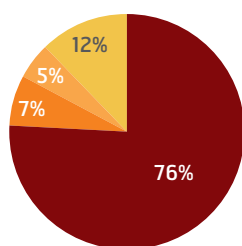
"WE ARE OBVIOUSLY VERY SATISFIED TO BE THE FIRST ALLERGEN COMPANY TO HAVE DEMONSTRATED THE THERAPEUTIC INTEREST OF A MAJOR RECOMBINANT ALLERGEN. ON THE BASIS OF THIS STUDY, WE ARE GOING TO LAUNCH A DEVELOPMENT PROGRAM FOR AN ORALAIR® BIRCH SUBLINGUAL ALLERGEN TABLET WITH RECOMBINANT BET V 1, PRODUCED UNDER A LICENSE SIGNED THREE YEARS AGO WITH BIOMAY (VIENNA, AUSTRIA)."

Albert Saporta,  
Chairman and CEO, Stallergènes

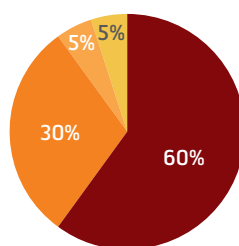


## NET ASSET VALUE MARCH 2006 AND IMPACT OF OPERATIONS

In March 2006, WENDEL Investissement announced a net asset value of 5,150 million euros, i.e. 94 euros per share. At that time, roughly 75% of the assets were unlisted (see first chart). After Legrand's IPO, accounting for the acquisitions of Materis and Deutsch and supposing completed the sale of the remaining bioMérieux and Valeo shares, the percentage of unlisted assets becomes 60%, with listed assets at 30%, and cash and WENDEL shares representing the remaining 10%. After accounting for these operations, the ratio of net debt to net asset value (see the definition given in the financial highlights) is 20%.



March 2006  
Breakdown of assets



March 2006  
Pro forma breakdown of assets after  
Legrand IPO, acquisitions of Materis  
and Deutsch

■ Unlisted assets    ■ WENDEL shares  
■ Listed assets    ■ Cash

## BOND ISSUE OF 400 MILLION EUROS

On May 4, 2006, WENDEL Investissement launched a fixed-rate ten-year (2016) bond issue in the amount of 400 million euros. The issue was well received by investors. Initially announced at a level of midswaps +80-85 bps, in line with WENDEL Investissement's credit curve, the risk premium finally applied was 78 basis points, reflecting the demand. All the bonds were placed with a diversified base of European investors, made up of asset managers for 50%, banks for 23% and insurers for 14%, with mainly British (47%), French (23%) and German (11%) investors.

### Issue conditions:

Coupon: 4.875%

Issue price/Reoffer: 99.081%

## RECENT EVENTS AND HIGHLIGHTS OF 2006

### NET SALES IN THE FIRST QUARTER OF 2006

<b>Consolidated companies</b> (millions of euros)	<b>1<sup>st</sup> quarter 2006</b>	<b>1<sup>st</sup> quarter 2005</b>	<b>Change</b>
Bureau Veritas	424.2	346.0	23%
Editis	149.4	143.4	4%
Oranje-Nassau	72.1	56.9	27%
Stallergènes	35.6	30.3	17%
<b>Total</b>	<b>681.3</b>	<b>576.6</b>	<b>18%</b>

*Net sales of Wheelabrator Allevard, which was sold in October 2005, are not included in the Group's consolidated net sales for 2005, pursuant to IFRS.*

<b>Companies consolidated as of the first half of 2006</b> (millions of euros)	<b>1<sup>st</sup> quarter 2006</b>	<b>1<sup>st</sup> quarter 2005</b>	<b>Change</b>
Materis	369.7	285.1	30%

<b>Companies accounted for by the equity method</b> (millions of euros)	<b>1<sup>st</sup> quarter 2006</b>	<b>1<sup>st</sup> quarter 2005</b>	<b>Change</b>
Legrand	940.6	765.6	23%

The strong growth in business in the first quarter reflects the dynamism of WENDEL's subsidiaries, amplified by the completion of targeted external growth operations.

**All the subsidiaries contributed to the development of the Group, which reported net sales of 681.3 million euros, up 18% from 2005.**

#### BUREAU VERITAS

Net sales (424.2 million euros) increased by 23%, of which 6% in organic growth and 13% in external growth. This performance was accomplished in spite of the significant decline in government contract activities, linked to the loss of a contract in Venezuela at the end of 2005. The Industry & Facilities division reported strong growth in emerging countries and in Certification and Industry activities. In addition, the Consumer Products division pursued its sustained growth, amplified by the acquisitions made, especially in Asia and the United States, to build an electrical equipment testing business.

#### EDITIS

In the first quarter of 2006, Editis reported net sales of 149.4 million euros, up 4% from the same period in 2005. On a comparable basis, excluding the termination of the Larousse distribution contract as of January 1, 2006, and excluding acquisitions (Le Cherche-Midi Éditeur in June 2005, Éditions First in December 2005 and Les Éditions XO in January 2006), organic growth stood at 6%.

#### ORANJE-NASSAU

The rise in the price of oil enabled Oranje-Nassau to report a 27% increase in net sales in the first quarter of 2006 at 72.1 million euros.

#### STALLERGÈNES

The 17% increase in net sales (35.6 million euros) in the first quarter of 2006 (+14% excluding the impact of the consolidation of IPI in March 2005) was primarily due to strong growth in initiation treatments and improved market share.

#### MATERIS

Net sales in the first quarter of 2006 totaled 369.7 million euros, representing significant growth of 30% compared with 2005 (of which 11% in organic growth and 17% in external growth). This subsidiary, the acquisition of which was finalized on April 27, 2006, will be consolidated at the end of the first half of 2006.

#### LEGRAND

Net sales (940.6 million euros) increased by 23%, of which 10% in organic growth and 8% in external growth.

# THE WENDEL/INSEAD INTERNATIONAL CENTRE FOR FAMILY ENTERPRISE



In 1996, CGIP (WENDEL Investissement's previous name) created a chair for the study of major family-owned companies at the world-class business school INSEAD. Because of its success on campus, the chair was transformed in 2004 with the backing of the WENDEL Investissement subsidiary Oranje-Nassau into a full-fledged center, the Wendel international Centre for family enterprise, in order to provide additional resources and continue to build its reputation. The official opening was held in January 2005.

Since the project was launched, WENDEL Investissement has contributed 5 million euros to the INSEAD project. Together with other family-owned businesses and alumni, the Wendel Centre has contributed to research and knowledge in this area at INSEAD.

The center heightens student awareness of the importance of family enterprise in the economy, since family-owned firms represent the most prevalent business

model worldwide (roughly 80% of all companies are family or privately controlled), and are also some of the most successful. The center allows INSEAD to build on the research already conducted by the school's faculty members to organize events and training programs that will benefit family firms throughout the world. INSEAD develops educational material based on real family-business case studies to highlight the important issues of continuity, innovation across generations, the choice of a successor, fairness in decision-making and management, and corporate governance.

Representatives of major family-owned firms meet regularly to explore specific issues such as globalization, ownership, and corporate governance in family business dynasties.

Center members regularly participate in INSEAD alumni reunions and events, the school's International Council, and numerous conferences. They also advise families on specific topics.

INSEAD's family-business activities have gained new impetus with the creation of the center.

The Family Enterprise Challenge launched in 2002 was held in Singapore in March 2005, and a roundtable discussion for large family-owned firms was organized in February 2006. Another major project is the development of an executive program on ownership.



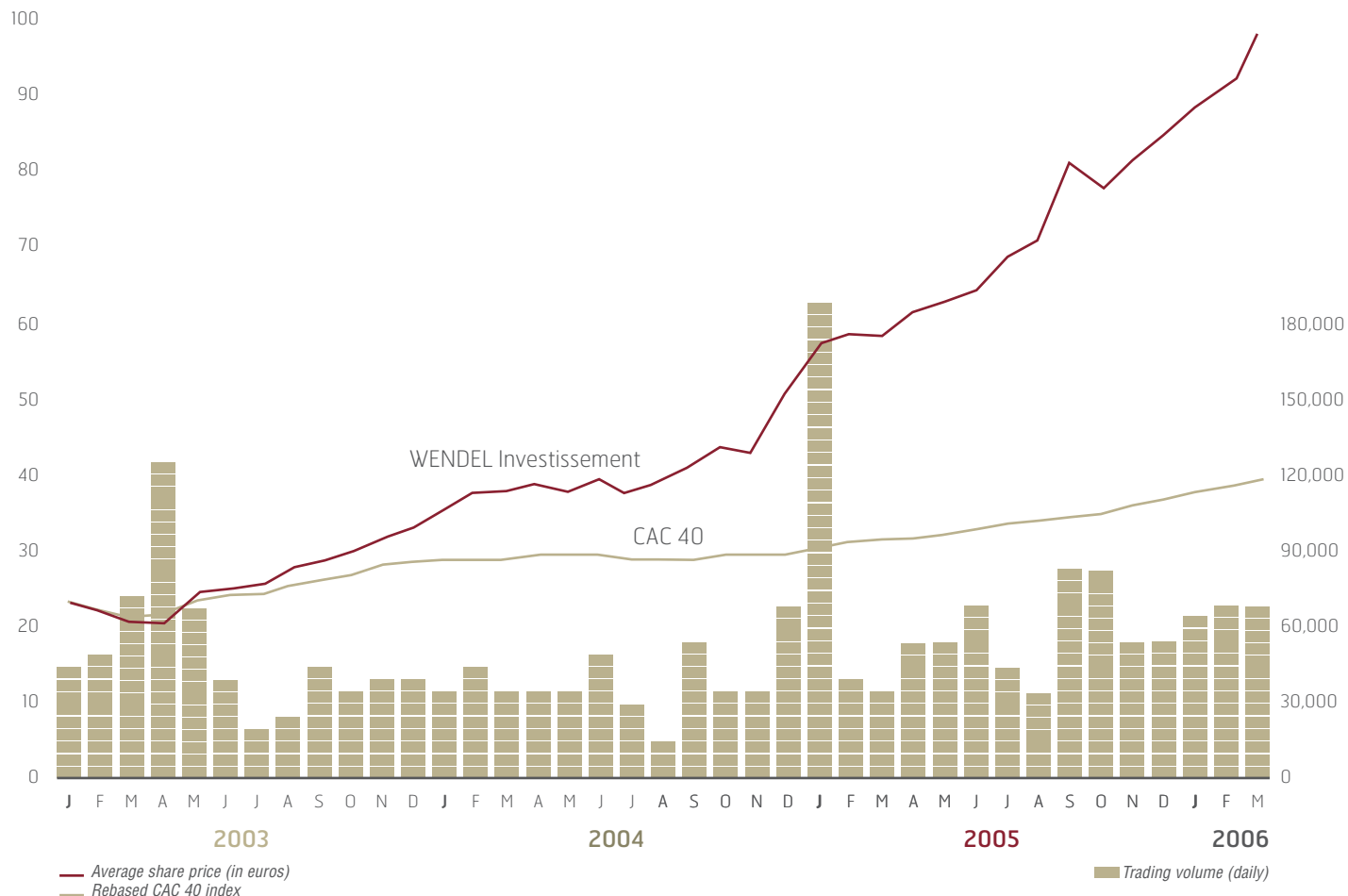
# SHARE PERFORMANCE AND SHAREHOLDER RELATIONS

WENDEL Investissement shares are  
traded in Compartment A of Euronext  
Paris' Eurolist.  
ISIN code: FR0000121204

## STOCK MARKET DATA

	2003	2004	<b>2005</b>
(euros)			
Highest price	35.15	54.10	<b>88.15</b>
Lowest price	19.51	33.70	<b>48.90</b>
Average price	25.37	42.01	<b>70.27</b>
Average price in December	34.14	51.16	<b>84.63</b>
(millions of euros)			
Market capitalization in December	1,910	2,874	<b>4,571</b>

## SHARE PRICE AND TRADING VOLUME





## FINANCIAL COMMUNICATION AND SHAREHOLDER RELATIONS

Since its creation, WENDEL Investissement has made shareholder information a key priority. The Group deploys all channels of communication to provide all its shareholders, both individual and institutional, and the financial community with regular, transparent information. In France, a toll-free number **0800 897 067** enables the Group's 39,000 individual shareholders (the number has been basically stable since WENDEL Investissement was created) to obtain practical information on the management of their shares, their rights, events in the life of the Group, etc. The Group's strategic focus on unlisted companies since June 2002 has been accompanied by reinforced communication.

### Publication of regular information throughout the year:

- Press releases sent upon the publication of annual and semiannual financial statements, quarterly net sales or any other major event in the life of the Group and its subsidiaries. These press releases are published in daily and weekly economic and general news publications.

### Meetings with financial analysts, fund managers, investors and journalists:

- In March and September 2005, WENDEL Investissement organized two meetings to present the half-year and annual financial statements. Jean-Bernard Lafonta, Chairman of the Executive Board, gave an in-depth presentation of the Group's financial situation, its investment strategy and current and future financial transactions.

- In December 2005, for the third year in a row, WENDEL Investissement organized a day of information on the Group's unlisted companies. Jean-Bernard Lafonta and WENDEL Investissement's whole team were present to answer the audi-

ence's questions. The Chairmen of Bureau Veritas, Oranje-Nassau, Legrand, and Editis gave detailed presentations of their businesses, strategies and prospects. The presentations can be consulted on WENDEL Investissement's web site.

- Discussions between the management team and investors in France and other countries were organized throughout 2005 with fund managers from the main financial institutions in Paris, London, New York and Edinburgh.

[www.wendel-investissement.com](http://www.wendel-investissement.com)



General information on the WENDEL Investissement Group and its subsidiaries, and current financial data, can be consulted at the Group's web site in English and French.

All the documents published by the Group are available online, including press releases, shareholder newsletters and the data presented to financial analysts, investors and journalists. The last four annual reports of WENDEL Investissement can be downloaded from the web site.

The Group's share price and trading history can be consulted at any time. Net asset value is posted every quarter on the web site.

A forum has been created to enable shareholders to ask questions by e-mail at:

[communication@wendel-investissement.com](mailto:communication@wendel-investissement.com)

### //// CALENDAR 2006 ////

Annual Shareholders' Meeting:  
**May 29**

Dividend paid:  
**June 1**

Semiannual financial statements:  
**September 21**

Meeting on unlisted companies:  
**December 5**

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# FINANCIAL HIGHLIGHTS

## WENDEL INVESTISSEMENT GROUP

(millions of euros)	2003 NCF**	2004 IFRS**	2005 IFRS
<b>Net sales</b>			
Consolidated net sales	592	523	2,782
Pro forma net sales	N/A	2,489	2,782
<b>Net income from business sectors</b>			
Bureau Veritas	36.1	40.9	139.6
Legrand	48.4	85.4	92.5
Oranje-Nassau	53.9	61.1	74.0
Editis	-	7.3	30.1
Stallergènes	7.8	10.3	13.4
Wheelabrator Allevard	13.9	22.5	12.6
bioMérieux	25.5	13.2	-
Dividends	7.7	8.5	9.2
General operating expense and taxes	(10.4)	(16.3)	(11.2)
Financing	(37.7)	(46.4)	(65.2)
Net income from business sectors*	156.9	186.5	295.0
<b>Income</b>			
Net income from business sectors*	157	187	295
Non-recurring items, including goodwill and minority interests	96	232	121
Consolidated net income - Group share	253	419	416
<b>Investments and divestments</b>			
Investments	290	1,872	392
Divestments	446	848	702
<b>Per share data (euros)</b>			
Net income from business sectors	2.8	3.4	6.0
Consolidated net income - Group share	4.5	7.6	8.5
Ordinary dividend	1.05	1.15	1.40
Exceptional dividend	-	-	0.60

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

(\*\*) Figures not directly comparable because of the change in accounting policies.

## RATING

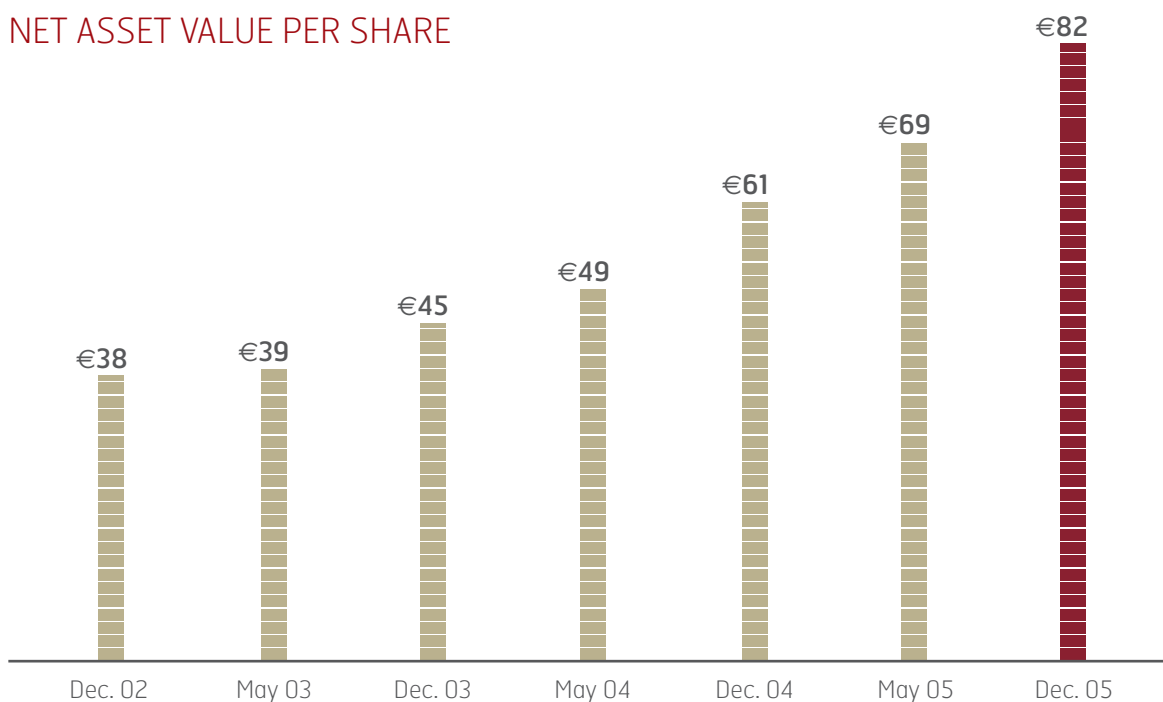
After the merger in June 2002, WENDEL Investissement asked Standard & Poor's for a rating. After study, Standard & Poor's gave the Company a long-term rating of **BBB+** with a stable outlook and a short-term rating of **A-2**. This rating was made public in September 2002 and has been maintained by Standard & Poor's since that date.

## NET ASSET VALUE

(millions of euros)	12/31/2003	12/31/2004	12/31/2005
Unlisted assets	2,640	3,840	4,530
Listed assets	760	690	730
<b>Gross assets</b>	<b>3,400</b>	<b>4,530</b>	<b>5,260</b>
Net cash	90	570	820
Financial debt	(970)	(1,670)	(1,600)
<b>Net asset value</b>	<b>2,520</b>	<b>3,430</b>	<b>4,480</b>
<b>Net asset value per share</b>	<b>€45</b>	<b>€61</b>	<b>€82</b>
<b>Net debt* / Gross asset value</b>	<b>26%</b>	<b>24%</b>	<b>15%</b>

(\*) Financial debt, minus net cash, of WENDEL Investissement and the holding companies excluding those whose debt is without recourse on the Company. Treasury stock is included in gross asset value.

## NET ASSET VALUE PER SHARE



In the last three years, net asset value has grown at a regular pace. Net asset value per share went from 38 euros at the end of 2002, to 45 euros at the end of 2003, then to 61 euros at the end of 2004, arriving at 82 euros at the end of 2005. Net asset value was multiplied by 2.2 and the internal rate of return, with the dividend reinvested in WENDEL Investissement shares, was an average of 32% per year, during this period.

This strong profitability, which illustrates the creation of value generated by the new strategy implemented since the end of 2002, fully benefits WENDEL Investissement shareholders with the increased net asset value and the higher share price.

Pages 182 and 183 in this report describe the way net asset value is calculated, the relevance of which was checked by the Audit Committee with the help of an independent expert, and to the consistency of which the auditors limited their investigations, in conformity with professional standards.

# BUSINESS SECTORS AS OF DECEMBER 31, 2005



## INDUSTRY



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### LEGRAND

**37.4%**

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

YEAR OF INVESTMENT: 2002

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### ORANJE-NASSAU

**100%**

Energy and real estate

YEAR OF INVESTMENT: 1908

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### STALLERGÈNES

**48.2%**

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

YEAR OF INVESTMENT: 1994

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## SERVICES AND MEDIA



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### BUREAU VERITAS

99.4%

Certification and quality control

YEAR OF INVESTMENT: 1995

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### EDITIS

100%

French publishing house

YEAR OF INVESTMENT: 2004

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## NON-STRATEGIC HOLDINGS



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#### NEUF CEGETEL 3.0%

Telecommunications operator

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#### BIOMÉRIEUX 0.9%

Medical diagnosis

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#### VALEO 1.6%

Automotive equipment and systems

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#### CAPGEMINI 1.6%

Management consulting and IT services

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1



2



3

- 1. LEGRAND /// **P.24**
- 2. ORANJE-NASSAU /// **P.26**
- 3. STALLERGÈNES /// **P.28**

*All information on the competitive position and market share of equity holdings is provided by the companies themselves.*



# INDUSTRY

THE WENDEL GROUP HAS LONG-STANDING  
EXPERIENCE IN INDUSTRY AND A STRONG  
CULTURE OF TECHNOLOGY AND INNOVATION.

# LEGRAND

WORLD SPECIALIST IN PRODUCTS AND SYSTEMS FOR LOW VOLTAGE INSTALLATIONS AND INFORMATION NETWORKS



**Legrand is one of the world's largest manufacturers of products and systems for low voltage installations and information networks used in residential, commercial and industrial buildings.**

## DYNAMIC PROFITABLE GROWTH

In 2005, net sales at Legrand amounted to 3,248 million euros, up 11% from 2004. On a constant consolidation and foreign exchange basis, sales increased by 6.6% over 2004 and by 16% since 2003. This positive trend was due to growth in net sales throughout the world and, most especially, in the United States, Canada and the rest of the world. Foreign exchange fluctuations had a favorable impact of 0.8% in 2005, and

the impact of changes in consolidation totaled 3.3%.

Operating income before amortization linked to the acquisition of Legrand France, goodwill impairment and restructuring charges stood at 547 million euros, representing a 10% increase over 2004 and 16.8% of net sales, i.e. one of the highest operating margins in the sector.

## DYNAMIC GROWTH GENERATING SIGNIFICANT CASH FLOW

At 328 million euros, free cash flow<sup>(1)</sup> remained at a high level in spite of the rise in net investments. Net financial debt, excluding the impact of acquisitions and on a constant foreign exchange basis, declined 17% from the end of December

2004, at 1,520 million euros. Accounting for acquisitions and currency impacts, net financial debt totaled 2,017 million euros as of December 31, 2005.

## ACTIVE R&D POLICY AND CONSTANT INNOVATION

Legrand is committed to expand its product and system offering continuously in order to bring more value added to its market and meet its customers' new demands. Every year Legrand dedicates approximately 40% of its industrial investment to new products. In 2005, Legrand earmarked 5% of net sales to research and development. Some 20 R&D projects are being conducted at the present time, and 30 new product lines were launched in 2005.

*\*30% since Legrand's IPO on April 7, 2006.*

*(1) Free cash flow is defined as treasury flows from current operations, plus net cash from the disposal of assets, minus investments and capitalized development costs.*

Legrand also constantly seeks to enhance the quality of sales coverage in its markets and to focus its efforts on markets with strong growth potential. In 2005, Legrand introduced new customer relation management tools and new services such as dedicated call centers.

### ACTIVE ACQUISITION POLICY

Since 1954, Legrand has acquired and integrated more than 100 companies. The Group has thus demonstrated its capacity to identify and acquire small and medium-sized companies that meet criteria of complementary technology, geographic location, markets or products.

Since the last quarter of 2004, Legrand has announced the acquisition of six companies, all of which are leaders in their markets:

- TCL International Electrical is the leader in wiring devices in China;
- Shidean is the leader in audio and video door entry systems in China;
- Cablofil, a French company, is the world leader in wire cabling systems;
- OnQ is the leader in structured wiring in residential building in the United States;
- Van Geel is the leader in metal cable management systems in the Netherlands;
- Zucchini is the leader in prefabricated busbar systems in Italy.

These acquisitions, which represent total net sales of approximately 300 million euros, enable Legrand to complement its product offering, win market share and access markets characterized by rapid growth.

### OUTLOOK

Since April 7, 2006, Legrand has been listed on Euronext. The company's IPO attracted keen investor interest, and the offering was almost 30 times oversubscribed (the offering and its consequences for WENDEL Investissement are described in the section on recent events).

Legrand has defined its medium-term objective independently of the impact of economic cycles:

- to increase net sales at a rate of organic growth of 4% to 5% and to continue to conduct targeted acquisitions that can reinforce this growth. Historically and over a long period, Legrand's external growth operations have represented approximately half of the total growth in net sales. Legrand intends to pursue this strategy, which has been a major factor in its success;
- to maintain its margins of adjusted operating income in spite of the sometimes dilutive impact of its acquisitions in the short term;
- to increase free cash flow<sup>(1)</sup> by an average of 10% per year.

### /// PROFILE //////////

**MORE THAN 130,000 REFERENCES IN 80 PRODUCT LINES**

**SALES IN MORE THAN 160 COUNTRIES**

**INTERNATIONAL SALES ACCOUNT FOR 74% OF TOTAL NET SALES**

**31,000 EMPLOYEES**

**ALMOST 5% OF SALES INVESTED IN R&D WITH A STAFF OF 1,800**

**4,500 ACTIVE PATENTS, 82% OF WHICH OUTSIDE OF FRANCE**

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## FINANCIAL HIGHLIGHTS

(IFRS)

(millions of euros)	12/31/2004	12/31/2005
Net sales	2,926	3,248
Recurring adjusted operating income <sup>(2)</sup>	496	547
Consolidated net income	28	104

<sup>(2)</sup> Operating income before amortization related to the acquisition of Legrand France, goodwill impairment and restructuring charges.

Assets (millions of euros)	12/31/2004	12/31/2005
Non-current assets	4,140	4,555
Current assets	1,225	1,338
<b>TOTAL</b>	<b>5,365</b>	<b>5,893</b>

Liabilities (millions of euros)	12/31/2004	12/31/2005
Shareholders' equity	363	547
Non-current liabilities	3,947	4,161
Current liabilities	1,055	1,185
<b>TOTAL</b>	<b>5,365</b>	<b>5,893</b>

# ORANJE-NASSAU

ENERGY AND REAL ESTATE



The Dutch group Oranje-Nassau is active in two business sectors: energy and real estate. In the energy sector, Oranje-Nassau invests in the exploration and production of oil and natural gas (in the North Sea, North Africa and the Middle East). Its real estate holdings are primarily comprised of offices and commercial properties with long-term rentals, most of which are located in the Netherlands. Oranje-Nassau is also the holding company for several WENDEL Investissement equity interests, as well as for miscellaneous direct financial investments.

## ENERGY

Net sales from Energy activities increased by 16% to 237 million euros in 2005 compared with 204 million euros in 2004. The average price of a barrel of Brent was 54.90 U.S. dollars, up 44% from the average price in 2004 of 38.20 U.S. dollars. Translated into euros, the average price of a barrel of Brent was 43.90 euros in 2005 compared with 30.60 euros in the previous year. Oranje-Nassau produced 6.3 million boe of oil and gas, down 19% from 2004, reflecting the natural decline of the producing fields.

The price of energy again rose in 2005 for several reasons – increased world demand, mainly from China and the United States, uncertainty about the production capacities

of OPEC countries, tension in the Middle East, trouble in the oil sector in Nigeria and Venezuela, and finally, the damage caused to oil facilities by the hurricanes Katrina and Rita in the Gulf of Mexico.

In July 2005, in a joint venture with Dyas (50%-50%), Oranje-Nassau initiated a takeover bid for Edinburgh Oil & Gas, which was listed on the London Stock Exchange. After the success of the operation, this company was delisted. The main asset of Edinburgh Oil & Gas is a 5.2% interest in Buzzard, a large oil field located on the British continental shelf. Production is scheduled to start at the end of 2006 or the beginning of 2007. With this acquisition, representing an investment of 103 million euros, Oranje-Nassau Energie will increase its revenues by a little more than twice its



production in 2005. Finally, last year, Oranje-Nassau Energie sold a relatively small interest in an oil field under favorable conditions.

## REAL ESTATE

The company rents real estate holdings with a total area of 67,000 square meters and occupancy over 95%. Net sales from real estate activities totaled 9 million euros compared with 10 million euros in the previous year, reflecting the disposal of two buildings that year.

In 2005, the company pursued a major real estate renovation program that ensures a high level of quality upkeep of the properties. A large complex was reshuffled, and two smaller buildings were upgraded. During the past year, the company purchased an office building constructed in 2000, which is located in Gouda. Rental space is 7,710 square meters and the property will be available for rental as of 2006.

## INVESTMENT

In the year under review, Oranje-Nassau sold its remaining shares in Navteq, which launched its IPO in 2004. Proceeds from asset disposals totaled 95 million euros with corresponding capital gains of 45 million euros.

At the beginning of 2006, a consortium composed of Kohlberg Kravis Roberts & Co, CVC Capital Partners and Oranje-Nassau acquired AVR. Until then administered directly by the municipality of Rotterdam, AVR is Holland's largest waste management company. It reports net sales of more than 500 million euros and has a workforce of 2,100.

## OUTLOOK

The Group is in a very favorable situation to pursue its investments in all its activities and to envisage opportunities for development in new sectors.



## /// PROFILE //////////

**PRODUCTION OF APPROXIMATELY 17,000 BARRELS OIL EQUIVALENT PER DAY**

**39 PRODUCTION DEPOSITS WORLDWIDE, MAINLY IN THE NORTH SEA**

**OFFICES: 67,000 M<sup>2</sup>**

**COMMERCIAL REAL ESTATE: 8,000 M<sup>2</sup>**

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# FINANCIAL HIGHLIGHTS

(IFRS)

(millions of euros)	12/31/2004	12/31/2005
Net sales	216	247
Operating income	116.5	151.3
Net income*	96.7	132.4

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

Assets (millions of euros)	12/31/2004	12/31/2005
Non-current assets	839	892
Current assets	127	130
<b>TOTAL</b>	<b>966</b>	<b>1,022</b>

Liabilities (millions of euros)	12/31/2004	12/31/2005
Shareholders' equity	601	676
Non-current liabilities	282	254
Current liabilities	83	92
<b>TOTAL</b>	<b>966</b>	<b>1,022</b>

WENDEL Investissement: **48.2%**

# STALLERGÈNES

EUROPE'S LEADING PHARMACEUTICAL LABORATORY SPECIALIZED  
IN ALLERGEN IMMUNOTHERAPY



**Stallergènes is the leader in the European sublingual allergen immunotherapy market. A pioneer in this kind of treatment, Stallergènes will be ready to market allergen tablets in Europe in two years, relying on a network of subsidiaries and distributors that it has built up over the last ten years.**

## STRONG GROWTH IN 2005

Business grew 18% and net sales totaled 112 million euros. At 15%, organic growth was particularly sustained, and Stallergènes strengthened its position in Spain by acquiring the Spanish laboratory IPI. In France, the number of new patients being treated by Stallergènes products rose sharply, reflecting the increased

scientific credibility of sublingual allergen immunotherapy. A similar trend can be observed in other European countries. Although there was a significant rise in funds earmarked for research and development (15% of net sales), current operating income was up 26% to 21.5 million euros and net income increased by 32% to 13.4 million euros.

## SOUND FINANCIAL STRUCTURE

Debt stood at 17.2 million euros and represented only 0.6 times EBITDA. It reflected the sustained investment effort, mainly linked to the production phase of the ORALAIR® project and the acquisition of IPI (Spain and Portugal), which was covered by company funds, and the buy-

back of 5% of company shares for 16 million euros in May 2005.

## DECISIVE CLINICAL RESULTS

The effectiveness of the ORALAIR® grass pollen tablet was clearly demonstrated in one of the largest studies ever conducted in immunotherapy with 620 patients. This result, which unquestionably confirms the interest of sublingual treatment, will lead to the launch of an ambitious tablet program that aims to put three products (grass pollen, birch, mites) on the European market by 2010. These results open a new therapeutic class, and Stallergènes plans to submit a request for marketing authorization in the first half of 2006 using the European mutual recognition procedure.

A recent study just demonstrated the therapeutic interest of an allergen produced by genetic recombination opening the door to the development of recombinant products that are better defined than today's natural allergens.

## OUTLOOK

Stallergènes is preparing for the European launch of the ORALAIR® grass pollen tablet in 2007 and accelerates its pharmaceutical and clinical development of the other tablets. This will lead to industrial investment designed to multiply current capacities, the intensification of clinical tests, and preparations for the initial commercial launch (communication, bolstering the sales force, etc.).

The positive result of the "proof of concept" study this year opens up the possibility of the clinical development over several years of a tablet program, the active principle of which will be the major birch recombinant allergen.



## /// PROFILE //////////

**WORLD LEADER IN THE NUMBER OF PATIENTS TREATED**

**500 EMPLOYEES, INCLUDING 50 DOCTORS, BIOLOGISTS AND PHARMACISTS**

**3,000 PRESCRIPTIONS PROCESSED DAILY, OF WHICH 70% INTERNATIONALLY IN MORE THAN 30 COUNTRIES**

**MORE THAN 200 PRODUCTS AND 6 THERAPEUTIC LINES**

**ALMOST 15% OF NET SALES INVESTED IN R&D**

//////////

# FINANCIAL HIGHLIGHTS

(IFRS)

(millions of euros)	12/31/2004	12/31/2005
Net sales	94.7	112.0
Current operating income	17.1	21.5
Net income (Group share)	10.2	13.4

Assets (millions of euros)	12/31/2004	12/31/2005
Non-current assets	43	56
Current assets	37	48
<b>TOTAL</b>	<b>80</b>	<b>104</b>

Liabilities (millions of euros)	12/31/2004	12/31/2005
Shareholders' equity	44	41
Non-current liabilities	8	24
Current liabilities	28	39
<b>TOTAL</b>	<b>80</b>	<b>104</b>



1



1. BUREAU VERITAS /// **P.32**
2. EDITIS /// **P.34**

*All information on the competitive position and market share of equity holdings is provided by the companies themselves.*



# SERVICES AND MEDIA

WENDEL INVESTISSEMENT IS COMMITTED  
FOR THE LONG TERM IN THESE SECTORS.  
THESE INVESTMENTS ARE ABOVE ALL  
BASED ON TALENT AND TEAM SPIRIT.



# BUREAU VERITAS

A SPECIALIST IN CERTIFICATION AND QUALITY CONTROL



**Bureau Veritas in an international group whose core business is to evaluate compliance in quality, health, safety, the environment and social responsibility.**

**Bureau Veritas evaluates, monitors, inspects or certifies assets as well as projects, products and systems.**

## STRONG GROWTH IN NET SALES AND INCOME

After a good year in 2004, Bureau Veritas reported sustained growth in net sales and profitability, in large measure as the result of a particularly dynamic second half. Net sales totaled 1,647 million euros, up 16% from 2004, and organic growth stood at 6.3%. Current operating

income increased by 19% to 240.4 million euros, so that operating profitability represented 14.6% of net sales. Net income (Group share) grew 32% to 150.6 million euros.

## ACCELERATION OF EXTERNAL GROWTH

In 2005, Bureau Veritas made 16 strategic acquisitions that strengthen the Group's growth platforms and will make a major contribution to the overall development of the business in the coming years.

In the **Industry & Facilities** division, targeted acquisitions like those of Clayton in the United States, Casella in the United Kingdom and KW2 in Benelux enable Bureau Veritas to reach a critical size in

different fields such as environmental, hygiene and safety inspection and consulting services. They significantly reinforce the diversity of the services offered to companies in the United States, the United Kingdom, Benelux and Eastern Europe.

In the **Consumer Products** division, the acquisition of specialized testing laboratories in Taiwan (Advance Data Technology) and in the United States (Curtis-Straus) provide Bureau Veritas with a critical size in the market for electric and electronic product tests, a sector with real development potential. They bolster the Group's presence in the United States and Asia.



## MANY MAJOR SERVICE CONTRACTS

**The Industry & Facilities** division reported growth of 20.2%, as net sales totaled 1,107 million euros, and organic growth of 7.1%, in line with the Group's average growth figures. Very good results were achieved in the emerging markets of Latin America, the Middle East, India and China, with organic growth close to 20%. At the same time, in France, Group activities demonstrated solid organic growth of more than 8%. Major service contracts were signed in the oil and gas sectors, fueling strong organic growth in Bureau Veritas' activities in this segment. Significant success was also won in construction services in the United States and in the nuclear energy market with an inspection and testing contract for all the equipment to be used in the first EPR nuclear plant, which is being built in Finland. Bureau Veritas' efforts to serve its growing number of global clients through international service contracts were crowned with success. The Starwood group commissioned Bureau Veritas to conduct a project simultaneously in ten European countries over a period of two weeks. The project involved evaluating technical aspects of the 250 hotels Starwood has just acquired from the Taittinger group. BVQI, Bureau Veritas' independent certification organization, was asked by Danone to supply a full

range of system certification (ISO) services for the agri-food group's subsidiaries throughout the world. IBM also renewed a similar contract with BVQI, covering a large number of its offices throughout the world.

## ADVANCES IN THE OTHER DIVISIONS EXCLUDING GOVERNMENT SERVICES

**The Marine** division continued to benefit from the dynamism of naval shipbuilding worldwide. Net sales in the division totaled 180 million euros, representing an increase of 9.2% over 2004, but in particular, the classification of new ships gained market share, especially for very large ships.

**The Consumer Products** division reported strong growth of 18%, with net sales of 197 million euros. Very good results were achieved in terms of the development of business with mass-market distributors, especially in the United States.

**The Government Services and International Trade** division had a lackluster year with a 3.6% decline in net sales, reflecting a contraction in the market for pre-shipment inspection services for government agencies. However, promising results were achieved in recently developed activities, such as imported product standard conformity verification or testing services, or services ensuring the traceability of shipments of tropical wood.

## /// PROFILE //////////

**MORE THAN  
200,000 CLIENTS  
IN 140 COUNTRIES**

**MORE THAN  
600 OFFICES  
AND LABORATORIES**

**20,500  
EMPLOYEES**

## //////////

## TRENDS AND OUTLOOK

In 2006, investments will particularly target market segments that benefit from long-term growth potential (energy, distribution, electrical and electronic appliances, hygiene and health, safety, the environment and international trade) and rapidly growing economies (Asia Pacific, India, the Middle East and Latin America).

The year 2006 should be marked by satisfactory growth in the Group's main divisions, and the operating margin is expected to remain at the same level as in 2005.

# FINANCIAL HIGHLIGHTS

(IFRS)

(millions of euros)	12/31/2004	12/31/2005
Net sales	1,422	1,647
Current operating income	202.8	240.4
Net income (Group share)	114.3	150.6

Assets (millions of euros)	12/31/2004	12/31/2005
Non-current assets	454	660
Non-current assets to be sold	6	-
Current assets	533	656
<b>TOTAL</b>	<b>993</b>	<b>1,316</b>

Liabilities (millions of euros)	12/31/2004	12/31/2005
Shareholders' equity	55	209
Non-current liabilities	527	610
Current liabilities	411	497
<b>TOTAL</b>	<b>993</b>	<b>1,316</b>

# EDITIS

A FRENCH PUBLISHING GROUP



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

## POLICY OF ACTIVE DEVELOPMENT

In 2005, in a lackluster market, the Editis group continued to implement a policy of active development with strong organic growth, two acquisitions and partnership agreements.

The first stage in development involves speeding up organic growth with the development of existing activities and

the expansion of the publishing offering. In Literature, Univers Poche was particularly successful, reporting strong internal growth owing to the many best sellers published by Pocket and the introduction of new sectors. Mangas were very popular in 2005, with the launch of Kurokawa, a new publisher that has just become part of Pocket, Fleuve Noir, Pocket Jeunesse, 10/18 and Langues Pour Tous under the Univers Poche masthead. Mangas enable Univers Poche to round out its publishing offering and investigate a strong growth market the Group had not yet explored. Another example of success in publishing development is Lonely Planet; the licensing agreement was signed in 2004 and Lonely Planet ranks second worldwide among publishers of tourist guides.

In Education, Nathan had a very good year, in particular owing to the new school curricula and successful works of fiction and documentaries for young people.

Reference also contributed with the launch of a French-language cultural dictionary in 2005. The work was in the making for ten years, and it represents a profound change in the world of reference in France. With more than 25,000 copies sold, its publisher, Les Dictionnaires Le Robert, created an event.

In distribution, some 20 new contracts have been signed since January 2004, and the arrival of new publishers has bolstered the activity of Interforum.

## REINFORCED PUBLISHING OFFERING IN FRANCE AND PRESENCE IN QUEBEC

2005 marked for Editis the first phase in its active acquisition policy. Launched by the acquisition of Le Cherche-Midi éditeur in June, the group pursued its strategy by acquiring Éditions First in December.

A general publisher of documents, French and foreign literature, humor, poetry, practical advice, art and travel books, Le Cherche-Midi is a well-known publisher that complements the publishing offering of Editis. A leader in France in the computer segment and the third ranking publisher of practical advice and illustrated books, Éditions First is a dynamic company that also expands Editis' publishing lines. Éditions First holds the Wiley "For Idiots" license for France, and is also very active internationally.

Editis also strengthened its international presence by signing partnership agreements with Quebecor Média, the leading publishing and distribution group in Quebec. A historical partner of Messageries ADP, a Sogides subsidiary acquired by Quebecor Média on October 12, 2005, Editis signed a long-term agreement with Quebecor to strengthen ties in publishing, marketing and distribution. This alliance allows the two groups to develop the distribution of their respective catalogues in the European and Canadian markets.

## SUSTAINED GROWTH

With net sales of 776 million euros in 2005 compared with 717 million euros in 2004, Editis reported growth of 8.2%. On a constant consolidation basis, excluding the acquisition of Le Cherche-Midi éditeur and Éditions First, growth stood at 7.2%.

This performance was achieved by three business sectors:

- Literature, which benefited from a large number of best sellers published in 2005 in both hardback and paperback, and from developments in new publishing segments;
- Education and Reference, which were boosted by the performance in school books and the development of Nathan's books for young people;
- Distribution, which pursued its expansion as new contracts were signed in 2004 and 2005.

The development of these three activities was accompanied by a significant increase in operating income, which rose 21% to 69.7 million euros. Editis also adapted its structural costs and operating profitability increased, rising from 8% of net sales in 2004 to 9% in 2005.

## OUTLOOK

New challenges await Editis in 2006. The first is to pursue internal growth by supporting the development of the group's

## /// PROFILE //////////

**2,300  
EMPLOYEES**

**CLOSE TO 40  
PUBLISHING BRANDS**

**4,000 NEW TITLES  
PUBLISHED**

**126 MILLION  
VOLUMES DISTRIBUTED  
BY INTERFORUM**

//////////

publishers and seizing relevant acquisition opportunities. It will then be a question of offsetting the programmed departure of Dalloz, Dunod and Armand Colin, publishers that were still distributed by Interforum in 2005. Lastly, international acquisition opportunities should be evaluated to bolster the group's presence outside of France. These three objectives are part of a larger picture that aims to position Editis as the French-speaking publishing leader.

# FINANCIAL HIGHLIGHTS

(IFRS)

(millions of euros)	12/31/2004	12/31/2005
Net sales	717	<b>776</b>
Current operating income	57.4	<b>69.7</b>
Net income (Group share)	-	<b>9.6</b>

Assets (millions of euros)	12/31/2004	12/31/2005
Non-current assets	605	<b>631</b>
Non-current assets to be sold	-	<b>9</b>
Current assets	330	<b>331</b>
<b>TOTAL</b>	<b>935</b>	<b>971</b>

Liabilities (millions of euros)	12/31/2004	12/31/2005
Shareholders' equity	163	<b>196</b>
Non-current liabilities	415	<b>428</b>
Current liabilities	357	<b>347</b>
<b>TOTAL</b>	<b>935</b>	<b>971</b>

# NON-STRATEGIC ASSETS

## /// PROFILE //////////

### NEUF CEGETEL

A result of the merger of Neuf Telecom and Cegetel in August 2005, Neuf Cegetel is France's leading alternative operator. The group has its own fiber optic infrastructure network and has massively invested in the expansion of its ADSL access network. Neuf Cegetel is thus able to provide broadband services while controlling costs, guaranteeing quality, and marketing them directly to 70% of the French population. A leader in degrouping in Europe, Neuf Cegetel operates in all market segments and offers a broad range of services.

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### Assets

(millions of euros)	12/31/2004	12/31/2005
Non-current assets	1,183	2,639
Current assets	937	1,121
<b>TOTAL</b>	<b>2,120</b>	<b>3,760</b>

### Liabilities

(millions of euros)	12/31/2004	12/31/2005
Shareholders' equity	584	957
Non-current liabilities	662	1,286
Current liabilities	874	1,517
<b>TOTAL</b>	<b>2,120</b>	<b>3,760</b>

## NEUF CEGETEL

**WENDEL Investissement: 3.0%**

### STRONG GROWTH IN NET SALES, UP 55%

In 2005, consolidated net sales totaled 1,826 million euros, up 55%, boosted by broadband products (ADSL for the general public and data products for corporate customers) and by the consolidation of Cegetel at the end of August. 2005 net sales proforma of the consolidation of Cegetel stood at 2,752 million euros.

The sustained development of Neuf Cegetel in retail markets led to a better breakdown of net sales in 2005, with the general public accounting for 27%, corporate customers for 33% and operators for 40%.

In 2005, Neuf Cegetel was thus the leading alternative operator in France:

- > the leading alternative operator in the French fixed telecommunications market;
- > the leading national alternative access network, with a modern all-ip data network;
- > the leading alternative operator in the general public market, with more than 3 million customers, including 1.2 million broadband customers;
- > the leading alternative operator in the corporate market;
- > the leading alternative operator in the market for telecommunications professionals.

### CONTINUED GROWTH OF MARGINS FROM DEGROUPING ACTIVITIES

Operating income before amortization was 255 million euros, up 57%, excluding provisions for restructuring linked to the consolidation of Cegetel. The continued improvement in margins was the result of the growth of data products in retail markets, in which degrouping makes it possible to offer competitive, innovative and high-margin broadband services to each customer directly connected to the Neuf Cegetel network.

In 2005, Neuf Cegetel pursued its investment strategy, targeting degrouping, broadband services and network optimization:

- > improvement of the coverage of degrouped data offerings, with more than 900 operational ADSL connection points;
- > availability of the full range of broadband services to the largest customer population;
- > supply of triple play modems (Neuf box and Cbox) to all general public customers;
- > interconnection and rationalization of Neuf and Cegetel networks.

## FINANCIAL HIGHLIGHTS NEUF CEGETEL

	Consolidated data			Proforma data <sup>(2)</sup>
(millions of euros)	2004	2005	2005 <sup>(1)</sup>	2005
Net sales	1,178	1,826	1,826	2,752
Operating income	(37)	(118)	(40)	(89)
Consolidated net income (Group share)	(11)	(130)	(52)	(116)

(1) Excluding provisions for restructuring.

(2) Proforma of the integration of Cegetel and excluding provisions for restructuring.

## INNOVATION DRIVES GROWTH

In 2005, Neuf Cegetel became the benchmark in triple play services and launched quadri play in France. With Neuf TV, its ADSL television service, the group now has the most extensive offering in the market in terms of content and interactive services. With the media player MP9, Neuf Cegetel incites household terminals (PC, telephone) to converge to the television set. In November 2005, Neuf Cegetel launched the first experiment on a hybrid fixed/mobile telephone, the BeautifulPhone, which will enable the mobile terminal to benefit from the advantages of the fixed telephone – unlimited use and true broadband. Lastly, Neuf Cegetel initiated total degrouping and, at the end of 2005, more than 200,000 customers were totally degrouped.

## OUTLOOK

The growth in net sales and the increase in margins should allow Neuf Cegetel to finance its own operations in 2006. In the general public market, the year 2006 should see continued growth, with the objective to report 2,000,000 ADSL customers in 2007. Growth should also be sustained in the corporate market for data products, with the goal to double the number of company locations connected directly to the network by the end of 2007.

opment costs were 130.7 million euros, representing 13.1% of net sales. Current operating income stood at 138.8 million euros and operating income rose 7.3% to 138 million euros. Lastly, net income rose 13% in 2005 to 90.1 million euros, representing 9.1% of net sales.

## VALEO

**WENDEL Investissement: 1.6%**

In 2005, net sales totaled 9,933 million euros. Operating income was down 7.8% to 307 million euros compared with 333 million euros in 2004. The cost of net financial debt rose to 54 million euros, as a result of acquisitions and the year's share buyback operations. Consolidated net income (Group share) was 141 million euros compared with 241 million euros in 2004, a figure that included a non-recurring tax rebate of 83 million euros.

## FINANCIAL HIGHLIGHTS

### VALEO

(millions of euros)	2004	2005
Net sales	9,229	9,933
Operating income	333	307
Consolidated net income (Group share)	241	141

## BIOMÉRIEUX

**WENDEL Investissement: 0.9%**

In 2005, net sales totaled 994 million euros compared with 929 million euros in 2004, up 5.7% on a constant consolidation and foreign exchange basis. On a current foreign exchange basis, net sales in euros rose 6.9%. The gross margin increased by 23.4 million euros to 520.4 million euros and represented 52.4% of net sales. Research and devel-

## CAPGEMINI

**WENDEL Investissement: 1.6%**

On a constant consolidation and foreign exchange basis, the Capgemini group reported a 15% increase in net sales to 6,954 million euros. On a current consolidation and foreign exchange basis, growth was 11.5%, as the Company outperformed the market. The operating margin totaled 225 million euros, representing 3.2% of net sales, up 3.6 points from 2004. After three consecutive years of losses, the group was back in the black, reporting net income (Group share) of 141 million euros, representing an increase of 675 million euros over the previous year. This improvement was accompanied by strong growth in net cash, which exceeded 900 million euros.

## FINANCIAL HIGHLIGHTS

### BIOMÉRIEUX

(millions of euros)	2004	2005
Net sales	929.3	993.6
Operating income	129.5	138.9
Consolidated net income (Group share)	79.7	90.1

## /// PROFILE //////////

### BIOMÉRIEUX

bioMérieux is a world leader in medical diagnostics and the verification of the microbiological quality of food, natural elements, surfaces and pharmaceutical and cosmetic products.

### VALEO

Valeo is an industrial group that designs, manufactures and markets components, integrated systems and modules for the automotive and heavy vehicle market.

### CAPGEMINI

Capgemini is a world leader in consulting, IT services and facilities management.

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## FINANCIAL HIGHLIGHTS

### CAPGEMINI

(millions of euros)	2004	2005
Net sales	6,235	6,954
Operating income	(281)	214
Consolidated net income (Group share)	(534)	141

# OTHER HOLDING COMPANIES

These intermediary holding companies serve to finance Group activities and hold Group equity interests.

Millions of euros (unless otherwise indicated)

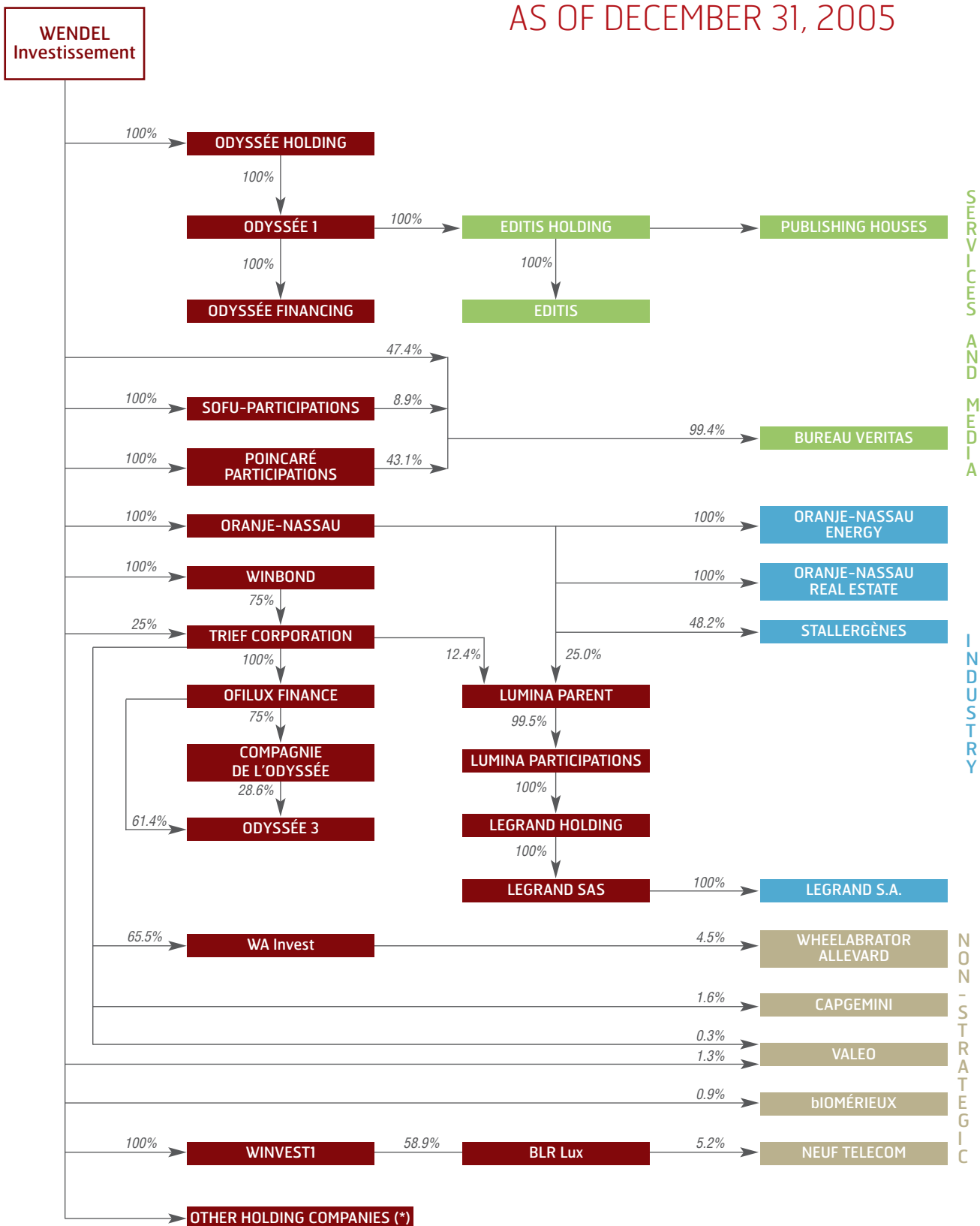
Name (shareholders)	Equity interests	Shareholders' equity (*) 12/31/2005	Total assets 12/31/2005	Net income 2005	Dividend paid in 2005
TRIEF CORPORATION (75% Winbond) (25% WENDEL Investissement)	12.4% Lumina Parent 100% Sofisamc 65.5% WA Invest 100% Ofilux Finance 20% Eufor 1.6% Capgemini 0.3% Valeo	912.0	915.6	46.2	-
WA INVEST (65.5% Trief Corporation)	4.5% Wheelabrator Allevard	10.3	10.6	1.4	-
OFILUX FINANCE (100% Trief Corporation)	75% Compagnie de l'Odyssee 61.4% Odyssee 3	19.2	19.2	-	-
ODYSSÉE 3 (61.4% Ofilux Finance) (28.6% Compagnie de l'Odyssee)	-	16.5	121.0	-	-
COMPAGNIE DE L'ODYSSÉE (75% Ofilux Finance)	28.6% Odyssee 3	4.0	4.0	-	-
ODYSSÉE-HOLDING (100% WENDEL Investissement)	100% Odyssee 1	102.0	220.3	(10.3)	-
SOFU-PARTICIPATIONS (100% WENDEL Investissement)	8.9% Bureau Veritas	(5.6)	294.9	(4.8)	-
POINCARÉ PARTICIPATIONS (100% WENDEL Investissement)	43.1% Bureau Veritas	268.6	271.5	(2.9)	-
WINVEST1 (100% WENDEL Investissement)	58.9% BLR Lux	183.3	183.3	29.4	-
BLR Lux (58.9% Winvest1)	5.2% Neuf Telecom	180.3	180.3	52.0	-
WINBOND (100% WENDEL Investissement)	75% Trief Corporation	376.2	384.0	(0.2)	-
COMPAGNIE FINANCIÈRE DE LA TRINITÉ (100% WENDEL Investissement)	-	17.6	17.6	0.2	2.4
SIMFOR (100% WENDEL Investissement)	-	1.6	1.7	-	-
WINVEST6 (100% WENDEL Investissement)	-	8.9	9.0	0.1	-
WINVEST7 (56.2% WENDEL Investissement)	-	16.0	16.0	-	-
EUFOR (80% WENDEL Investissement) (20% Trief Corporation)	100% Froeggen 100% Financière de Dalaba 100% Catania 100% Bethany et Compagnie 100% Compagnie d'Alberta	(2.4)	82.7	(2.7)	-
FROEGGEN (100% Eufor)	-	(14.3)	106.2	(14.4)	-
FINANCIÈRE DE DALABA (100% Eufor)	-	0.2	0.2	-	-
CATANIA (100% Eufor)	-	0.2	0.2	-	-
BETHANY ET COMPAGNIE (100% Eufor)	-	0.2	0.2	-	-
COMPAGNIE D'ALBERTA (100% Eufor)	-	2.8	80.8	2.7	-
WINVEST3 (100% WENDEL Investissement)	-	19.3	19.4	0.2	-
WINVEST5 (100% WENDEL Investissement)	-	0.2	300.5	0.1	-
SOLFUR (100% WENDEL Investissement)	13.5% SNC Wendel Participations	17.7	21.7	3.0	2.7
SOFISERVICE (100% WENDEL Investissement)	-	100.3	110.2	1.7	-
SOFISAMC (100% Trief Corporation)	-	26.3 MCHF	26.5 MCHF	3.1 MCHF	-

(\*) Net income included.



# CORPORATE ORGANIZATION

AS OF DECEMBER 31, 2005



(\*) See the list of other holding companies, page 38.

# CORPORATE GOVERNANCE, INTERNAL CONTROL, SUSTAINABLE DEVELOPMENT

# CORPORATE GOVERNANCE

## CONDITIONS FOR THE PREPARATION AND ORGANIZATION OF THE BOARD'S PROCEEDINGS

### COMPOSITION OF THE BOARD

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 March 30, 2006, the Supervisory Board was comprised of eight members and the Executive Board of two (see pages 6-7; if the Shareholders' Meeting of May 29, 2006, so approves, the number of members of the Supervisory Board will be raised to eleven).

### RULES OF OPERATION

Pursuant to the Company's new bylaws, which were approved by the Shareholders' Meeting of May 31, 2005, the Supervisory Board exercises permanent control of the management of the company by the Executive Board. The Executive Board presents a detailed report to the Supervisory Board at least once every quarter on the Company's situation and prospects. 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 informs the Shareholders' Meeting of its observations and remarks on the report of the Executive Board and on the parent company and consolidated financial statements.

The Supervisory Board is responsible for the appointment and revocation of members of the Executive Board, as well as for their compensation.

In addition to the responsibilities conferred by law, the Supervisory Board is empowered by the bylaws to authorize, prior to their application, acquisitions or disposals of a value of more than 100 million euros, any change the bylaws, any operation that may directly or indirectly modify the Company's capital, as well as any decision to allocate net income and distribute the dividend.

In order to exercise its mission, the Supervisory Board may create specialized committees of its members to monitor certain activities. As for the Executive Board, it is "responsible for the collegial management of the company". To this end, it has extensive management and decision-making powers.

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

## PROCEEDINGS OF THE SUPERVISORY BOARD

The Supervisory Board holds regular meetings and meets at least four times per year. In 2005, the Board of Directors met four times between January 1 and May 31, and as of May 31, the Supervisory Board met seven times. Average attendance was 84% for meetings of the Board of Directors and of the Supervisory Board. In order to exercise its mission under the best conditions, the Board's internal guide-

lines stipulate that its discussions be prepared in certain fields by dedicated committees. There are two such committees: the Audit Committee and the Governance Committee.

Once a year, the Board meeting includes a discussion on the conditions of the preparation and organization of the Supervisory Board's working sessions, and the situation of the company and Group companies is examined at every meeting, as are investment, disposal and financing projects.

## COMMITTEES

The committees' attributions and procedures are described in the bylaws governing each committee and included in the Code of conduct of the members of the Supervisory Board.

### AUDIT COMMITTEE

From January 1 to May 31, 2005, the Audit Committee was composed of three members:

- Jean-Marc Janodet, Chairman
- Didier Cherpitel
- Didier Pineau-Valencienne

Since June 1, 2005, the Board has the following members:

- Jean-Marc Janodet, Chairman
- Grégoire Olivier
- Edouard de L'Espée

### Responsibilities of the Audit Committee

The Committee's responsibilities are:

- to guarantee the relevance of the choice and proper application of the accounting policies employed;

- to check the accounting of any significant transactions conducted by the Company;
- to ensure that internal data collection and control procedures make it possible to guarantee the quality and sincerity of the Company's accounts;
- to maintain close contact with the auditors;
- to control all accounting and financial information contained in documents to be issued by the Company before they are published;
- to inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semiannual and annual parent company and consolidated financial statements are submitted for approval;
- to pilot the procedure to select the Company's auditors and submit the result of the selection to the Supervisory Board;
- to review the audit and consulting fees paid by the Company and the companies in the Group over which it exercises control to the Company's auditors and their networks and 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 semiannual and annual financial statements.

Committee meetings may be organized by conference call or videoconference; the presence of at least half of the members constitutes a quorum.

The Audit Committee has access to all the means it deems necessary to conduct its business. In particular, it may interview the accounting staff as well as the auditors and, if it so desires, independently of the presence of the Company's management. It may also mandate experts to perform specific tasks related to its responsibilities. Thus it was that in the second half of 2005, it mandated a recognized independent expert to check the company's net asset value every six months, as estimated by the Company.

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

The Audit Committee met three times in 2005.

#### March 24, 2005 – Agenda:

- Parent company and consolidated financial statements as of December 31, 2004, and forecasts of results for 2004
- WENDEL Investissement's financial situation and share buyback
- Net asset value
- Internal control procedures
- Auditors' fees
- IFRS
- Regulated conventions.

#### May 26, 2005 – Agenda:

- Adoption of IFRS and the impact on the Company's financial statements.

#### September 15, 2005 – Agenda:

- Net asset value as of August 31, 2005
- Parent company and consolidated financial statements as of June 30, 2005
- Progress report on the allocation of goodwill
- Portfolio of listed companies
- Group's financial situation.

The attendance rate was two-thirds for the first and second meetings and 100% for the third meeting.

### GOVERNANCE COMMITTEE

Since September 6, 2004, the Appointments and Compensation Committee had four members:

- Guy de Wouters, Chairman
- François de Mitry
- Didier Pineau-Valencienne
- François de Wendel

Since May 31, 2005, the committee, which is now called the Governance Committee, has four members:

- Guy de Wouters, Chairman
- Didier Cherpitel
- François de Mitry
- François de Wendel.

#### Responsibilities of the Committee

- to propose candidates for Board membership and/or appointment as corporate officers to the Supervisory Board after

having reviewed all the factors that should be taken into account – i.e. the desired balance of the Board's composition in function of the composition of and changes in the Company's shareholding, in particular the desired number of members with no direct or indirect link with the Company;

- to propose compensation for the members of the Executive Board (including compensation in kind and retirement benefits) and the distribution of directors' fees among the members of the Supervisory Board;
- to be informed of the co-investment policy proposed to management and its application;
- to review any question concerning business ethics posed by the Supervisory Board.

#### Organization and procedures

The Committee met twice during the year. The attendance rate was 100% for the two meetings.

The Committee prepared the Board's decisions on compensation for the members of the Executive Board and on the introduction of a new tranche in the corporate savings plan.

## RULES GOVERNING THE MEMBERS OF THE SUPERVISORY BOARD

### RELATIONS BETWEEN MEMBERS OF THE BOARD AND THE COMPANY

The Supervisory Board adopted the definition of independent members of the Board formulated in the Bouton report: "A member of the Board is independent when he has no relation of any sort with the company, its group or management". The Supervisory Board examined the situation of each of its members on the basis of the following criteria:

- not to be or have been in the previous five years, an employee or director of the company, its parent company or a consolidated company;
- not to be the company's merchant or corporate finance banker;

- not to have family ties with a member of the Board;
- not to have been a member of the Board for more than 12 years.

The Supervisory Board considered that, Didier Cherpitel, Grégoire Olivier and Jean-Pierre Berghmans were members of the Board with no direct or indirect links with the Company, its management and the companies in the Group. Following the resignation of Jean-Pierre Berghmans in December 2005, and to increase the number of independent members to more than a third of the Supervisory Board, the appointment of new members will be submitted to the approval of the shareholders at the next shareholders' meeting.

### CODE OF CONDUCT FOR BOARD MEMBERS

The Code of conduct drawn up by the Board of Directors when WENDEL Investissement was created was updated following the transformation of the Company into a "Société Anonyme" with an Executive Board and a Supervisory Board. It spells out the rights and duties of the members of the Board, the minimum number of shares they should own (100) and rules for trading shares of WENDEL Investissement and listed companies of which the Group is represented on the Board of Directors or the Supervisory Board.

### TRADING IN COMPANY SHARES AND TRANSPARENCY VIS-À-VIS THE MARKET

Members of the Board should 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 Code of conduct complies with the recommendation of the Autorité des Marchés Financiers (AMF) concerning the declaration of transactions by members of the Board. It provides for nominative registration of the shares held by members of the Board as well as a declaration to the Company of transactions conducted directly by each of them or through a member of the Board or an intermediary company which the member of the Board controls.

Since January 1, 2005, pursuant to article L.621-18-2 of the Code monétaire et financier, a press release announces financial instrument transactions conducted and declared by Company officers, on an individual and nominative basis, within five trading days from the date of the receipt of the declaration of these transactions.

### DISTRIBUTION OF DIRECTORS' FEES

The breakdown of the annual amount of directors' fees, set at 480,000 euros by the Annual Shareholders' Meeting of May 31, 2005, which maintained the previous amount allotted, was as follows, per Board member and per year, as of the second half of 2005:

- ordinary fee: 32,000 euros, plus 5,000 euros for each member of a committee,
- Chairman's fee: 160,000 euros,
- fee paid to the Chairman of each committee: 48,000 euros.

# INTERNAL CONTROL

## INTERNAL CONTROL PROCEDURES

The internal control procedures in effect 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, on the one hand:

- preserving 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 raises capital in the market:

- protection of confidential information,
- insider trading;

and, on the other hand, verifying that the

accounting and financial information communicated by the Company to the Board fairly represents the Company's business and financial situation.

## SYNTHETIC DESCRIPTION OF CONTROL PROCEDURES IN EFFECT

The WENDEL Group is organized in a decentralized manner, and each entity in the Group has management autonomy, subject to detailed regular reports on its finances to WENDEL Investissement. Within this framework, the internal control procedures set up by the Company are as follows:

### PROCEDURES DESIGNED TO PRESERVE 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 six investment officers and analysts, is responsible for monitoring Group subsidiaries and acquisition and divestment transactions.

#### 1) Monitoring the existing portfolio

For each equity holding, a team of two to four people is responsible for assisting the Executive Board in monitoring activities (choice of strategic orientations, business plan, operational reporting) and development (external growth, partnership, sales of subsidiaries or business lines).

Each team has one or two senior member(s) who coordinate WENDEL Investissement relations with subsidiaries' management teams, and organize the work of the team.

Monitoring the existing portfolio involves:

- a monthly operational report;
- a monthly working session with management; in addition to a review of business, the agenda includes an in-depth study of an important topic (procurement policy, industrial optimization, research and development, analysis of the situation of major subsidiaries, existence and organization of internal control, etc.);
- a yearly budget meeting;
- many conversations or meetings organized with managers of the subsidiary if so required.

The senior members of the Investment unit team meet with the Executive Board twice a month to coordinate initiatives. They present a synthetic analysis of their monitoring of the equity holdings in their charge and make recommendations if important decisions concerning an equity holding need to be taken.

In addition, in 2005, the Executive Board wanted to develop the presence of members of the Operating Committee on the Board of Directors or Supervisory Board of the different entities the Group controls and, in particular on subsidiaries' Audit Committees, in order to expand knowledge of these companies' operating procedures and involvement in management concerns.

#### 2) New investments and divestments

A weekly investment committee studies acquisition and divestment projects and



explores new opportunities. Around the Executive Board, it brings together all the Investment teams, and when necessary, members of the Operating Committee. In every case, a team is formed to provide the skills 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. After the Supervisory Board's approval, the Executive Board supervises operations as the team in charge implements the projects.

## COMPANY FINANCIAL SITUATION

These procedures, which are defined by executive management, are designed to provide constant reasonable assurance that financial transactions are secure and in conformity with the objectives set:

- monthly reports by the head of Corporate Accounting and Finance on the cash reserves of the parent company and the consolidated business sectors with an analysis of changes forwarded to the Executive Board and the Chairman of the Audit Committee;
- double signature on all cash transactions related to current management operations. Transactions involving a significant sum are initiated solely by the Chairman of the Executive Board or under his direct control;
- issues of bonds or any other debt vehicles are subject to prior authorization by the Supervisory Board, in compliance with the financial authorizations approved by the Annual Shareholders' Meeting;
- communication to the Audit Committee of tables of cash flows, debt and bank agreements. The Chairman of the Audit Committee makes regular reports to the Supervisory Board on the Committee's analysis of the Company's financial situation. In addition, the Company has mandated Standard and Poor's to rate the Company since September 2002. This rating is updated at least twice a year.

## PROCEDURES DESIGNED TO PREVENT AND CONTROL RISKS RELATED TO THE COMPANY'S ACTIVITIES AND ITS STATUS AS A COMPANY THAT RAISES CAPITAL IN THE MARKET

Because of the Company's activities, employees may have knowledge of information that is not public and is of a confidential nature, and the disclosure and/or use of which may have an adverse effect on the Company. When such confidential information concerns companies with shares traded in a regulated market, it becomes privileged information, the direct or indirect use of which constitutes insider trading.

To inform employees of the provisions of current legislation (article L. 465-1 of the Code monétaire et financier) and the general AMF regulation on the use of privileged information, a Code of business conduct was distributed to all members of the staff in order to avoid any involvement, on their part, or that of the Company, in situations contrary to stock market regulations and, more generally, capable of engendering litigation. This code recapitulates basic rules for the material protection of confidential information within and outside of the Company. It recalls the rules forbidding stock market transactions in the 30 calendar days prior to the publication of semiannual and annual results, and whenever an employee has privileged information on the Company, an equity holding or a company that is the subject of an investment analysis.

To ensure transparency and prudence, the Code of business conduct requires employees to declare transactions on securities issued by the Company and on any attached derivatives, except for transactions conducted through the Group savings plan, which are subject to prior approval by the Company Secretary.

Ethical compliance is the responsibility of the Company Secretary.

## CONTROL PROCEDURES FOR ACCOUNTING AND FINANCIAL INFORMATION

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

### 1) Procedures for the preparation and consolidation of the financial statements

- determination, with the Finance department of each subsidiary, of a calendar for submitting the financial statements with the supplemental information required for the preparation of the parent company accounts;
- meeting to study the consolidated financial statements between the head of Corporate Accounting and Finance and the head of the Finance department of each subsidiary to analyze the highlights of the period as well as any significant or exceptional operations;

## 2) Procedures for the control of the financial statements

### At the level of the subsidiaries

- harmonization of the networks of the Group's auditors to ensure clearer channels of information with the parent company's auditors;
- participation of Corporate Accounting and Finance in audit meetings of subsidiaries under exclusive control and recording of the details of audit and internal control observations of the subsidiaries' auditors in the performance of their mission;
- participation in meetings of subsidiaries' Boards of Directors and/or Audit Committees by one or several member(s) of the

Executive Board, the Investment unit and/or Corporate Accounting and Finance.

### At the level at the parent company

- the head of Corporate Accounting and Finance is responsible for accounting policies, and in particular should ensure compliance with accounting rules in the holding company and in Group subsidiaries. If required, audits may be initiated under this officer's responsibility;
- the Audit Committee: this committee's responsibilities and procedures are presented above in the section on the preparation and organization of the procedures of the Supervisory Board.

## 3) Procedures for the control of financial information

All financial announcements and publications (annual report, shareholders' letters, documents distributed to analysts) are submitted for approval to the Audit Committee before being examined by the Supervisory Board and the auditors. In particular, the auditors monitor the permanent application of the methods used to value the assets, so as to determine the net asset value, and they report 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, 2005.

It is for the Chairman to give an account, in his report, notably of the conditions in which the duties of the Supervisory Board are prepared and organized and 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 professional guidelines applicable in France. These require us to perform procedures to assess the fairness of 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.

These procedures notably consisted 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.

Paris La Défense and Neuilly-sur-Seine, May 12, 2006

The Statutory Auditors

Ernst & Young Audit

PricewaterhouseCoopers Audit

François Carrega

Olivier Thibault

# SUSTAINABLE DEVELOPMENT

## ENVIRONMENTAL POLICY

### WENDEL INVESTISSEMENT

As a financial holding company, WENDEL Investissement is involved in no industrial activities and therefore has no specific environmental protection policy. WENDEL Investissement integrates the notion of sustainable development, i.e. growth that – according to the definition in the Brundtland report of the United Nations – “meets the needs of the present without compromising the ability of future generations to meet their own needs” with regard to social as well as environmental issues. This process is activated when investment decisions are made and the activities of the Group’s business sectors are monitored.

Compliance by 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 are duly analyzed and the prevention policy implemented by the targeted company is evaluated through in-depth studies and, if so required, by inspections.

The WENDEL Investissement group is made up of companies that work 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 should assume full responsibility for the sustainable development policy implemented in their company.

Here is a summary presentation 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 Investissement.

### BUREAU VERITAS GROUP

Sustainable development is an integral part of the activities of Bureau Veritas. The group proposes its services to organizations of all sizes in order to help them obtain certification of their management systems in terms of quality (ISO 9001), environment (ISO 14001), health and safety (OHSAS 18001) and social accountability (SA 8000). Bureau Veritas also audits the sustainable development reports of large companies.

More recently, and after having obtained the necessary accreditation, Bureau Veritas has begun helping companies that are required to control their greenhouse gas emissions within the framework of the European Emissions Trading Scheme (EU ETS), as well as those that wish to validate their emission reductions via the United Nations Clean Development Mechanism (UN CDM). In 2005, Bureau Veritas validated several projects in this field, mainly in the sectors of energy and chemicals. In this way, corporate clients can help reduce greenhouse gas emissions by trading their emission allowances.

Inside the company, Bureau Veritas has introduced guidelines that define group

principles in the areas of health, safety, environmental protection and social accountability (HSE & SA). On the basis of these principles, Bureau Veritas commits to comply with existing legislation and regulations in all countries in which the company operates; the workforce is trained in HSE & SA; and risks related to corporate activities are identified and documented. Initiatives are developed within the company to contribute to environmental protection through responsible use of natural resources, particularly in terms of waste management (primarily paper) and the use of recycled paper or paper that meets FSC (Forestry Stewardship Council) standards, which guarantee that the wood used to make the paper came from responsibly managed forests. A annual report analyzes the company’s compliance with the HSE & SA principles defined by Bureau Veritas.

### ORANJE-NASSAU GROUP

The Oranje-Nassau group operates in three sectors: energy, real estate and investment of private funds, managed with the same objective of profitable, long-lasting growth. Only the first activity involves environmental risks.

The group participates in the research, development and mining of hydrocarbon deposits, in partnership with other investors, in Europe, Africa and the Middle East. The principal environmental risks are linked to oil and gas drilling, production and transmission. Any technical incident or human error can have consequences for the environment, property and health. Since all of the group’s energy sector activities are conducted by third-party operators

through joint ventures, Oranje-Nassau's policy is only to work with qualified operators that have recognized experience in the oil 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.

## STALLERGÈNES GROUP

As a pharmaceutical laboratory specialized in the development, production and distribution of allergy medicine and related products, Stallergènes is subject to European directives governing medication and, in particular, allergy medication.

As a pharmaceutical laboratory, Stallergènes complies with the recommendations and guidelines of official French Good Production Practices, which are regularly inspected by French health authorities (Agence Française de Sécurité Sanitaire des Produits de Santé - AFSSAPS).

Stallergènes' ongoing efforts to improve quality were recognized by the firm's ISO 9001 certification in 1999. This label, which is renewed annually, allows the company to ensure the continuous improvement of its quality control system. The allergens used are made from raw materials of plant or animal origin. They are obtained by extraction in a saline solution and are then purified by filtration. This activity generates almost no emissions or effluents and practically no noise or disagreeable odor. The risk of pollution can be considered to be very limited, even inexistent.

Under these conditions, the group's environmental expenditures are limited to waste recycling costs, i.e. 100,000 euros per year. All waste is processed by specialized companies approved by the Fédération Nationale des Activités de la Dépollution et de l'Environnement (FNADE). There are four types of waste: ordinary industrial waste (approximately 1,000 m<sup>3</sup>/year), chemical waste (approximately 1.8 m<sup>3</sup>/year), bacteriological waste (approximately 250 m<sup>3</sup>/year) and radioactive waste (approximately 0.5 m<sup>3</sup>/year). The presence of radioactive waste is the result of 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 ELISA tests have replaced 90% of the RAST tests as of 2004, there has been a sharp reduction in this type of waste. Company management of such waste is entrusted to an officer who has been trained and awarded a diploma by INSTN, a subsidiary of the French Atomic Energy Commission. This category of waste is eliminated by a national organization, Agence Nationale des Déchets Radioactifs (ANDRA).

## EDITIS GROUP

Editis is a leading French publishing group that produces more than 100,000,000 books per year.

Editis outsources the production of the books it publishes. The group works with highly qualified, well-equipped suppliers in the different sectors of printing and binding. With regard to paper, publishing accounts for only approximately 3% of the total consumption of paper in developed countries. Nevertheless, as a major player in this market, the Editis group is conscious of the impact the paper industry may have on the environment.

The paper manufacturers that supply Editis only use paper pulp from managed and replanted forest resources. The paper pulp thus obtained is bleached entirely using oxygen.

In addition, through the organized collection of printing rejects and unsold inventory, book publishing contributes to the supply of recycled fibers widely used to produce newspaper and cardboard.

Editis's main paper suppliers are located in northern Europe. Their forest management policies have integrated ecological considerations for many years. For example, Finland, a country that supplies much of the group's paper, certifies 95% of its forests within the framework of the Finnish Forest Certification System, to which most European countries subscribe.

Within the framework of sustainable forest management policies implemented in developed countries and many other parts of the world, the paper industry has already solved a great number of environmental problems and strengthened its commitment as can be seen in the following areas:

- the rapid increase in the last few years of the percentage of consumption of forest

resources in compliance with international environmental standards, such as the Programme for the Endorsement of Forest Certification (PEFC), the Forest Stewardship Council (FSC) and/or Sustainable Forest Management (SFM);

- the continuous increase in recovery and recycling rates;

- the ongoing development of eco-efficient production technology with major results, especially in the field of water purification, energy conservation and the almost complete elimination of chlorine from bleaching operations;

- the compliance of production processes with ISO 14001 and Emas standards.

As for the printing industry, the environmental impact is more limited and is covered by operating authorizations that comply with regulations in the relevant country.

## SOCIAL POLICIES

As a holding company, WENDEL Investissement has a small workforce. In the labor area, parent company data for the year 2005 was as follows:

## A. WORKFORCE

### 1. Number of employees as of December 31, 2005

	Employees	Management	Total
Women	20	4	24
Men	6	19	25
<b>Total</b>	<b>26</b>	<b>23</b>	<b>49</b>

### 2. Staff hired during the year

	Employees	Management	Total
Women	1		1
Men		*5	5
<b>Total</b>	<b>1</b>	<b>5</b>	<b>6</b>

\* including a change in employment status

### 3. Departures during the year

	Employees	Management	Total
Women			
Men	*1	2	3
<b>Total</b>	<b>1</b>	<b>2</b>	<b>3</b>

\* including a change in employment status

### 4. Temporary hire during the year

0.25 equivalent to a quarter-time secretarial employee.

## B. WORK SCHEDULE

WENDEL Investissement's workforce is divided into three categories:

- executive managers who are members of the Operating Committee, with no hour-based worktime restrictions;
- managers benefiting from a work year calculated in number of days (218 work days per year);
- non-management employees who worked 1,723 hours in 2005, i.e. 1,600 hours plus 7 hours for the day of solidarity and 116 hours of overtime, and benefited from days allotted through the worktime reduction program.

A total of 2,863 hours of overtime was paid during the year.

## Absenteeism (hours)

	Employees	Management	Total
Illness	339	23	362
Work-related accident	226	62	288
Maternity leave	0	0	0
Other leave	129	343	472
<b>Total</b>	<b>694</b>	<b>428</b>	<b>1,122</b>

## C. COMPENSATION IN 2005

	thousands of euros
Payroll	5,588
Social contributions	2,854

There was an across-the-board 1.7% increase in salaries as of January 1, 2005.

## D. LABOR RELATIONS

There are four employee representatives:  
- two representing management,  
- two representing employees.

## E. HEALTH AND SAFETY

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

## F. TRAINING IN 2005

Number of people trained	26
Number of hours paid	424
Expense (euros)*	82,024

\* excluding payment of 46,626 euros to a collecting organization.

## G. DISABLED EMPLOYEES

No disabled employee works at WENDEL Investissement.  
In 2005, the Group contributed 4,722 euros to AGEFIPH.

## H. SOCIAL WELFARE PROJECTS

WENDEL Investissement paid 84,333 euros for social welfare projects in 2005.

## I. SUBCONTRACTING

WENDEL Investissement uses subcontractor services, mainly for building operation and maintenance services (security, office cleaning, receptionists, switch-board, etc.).

## BUREAU VERITAS GROUP

In a year, the number of Group employees rose 15.3%, from 20,530 to 23,683 as of December 31, 2005. The workforce especially grew in Asia and North America. At the world level, the gender breakdown is two-thirds men and one-third women, and turnover is approximately 15% (ratio of the number of departures in 2005 to the workforce at the end of the year). The following data concerns the parent company and French entities.

## A. EMPLOYMENT

### 1. Workforce as of December 31, 2005

	Employees	Management	Total
<b>Women</b>	<b>1,782</b>	<b>483</b>	<b>2,265</b>
Permanent staff	1,701	478	2,179
Limited-term contracts	81	5	86
<b>Men</b>	<b>1,663</b>	<b>2,387</b>	<b>4,050</b>
Permanent staff	1,587	2,374	3,961
Limited-term contracts	76	13	89
<b>Total</b>	<b>3,445</b>	<b>2,870</b>	<b>6,315</b>
Permanent staff	3,288	2,852	6,140
Limited-term contracts	157	18	175

### 2. Staff hired in 2005

	Limited-term	Permanent	Total
Women	147	148	295
Men	118	422	540
<b>Total</b>	<b>265</b>	<b>570</b>	<b>835</b>

### 3. Departures in 2005

	Dismissal	Voluntary departure	Retirement	Total
Women	38	66	14	<b>118</b>
Men	42	143	59	<b>244</b>
<b>Total</b>	<b>80</b>	<b>209</b>	<b>73</b>	<b>362</b>

#### 4. Temporary hire during the period:

80 full time equivalent positions in 2005.

### B. WORK SCHEDULE

The French companies of Bureau Veritas apply the worktime reduction program agreements. The general principles are as follows:

- 35 hours per week for sedentary non-management employees;
- annual envelope in hours (1,701 hours) or 35 hours per week for itinerant non-management employees;
- annual envelope in days (211 days worked) or in hours (1,701 hours) or 35 hours per week for management.

Executive managers work with no worktime restrictions.

The absenteeism rate in 2005 was 4.1%.

### C. COMPENSATION IN 2005

	thousands of euros
Payroll	215,317
Social contributions	102,230
Gainsharing	5,779

There was an average increase in salaries of 4% in 2005.

### D. LABOR RELATIONS

#### 1. Employee representatives

There were 125 employee representatives (works council members and elected representatives) as of December 31, 2005.

#### 2. Collective bargaining agreements signed in 2005:

A gainsharing agreement signed on June 3, 2005.

An agreement on the creation and operation of the Group Committee signed on August 2, 2005.

An agreement to extend the term of office of works council members and elected representatives signed on September 28, 2005.

An agreement on the Company savings plan signed on December 22, 2005.

### E. HEALTH AND SAFETY

Bureau Veritas employees work in premises that comply with health and safety standards.

Employees, and especially new employees, receive general information on Bureau Veritas's health and safety prevention policy.

### F. TRAINING IN 2005

Number of people trained: 3,364.

Training expense: 8,631,000 euros.

### G. DISABLED EMPLOYEES

Ninety-two disabled employees work at Bureau Veritas.

### H. SOCIAL WELFARE PROJECTS

Bureau Veritas paid 3,243,000 euros for social welfare projects in 2005.

## ORANJE-NASSAU GROUP

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

### A. EMPLOYMENT

#### 1. Workforce as of December 31, 2005

	Supervisors & management	Executive management	Total
<b>Women</b>	12	-	<b>12</b>
Permanent staff	11	-	11
Limited-term contracts	1	-	1
<b>Men</b>	18	3	<b>21</b>
Permanent staff	18	3	21
Limited-term contracts	-	-	-
<b>Total</b>	<b>30</b>	<b>3</b>	<b>33</b>
Permanent staff	29	3	32
Limited-term contracts	1	-	1

#### 2. Departures in 2005

Two employees departed voluntarily in 2005.

#### 3. Temporary hire in 2004

Employment of a computer specialist three days a week, and of a switchboard operator two and a half days a week.

### B. WORK SCHEDULE

The workweek counts 37.5 hours.

Absenteeism (in days): 235 days for illness.

### C. COMPENSATION

	thousands of euros
Salaries	3,632
Other social contributions	1,155

There was a general increase in salaries of 1.5% as of January 1, 2005.



## D. LABOR RELATIONS

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

## E. HEALTH AND SAFETY

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

## F. TRAINING IN 2005

Number of employees trained in 2005:

	Supervisors & management	Executive management	Total
Women	4	-	4
Men	6	2	8
<b>Total</b>	<b>10</b>	<b>2</b>	<b>12</b>

Employee training expenditures totaled 40,000 euros in 2005.

## G. DISABLED EMPLOYEES

No disabled employee works at Oranje-Nassau.

## STALLERGÈNES GROUP

### A. EMPLOYMENT

#### 1. Workforce as of December 31, 2005: 580 salaried employees in the following categories:

Women	356
Men	204
Permanent employment	520
Limited-term employment	40
Full time	505
Part time	55

The average number of employees at Stallergènes increased by approximately 8%. Women employees continued to represent the majority of the workforce, as is generally the case in the pharmaceutical industry.

#### 2. Change in the number of employees in 2005

63 employees were hired, almost twice the number of new hires in the previous year, and 13 employees were dismissed.

## B. WORK SCHEDULE IN 2005 AND TEMPORARY EMPLOYMENT

In France, the average workweek for full-time employees is 35 hours. 10% of the workforce works part time.

All the Group's French companies apply worktime reduction agreements. The general lines are as follows:

- non-management employees work a specified number of hours weekly and benefit from worktime reduction days on a yearly basis;
- management works according to an unrestricted worktime schedule and benefits from worktime reduction days on a yearly basis;
- executive management works according to an unrestricted worktime schedule and is excluded from worktime reduction agreements.

The accentuation of the seasonal character of the group's business led to increased (though limited) use of temporary hire and overtime. The average number of temporary hires during the year represented 26 employees. On the other hand, the stabilization of the organization made it possible to reduce the number of limited-term contracts (down 15%).

In this context, absenteeism continued to decline (3.5% of total working time versus 4.6% in 2004).

### C. COMPENSATION IN 2004

	thousands of euros
Salaries and social contributions	32,380
Gainsharing and profitsharing	3,942

### D. TRAINING

The constant efforts to promote training, in addition to the required minimum, ensures rapid integration of new hires, ongoing adaptation by employees to the company's new businesses, and internal promotion for roughly half of the job openings.

In 2005, external employee training expenditures totaled 293,000 euros.

### E. LABOR RELATIONS

There is significant consensus in the company on the compensation policy. In the last three years, an agreement has been

reached with labor organizations on salary upgrades. Company agreements have been signed on worktime schedules, the Company savings plan and gainsharing.

## EDITIS GROUP

### A. EMPLOYMENT

#### 1. Workforce as of December 31, 2005

	Employees	Management	Total
<b>Women</b>	<b>712</b>	<b>837</b>	<b>1,549</b>
Permanent staff	658	785	1,443
Limited-term contracts	54	52	106
<b>Men</b>	<b>276</b>	<b>457</b>	<b>733</b>
Permanent staff	243	446	689
Limited-term contracts	33	11	44
<b>Total</b>	<b>988</b>	<b>1,294</b>	<b>2,282</b>
Permanent staff	901	1,231	2,132
Limited-term contracts	87	63	150

#### 2. New hires in the period:

161 employees were hired on permanent contract in the period.

#### 3. Departures in the period:

201, including 133 at the employer's initiative and 68 retirements and voluntary departures.

#### 4. Number of hours overtime in the period:

8,808 hours.

#### 5. Number of hours worked by temporary employees in the period:

275,746 hours.

### B. WORK SCHEDULE

In France, the average workweek for full-time employees is 35 hours.

All the Editis group's French companies apply worktime reduction agreements.

The general lines are as follows:

- non-management employees work a specified number of hours weekly and benefit from worktime reduction days on a yearly basis;

- management works according to an unrestricted worktime schedule and benefits from worktime reduction days on a yearly basis;  
 - executive management works according to an unrestricted worktime schedule and is excluded from worktime reduction agreements.

Absenteeism in number of days absent in the period was 29,017 days, of which 18,132 for illness.

### C. COMPENSATION IN THE PERIOD

	thousands of euros
Compensation	87,641
Social contributions	38,441
Gainsharing and profitsharing	6,220

In 2005, a 2% ceiling was set for salary increases (general and individual).

### D. LABOR RELATIONS

#### 1. Employee representatives

Employee representatives (works councils and elected representatives) numbered 112.

#### 2. Collective bargaining agreements signed in 2005

Several collective bargaining agreements were signed concerning certain group companies. These agreements concerned the introduction of an Economic and Social Unit between two subsidiaries and an amendment to a gainsharing agreement.

### E. HEALTH AND SAFETY

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

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

### F. TRAINING

Number of people trained: 974  
 Training expenditures in 2005: 1,005,000 euros.

### G. DISABLED EMPLOYEES

19 disabled employees work at the Editis group.

### H. SOCIAL WELFARE PROJECTS

The Editis group allocated 1,213,000 euros to works councils in the period.

# CONSOLIDATED FINANCIAL STATEMENTS

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# Analysis of the consolidated financial statements

## 1. ACCOUNTING PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In WENDEL Investissement's financial statements, drawn up in accordance with the principles and methods presented in the notes to the accounts:

- Subsidiaries over which WENDEL Investissement exercises exclusive control, either directly or indirectly, are fully consolidated; this concerns the Oranje-Nassau and Stallergènes groups, Editis (as of October 1, 2004), Bureau Veritas (as of December 31, 2004), and the main holdings;

- Companies over which WENDEL Investissement exercises a significant influence are consolidated on an equity basis, namely Lumina Parent (Legrand), bioMérieux (up until June 30, 2004), Silliker Group Holding (up until June 30, 2004) and Bureau Veritas (up until December 31, 2004).

- Income from subsidiaries sold off (Wheelabrator Allevard in 2005, bioMérieux and Silliker Group Holding in 2004) is recorded on a separate line on the profit and loss account under "net profit from activities shut down or intended to be sold off".

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

In millions of euros	2005	2004
Operating profit	351	101
Financial charges	-18	-17
Tax	-119	-35
Net profit/loss of companies accounted for by the equity method	37	51
<b>Net profit before proceeds from activities shut down or intended to be sold off</b>	<b>251</b>	<b>100</b>
Income from activities shut down or intended to be sold off	175	325
<b>Net profit</b>	<b>426</b>	<b>425</b>
Net profit/loss - minority interests	-10	-6
<b>Net profit - Group share</b>	<b>416</b>	<b>419</b>

## CONSOLIDATED BALANCE SHEET

In millions of euros	12.31.05	12.31.04
<b>Assets</b>		
Goodwill	1,935	1,837
Tangible and intangible fixed assets	1,063	1,062
Net financial assets	502	767
Securities accounted for by the equity method	436	355
Working capital requirements	7	45
	<b>3,943</b>	<b>4,066</b>

In millions of euros	12.31.05	12.31.04
<b>Liabilities</b>		
Shareholders' equity	1,503	1,461
Minority interests	115	93
Provisions	330	337
Net financial liabilities	1,843	1,998
Net deferred tax liabilities	152	177
	<b>3,943</b>	<b>4,066</b>

## ANALYSIS OF MAIN CHANGES

In millions of euros

<b>Goodwill at December 31, 2004</b>	<b>1,837</b>
Disposal of Wheelabrator Alleward	-73
Acquisitions by Bureau Veritas	+133
Acquisitions by Editis	+32
Acquisitions by Stallergènes	+6
<b>Goodwill at December 31, 2005</b>	<b>1,935</b>

<b>Tangible and intangible fixed assets at December 31, 2004</b>	<b>1,062</b>
Acquisitions	+120
Disposals	-16
Change in scope	+107
Depreciation and provisions for the year	-203
Other	-7
<b>Tangible and intangible fixed assets at December 31, 2005</b>	<b>1,063</b>

<b>Net financial assets at December 31, 2004</b>	<b>767</b>
Disposals and change in fair value	-169
Equity derivatives	-26
Interest rate derivatives	+6
Exchange rate derivatives	-13
Derivatives of the energy sector of Oranje-Nassau	-13
Other	-50
<b>Net financial assets at December 31, 2005</b>	<b>502</b>

<b>Securities accounted for by the equity method at December 31, 2004</b>	<b>355</b>
Share in profit for the year	+56
Change in exchange gains/losses	+25
<b>Securities accounted for by the equity method at December 31, 2005</b>	<b>436</b>

<b>Consolidated shareholders' equity at December 31, 2004</b>	<b>1,461</b>
Profit for the year	+416
Dividend paid by WENDEL Investissement	-56
Shares issued by WENDEL Investissement	+26
Shares cancelled by WENDEL Investissement	-320
Other	-24
<b>Consolidated shareholders' equity at December 31, 2005</b>	<b>1,503</b>

<b>Net debt at December 31, 2004</b>	<b>1,998</b>
Cash flow for the year	-289
Acquisition of tangible and intangible fixed assets (net of disposals)	+77
Disposal of securities	-702
Acquisition of securities	+392
Share buybacks	+336
Capital increase	-40
Dividends paid	+60
Other	+12
<b>Net financial debt at December 31, 2005</b>	<b>1,843</b>

## 2. ECONOMIC PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED PROFIT AND LOSS ACCOUNT – ECONOMIC PRESENTATION

The consolidated profit and loss account reflects the aggregate earnings of the various equity interests held by WENDEL Investissement, which are fully consolidated, consolidated on an equity basis or deconsolidated over the year in the case of disposals. As such, the accounting presentation of the profit and loss account does not make it possible to directly carry out an in-depth analysis. For this reason, WENDEL Investissement regularly communicates on a profit and loss account presented on an economic basis.

- Income from equity interests is defined as WENDEL Investissement's share in the earnings of consolidated equity interests (irrespective of the consolidation method retained) before depreciation of goodwill, exceptional or non-recurring items, elements from the profit and loss account without any link with the operational activities of the equity interests in question, and the impact of goodwill allocations.
- Dividends comprise dividends received from non-consolidated equity interests (Valeo and Capgemini).
- Holding costs are made up of overheads, the cost of net debt put in place in connection with the financing of equity interests, and tax income and expenses associated with these elements. The amounts retained are those recorded for WENDEL Investissement and for all consolidated financial holdings.
- Non-recurring items factor in, for the entire basis for consolidation, the amounts (net of tax) of any capital gains and losses on the disposal of assets, changes in provisions on securities, financing setup costs, restructuring costs, foreign currency impacts linked to Oranje-Nassau's oil business, and elements linked to goodwill allocations.

# ECONOMIC PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In millions of euros	2005	2004
Bureau Veritas	139.6	40.9
Legrand	92.5	85.4
Oranje-Nassau	74.0	61.1
Editis	30.1	7.3
Stallergènes	13.4	10.3
Wheelabrator Allevard	12.6	22.5
bioMérieux	-	13.2
<b>Income from equity interests</b>	<b>362.2</b>	<b>124.8</b>
<b>Valeo, bioMérieux dividends</b>	<b>9.2</b>	<b>8.5</b>
WENDEL Investissement financial expenses	-65.2	-46.4
Overheads and tax	-11.2	-16.3
<b>Holding costs</b>	<b>-76.4</b>	<b>-62.7</b>
<b>Profit from ordinary activities</b>	<b>295.0</b>	<b>186.5</b>
Non-recurring items		
• Disposal of Wheelabrator Allevard	159.4	-
• Disposal of Trader Classified Media	-	157.5
• Disposal and valuation of bioMérieux securities	8.3	131.4
• Disposal and valuation of Capgemini securities	29.4	-34.3
• Disposal and valuation of Valeo securities	35.6	-4.6
• Elements linked to goodwill or its allocation	-97.6	-47.4
• Other	-3.5	35.9
<b>Non-recurring profit</b>	<b>131.6</b>	<b>238.5</b>
<b>Consolidated net profit</b>	<b>426.6</b>	<b>425.0</b>
Net profit – minority interests	10.9	6.0
<b>Net profit – Group share</b>	<b>415.7</b>	<b>419.0</b>

Profit from ordinary activities rose to 295 millions of euros in 2005, up 58% on 2004. The period from 2004 to 2005 saw the following changes in scope: consolidation of 100% of Bureau Veritas in 2005, compared with 34% in 2004, consolidation of Editis over a full year in 2005, compared with one quarter in 2004 (acquisition in September 2004), consolidation of Wheelabrator over six months in 2005, compared with 12 in 2004, and consolidation of bioMérieux over the first half of 2004.

The Group's consolidated companies all achieved good levels of performance in 2005, strengthening their contributions to profit from ordinary activities for WENDEL Investissement.

The non-recurring items recorded primarily concern capital gains generated on the disposal of Wheelabrator Allevard, the valuation and income from the disposal of Capgemini, Valeo and bioMérieux securities, and goodwill-related items for Legrand, Bureau Veritas and Editis.



## RECONCILIATION OF ACCOUNTING PRESENTATION TO ECONOMIC PRESENTATION

The following table presents the allocation of the amounts recorded for 2005 in the accounting presentation to the different headings used in the economic presentation for the profit and loss account.

In millions of euros	Income from equity interests	Dividend	Holding costs	Non- recurring items	Consolidated net profit
Operating profit	487.0	-	-25.1	-110.3	351.6
Cost of net financial debt	-71.7	-	-54.4	-6.5	-132.6
Other financial income/expenses	21.9	9.2	-10.7	93.9	114.3
Tax	-160.9	-	13.8	27.9	-119.2
Profit from companies accounted for by the equity method	73.5	-	-	-36.3	37.2
Profit on activities intended to be sold off	12.4	-	-	162.9	175.3
<b>Consolidated net profit</b>	<b>362.2</b>	<b>9.2</b>	<b>-76.4</b>	<b>131.6</b>	<b>426.6</b>
Net profit - minority interests	10.8	-	0.1	-	10.9
<b>Net profit – Group share</b>	<b>351.4</b>	<b>9.2</b>	<b>-76.5</b>	<b>131.6</b>	<b>415.7</b>

# Consolidated balance sheet

## Assets

In thousands of euros	Note	12.31.2005	12.31.2004
Goodwill, net	1	1,934,982	1,836,544
Intangible assets, net	2	609,865	679,627
Property, plant and equipment, net	3	357,475	276,801
Investment property	4	95,823	105,040
Non-current financial assets	5	428,600	775,015
Investments in associates	6	436,498	355,046
Deferred tax assets	16	91,360	106,302
<b>Total non-current assets</b>		<b>3,954,603</b>	<b>4,134,375</b>
<b>Assets and operations held for sale</b>		<b>8,552</b>	<b>836</b>
Inventories and work-in-progress	7	110,771	154,946
Trade receivables	8	603,179	599,904
Other receivables	9	122,991	125,636
Current income tax assets	16	81,139	47,306
Other current financial assets	5	180,313	39,974
Cash and cash equivalents	10	1,029,599	958,345
<b>Total current assets</b>		<b>2,127,992</b>	<b>1,926,111</b>
<b>TOTAL ASSETS</b>		<b>6,091,147</b>	<b>6,061,322</b>

# Equity and liabilities

In thousands of euros	Note	12.31.2005	12.31.2004
Share capital		218,854	224,732
Additional paid-in capital		203,649	281,688
Retained earnings and other reserves		664,613	535,809
Profit for the year		415,703	419,001
		1,502,819	1,461,230
Minority interests	11	114,593	92,962
<b>Total equity</b>		<b>1,617,412</b>	<b>1,554,192</b>
Long-term provisions	12	312,125	316,072
Long-term borrowings	13	2,819,203	2,435,110
Other non-current financial liabilities	5	87,835	45,517
Deferred tax liabilities	16	242,958	282,676
<b>Total non-current liabilities</b>		<b>3,462,121</b>	<b>3,079,375</b>
<b>Liabilities of operations held for sale</b>		<b>-</b>	<b>-</b>
Short-term provisions	12	18,389	20,641
Short-term borrowings	13	53,594	520,714
Other current financial liabilities	5	19,666	2,952
Trade payables	14	354,343	359,882
Other payables	15	438,903	399,060
Current income tax liabilities	16	126,719	124,506
<b>Total current liabilities</b>		<b>1,011,614</b>	<b>1,427,755</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,091,147</b>	<b>6,061,322</b>

# Consolidated income statement

In thousands of euros	Note	2005	2004
Revenue	18	2,782,143	523,673
Other income from operations	18	57,610	5,425
Operating expenses	19	-2,491,279	-418,720
<b>Recurring operating profit</b>		<b>348,474</b>	<b>110,378</b>
Other operating income and expenses	20	3,150	-9,551
<b>Operating profit</b>		<b>351,624</b>	<b>100,827</b>
Income from cash and cash equivalents		19,035	17,549
Finance costs, gross		-151,631	-78,749
Finance costs, net	21	-132,596	-61,200
Other financial income and expenses	22	114,277	44,052
Income tax expense	23	-119,258	-34,458
Share of profit of associates	24	37,215	51,196
<b>Profit for the year from continuing operations</b>		<b>251,262</b>	<b>100,417</b>
Profit for the year from discontinued operations and operations held for sale	25	175,309	324,592
<b>PROFIT FOR THE YEAR</b>	26	<b>426,571</b>	<b>425,009</b>
Minority interests		10,868	6,008
<b>Profit for the year attributable to equity holders of the Company</b>		<b>415,703</b>	<b>419,001</b>
Basic earnings per share (in euros)	27	8.48	7.55
Diluted earnings per share (in euros)	27	8.35	7.50
Basic earnings per share from continuing operations (in euros)	27	4.90	1.70
Diluted earnings per share from continuing operations (in euros)	27	4.82	1.68
Basic earnings per share from discontinued operations (in euros)	27	3.58	5.85
Diluted earnings per share from discontinued operations (in euros)	27	3.53	5.82

# Consolidated cash flow statement

In thousands of euros	Note	2005	2004
<b>Cash flows from operating activities</b>			
Profit for the year		426,571	425,009
Elimination of non-cash items:			
• Share of profit of associates		-37,215	-63,054
• Depreciation, amortisation and provisions, and other non-cash items		162,206	70,622
• Gains on disposals of non-current assets and operations		-290,696	-288,713
Elimination of investing and financing activities:			
• Dividends received from non-consolidated companies		-10,654	-8,595
• Finance costs, net (excluding non-cash items)		116,820	47,126
• Other financial income and expenses		38,182	-11,209
• Interest received on loans		-3,139	-3,253
• Uncapitalised asset acquisition costs and other investment-related expenses		12,361	1,585
Current and deferred taxes		119,258	43,884
Cash flow from consolidated companies before tax		533,694	213,402
Change in operating working capital requirement		16,791	87,830
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>550,485</b>	<b>301,232</b>
<b>Cash flows from investing activities</b>			
Outflows:			
• Acquisitions of investments	28	-392,337	-1,871,648
• Acquisitions of intangible assets and property, plant and equipment	29	-103,314	-40,695
• Loans granted		-12,147	-7,089
Inflows (based on sale price):			
• Disposals of investments	30	701,694	847,579
• Disposals of intangible assets and property, plant and equipment	31	26,811	21,666
• Loans and receivables		50,798	12,907
Dividends received from associates and non-consolidated companies		20,984	44,260
Interest received on loans		3,139	1,033
Uncapitalised asset acquisition costs and other investment-related expenses		-8,050	-1,585
Impact of changes in Group structure and operations held for sale		-20,465	200,915
Change in working capital requirement related to investing activities		7,963	-26,563
<b>NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES</b>		<b>275,076</b>	<b>-819,220</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		40,253	10,189
Purchase of treasury shares		-335,775	-251,881
Dividends paid	32	-59,841	-60,018
Net change in borrowings and other financial liabilities	33	-80,583	1,807,804
Finance costs, net		-116,820	-47,126
Other financial expenses		-39,942	11,209
Change in working capital requirement related to financing activities		972	-15,118
<b>NET CASH (USED IN)/GENERATED BY FINANCING ACTIVITIES</b>		<b>-591,736</b>	<b>1,455,059</b>
<b>Impact of income tax on cash and cash equivalents</b>			
Current tax		-131,169	-96,505
Change in tax assets and liabilities (excluding deferred taxes)		-36,766	12,681
<b>NET IMPACT OF INCOME TAX ON CASH AND CASH EQUIVALENTS</b>		<b>-167,935</b>	<b>-83,824</b>
Effect of fluctuations in foreign exchange rates		5,364	-2,173
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>71,254</b>	<b>851,074</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>958,345</b>	<b>107,271</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>1,029,599</b>	<b>958,345</b>

# Consolidated statements of changes in equity

In thousands of euros	Number of shares	Share capital	Additional paid-in capital	Retained earnings and other reserves	Translation adjustments	Treasury shares	Equity attributable to equity holders of the Company	Minority interests	Total equity
<b>BALANCE AT 01.01.2004<sup>(1)</sup> (after appropriation of profit)</b>	<b>55,632,191</b>	<b>223,928</b>	<b>127,099</b>	<b>701,132</b>	<b>-</b>	<b>-12,908</b>	<b>1,039,251</b>	<b>79,902</b>	<b>1,119,153</b>
Dividends paid <sup>(2)</sup>				-58,414			-58,414	-1,604	-60,018
Purchase of 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
Issuance of shares:									
• on exercise of stock options	160,978	644	3,679				4,323		4,323
• in connection with employee stock ownership plan	40,154	160	1,077				1,237		1,237
• in connection with stock-for-stock offer to minority shareholders of Bureau Veritas	3,394,440	13,578	149,833				163,411		163,411
• other							-	467	467
Impact of expensing stock options				2,159			2,159	60	2,219
Changes in fair value recognised in equity <sup>(3)</sup>				28,437			28,437	-22	28,415
Changes relating to the commitment to guarantee the liquidity of Bureau Veritas shares <sup>(4)</sup>				-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 the take-over <sup>(5)</sup>				141,119			141,119	3,215	144,334
Other movements				3,859			3,859	239	4,098
Net translation adjustments					- 10,951		-10,951	-27	-10,978
2004 profit				419,001			419,001	6,008	425,009
<b>BALANCE AT 12.31.2004<sup>(1)</sup></b>	<b>54,021,972</b>	<b>224,732</b>	<b>281,688</b>	<b>1,067,841</b>	<b>- 10,951</b>	<b>-102,080</b>	<b>1,461,230</b>	<b>92,962</b>	<b>1,554,192</b>
Dividends paid <sup>(2)</sup>				-56,452			-56,452	-3,389	-59,841
Purchase of treasury shares	-3,174,486			1,506		-211,755	-210,249	-8,237	-218,486
Cancellation of shares	-2,224,765	-8,899	-100,714				-109,613		-109,613
Issuance of shares:									
• on exercise of stock options	728,036	2,912	21,411				24,323		24,323
• in connection with employee stock ownership plan	27,221	109	1,264				1,373		1,373
• other							-	7,879	7,879
Impact of expensing stock options				4,568			4,568	509	5,077
Changes in fair value recognised in equity <sup>(3)</sup>				-2,648			-2,648	15,138	12,490
Changes relating to the commitment to guarantee the liquidity of Bureau Veritas shares <sup>(4)</sup>				-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
Net translation adjustments					3,415		3,415	157	3,572
2005 profit				415,703			415,703	10,868	426,571
<b>BALANCE AT 12.31.2005<sup>(1)</sup></b>	<b>49,377,978</b>	<b>218,854</b>	<b>203,649</b>	<b>1,401,687</b>	<b>-7,536</b>	<b>-313,835</b>	<b>1,502,819</b>	<b>114,593</b>	<b>1,617,412</b>



(1)	Par value	Number of shares	
		share capital	treasury shares
At 01.01.2004	€4	55,981,916	349,725
At 12.31.2004	€4	56,183,048	2,161,076
At 12.31.2005	€4	54,713,540	5,335,562

(2) Net dividend paid in 2004: €1.05 per share  
Net dividend paid in 2005: €1.15 per share

(3)	Derivatives qualifying for hedge accounting	Wendel- Participations securities and derivatives (see "Summary of significant accounting policies")	Assets available for sale	Deferred taxes	Total attributable to equity holders of the Company	Minority interests	Total recognised in equity
<b>At 01.01.2004</b>	-	<b>30,687</b>	<b>34,785</b>	-	<b>65,472</b>	-	<b>65,472</b>
Changes in fair value	1,318	18,306	28,149	-596	47,177	-22	47,155
Amount recognised in the income statement	-	-	-18,740	-	-18,740	-	-18,740
<b>At 12.31.2004</b>	<b>1,318</b>	<b>48,993</b>	<b>44,194</b>	<b>-596</b>	<b>93,909</b>	<b>-22</b>	<b>93,887</b>
Changes in fair value	-24,955	17,755	27,848	12,467	33,115	15,138	48,253
Amount recognised in the income statement	-	-	-35,763	-	-35,763	-	-35,763
<b>At 12.31.2005</b>	<b>-23,637</b>	<b>66,748</b>	<b>36,279</b>	<b>11,871</b>	<b>91,261</b>	<b>15,116</b>	<b>106,377</b>

(4) WENDEL Investissement has undertaken to guarantee the liquidity of the existing shares of Bureau Veritas as well as shares to be issued on the exercise of employee stock options. As a result, WENDEL Investissement considers the existing Bureau Veritas shares covered by this commitment to be no longer owned by the minority shareholders concerned, and treats them as shares owned by the Group. A provision has therefore been recorded for the Group's commitment to the holders of these shares, in an amount representing the price determined when the commitment was given. For shares covered by this commitment which 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" below.

# Notes to the consolidated financial statements

WENDEL Investissement is a public limited company (société anonyme) governed by French law, registered in Paris under number 572 174 035. Its head office is located at 89, rue Taitbout, Paris, France.

These consolidated financial statements of the WENDEL Investissement Group cover the twelve-month period from January 1, 2005 to December 31, 2005. All amounts are in thousands of euros, unless otherwise specified.

## GENERAL INFORMATION

In accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council dated July 19, 2002 relating to the application of international accounting standards, the consolidated financial statements of the WENDEL Investissement Group for the 2005 financial year have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at December 31, 2005.

Until December 31, 2004, the Group's consolidated financial statements were prepared in accordance with French Generally Accepted Accounting Principles (French GAAP), including Accounting Standards Committee (CRC) Standard 99-02.

IFRS were applied retrospectively at the transition date (January 1, 2004), except for certain exemptions provided for under IFRS 1 – First-time Adoption of International Financial Reporting Standards. These exemptions are described in section c below relating to the transition to IFRS, which also includes details concerning the impact of the transition on 2004 opening and closing equity, as well as on 2004 profit. In addition, the Group has elected to apply IAS 32 and IAS 39 as from January 1, 2004.

The impact of the transition to IFRS on shareholder's equity at 01.01.04 and 12.31.04, and on profit for the year is explained p.71 and 72.

At December 31, 2005, 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, 2006. The Group has decided not to early adopt 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, 2005.

The consolidated financial statements prepared in accordance with French GAAP for 2004 and 2003 are presented in the Group's 2004 registration document.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 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.

Associates are all entities over which the Group has significant influence but not control. Investments in associates 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.

### Basis of consolidation

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

- The consolidated financial statements at December 31, 2005 of Oranje-Nassau Groep, Stallergènes, Lumina Parent (Legrand), Odyssee 1 (Editis) and Bureau Veritas.
- The consolidated interim financial statements at June 30, 2005 of Wheelabrator Allevard, which are the latest available accounts prior to the sale of this company in the second half of the year.
- The individual company accounts at December 31, 2005 of all of the Group's other companies.

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

The consolidated financial statements of the WENDEL Investissement Group do not include the accounts of Capgemini, Valeo, bioMérieux and Neuf Telecom, as WENDEL Investissement does not exercise significant influence over these companies.

### 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. An impairment loss is recognised, however, when a sold or transferred asset is deemed to have suffered a prolonged impairment in value.

### Translation of the financial statements of foreign 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 recognised as a separate component of equity under "Translation adjustments". When a foreign entity is sold, the exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

For companies operating in a hyperinflationary economy, exchange differences are recorded directly in the income statement.

The following exchange rates were used to translate the accounts of foreign companies:

	Closing rate		Average rate	
	12.31.2005	12.31.2004	2005	2004
US Dollar	1.1797	1.3621	1.2441	1.2433
Pound Sterling	0.6853	0.7051	0.6838	0.6787

### Changes in percentage interests in subsidiaries without any impact on control

Where the Group's percentage interest in a subsidiary is modified without any impact on control, the difference between the change in the Group's equity in the subsidiary's net assets and the cost or proceeds of the related transaction is recognised in equity.

### 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. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are regularly evaluated and are based on historical experience and 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 judgements used by the Group in order to prepare these financial statements primarily concern goodwill, impairment tests, provisions – including provisions for employee benefits – share-based payment (stock options), investment property, unlisted securities and derivatives.

### MEASUREMENT RULES

#### Goodwill

Goodwill represents the excess of the cost of an acquisition, including transaction expenses, over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Any adjustments to provisional values of the assets and liabilities of the acquired companies are made within twelve months of the acquisition date.

Goodwill recognised on the acquisition of associates is recorded in the balance sheet under "Investments in associates".

Goodwill is not amortised. 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, Editis, Oranje-Nassau Groep, Stallergènes, and Lumina Parent (Legrand). Goodwill impairment losses are recorded in the income statement under "Other operating income and expenses" and are not reversed.

Impairment losses recorded by these operating entities in relation to goodwill arising on the acquisition of their own subsidiaries are not eliminated in the consolidated financial statements.

#### 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.

Internal and external expenses incurred by the editorial departments of the "Reference" division (dictionaries) and the "Education" division (text books), as well as costs relating to other major projects are capitalised when the Group considers it probable that the related project will generate future economic benefits. These capitalised costs are amortised over the estimated useful life of the publication as from the issue date and are tested annually for impairment. An impairment loss is recorded if there is objective evidence that the asset is impaired.

### Bureau Veritas 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. The 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 amortised but instead are tested for impairment on an annual basis.

### Contracts and customer relationships of the Bureau Veritas and Editis groups

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. The recognised assets are amortised over the period used to calculate the margins on each contract category (from less than one year up to ten years depending on the contract).

### Other intangible assets

The costs of developing software intended for internal use and other development costs are capitalised when it is probable that the expenditure concerned will generate future economic benefits. They are amortised over the estimated useful lives of the related assets.

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

### Property, plant and equipment

Property, plant and equipment are recognised at historical cost, excluding borrowing costs.

Depreciation of items of property, plant and equipment, other than land and investment property, is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. The residual value is the disposal value expected at the end of the asset's useful life after allowing for disposal costs.

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

<b>Buildings</b>	<b>10 to 30 years</b>
<b>Plant</b>	<b>6 to 8 years</b>
<b>Equipment and tooling</b>	<b>3 to 10 years</b>

Assets acquired under finance leases or long-term leases where the substantial risks and rewards of ownership have been transferred to the Group are accounted for as hire purchase transactions, 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, represent brands and goodwill. Any impairment losses are recorded under "Other operating income and expenses" in the income statement.

### Investment property

Investment property – which is primarily held by Oranje-Nassau Groep – is recognised at fair value in the balance sheet with changes in fair value recorded in the income statement under "Operating profit". The related fair values are determined by the management team of Oranje-Nassau Groep with the assistance of independent valuers.

### Measurement of oil assets

Oil assets held by Oranje-Nassau Groep consist of exploration, development and production costs relating to oil fields.

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 capitalised and amortisation for each production unit is calculated by reference to the estimated useful life of the field and the quantities extracted in relation to reserves, which are verified at regular intervals by independent experts.

At each balance sheet date, the carrying amounts of the assets are compared with the estimated present value of the corresponding reserves, net of future production costs. An additional amortisation charge is recorded to cover any excess of the carrying amount over present value. The discount rates used for the 2005 calculation ranged between 10% and 12.5%.

Provisions are booked to cover the present value of the costs that will be incurred in the future to dismantle and remove oil exploration and production equipment. The intangible assets recorded as contra-entries to such provisions are amortised by reference to the 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 and cash and cash equivalents. Financial liabilities include borrowings, other forms of financing and bank overdrafts, derivatives and operating liabilities. Financial assets and liabilities are recognised and measured in accordance with IAS 39 – Financial instruments: recognition and measurement.

#### Financial assets at fair value through profit or loss

This category corresponds to investments in non-consolidated companies, notably Capgemini, Valeo and bioMérieux. These assets are measured at fair value at the balance sheet date, and gains and losses arising from changes in fair value are recognised through profit or loss.

At December 31, 2005, WENDEL Investissement held a residual interest in Wheelabrator Allevard (see “Changes in scope of consolidation”). The shares in this company which were still held at December 31, 2005 were sold at the beginning of January 2006 for an amount which had already been determined at the balance sheet date. They were therefore classified in the balance sheet at December 31, 2005 as “Financial assets at fair value through profit or loss” and measured based on their sale price.

#### Available-for-sale financial assets

This category includes investments in non-consolidated companies that are not listed, primarily Neuf Telecom and Wendel-Participations.

In accordance with paragraph 9 of IAS 39, 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 recognised in equity. Any prolonged decline in the fair value of the financial asset below its cost is considered as an indicator that the investment is impaired, and an impairment loss is recorded in the income statement.

#### 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 amortised cost using the effective interest method.

#### Loans and receivables

Loans and receivables are stated at amortised cost using the effective interest method. Their carrying amount represents outstanding capital adjusted for any unamortised 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. Impairment losses relating to loans and receivables are recorded in the income statement.

### Financial liabilities

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

#### Derivatives

Derivatives are stated at fair 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 recognised asset or liability due to fluctuations in exchange rates, interest rates or prices. In 2004 and 2005, WENDEL Investissement Group did not have any derivatives that qualified as fair value hedges;
- cash flow hedges are used to hedge the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised 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 Oranje-Nassau Groep to offset fluctuations in the US dollar exchange rate and oil 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.

Hedges qualifying for hedge accounting are recognised and measured as follows:

- for hedges used to offset changes in the fair value of a recognised 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 recognised directly in equity. The gain or loss relating to the ineffective portion is recognised in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss.

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 and is carried in the balance sheet at fair value as an independent derivative instrument. Any changes in fair value are recorded in the income statement. The liability component is stated at amortised cost using the effective interest method.

### Inventories

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

### Work in progress (Bureau Veritas group)

Work in progress is generally recognised using the percentage of completion method. However, short-term contracts representing non-material amounts are recognised according to the completed contract method. Work in progress is written down to net realisable value where appropriate and the related provision is calculated on a contract-by-contract basis by reference to the forecast margin on the contracts at the balance sheet date. Provision is also made for any estimated losses to completion.

### Royalties recognised 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 of the royalty payment that is not covered by sales;
- unpublished works: advances are reviewed by management and an impairment loss is recognised 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.

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 the balance sheet date.

### Provisions

In accordance with IAS 37 – Provisions, contingent liabilities and contingent assets, a provision is recognised 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 recognised 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

Contributions to defined contribution plans are recorded as operating expenses.

For 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 Group’s obligation is determined at each balance sheet date taking into account the age of the Group’s employees, their length of service and the probability that they will remain within the Group until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments.

The provision recognised corresponds to the difference between the Group’s 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 recognised immediately in the income statement as the Group does not apply the corridor method.

### Deferred taxes

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

Deferred tax assets are recognised for the carryforward of unused tax losses and unused tax credits to the extent that (i) it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised, or (ii) when they can be offset by deferred tax liabilities of an equal or higher amount. Therefore, no deferred taxes have been recognised with respect to WENDEL Investissement’s tax loss carryforwards.

Concerning investments in subsidiaries and associates, a deferred tax liability is recognised for all temporary 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 temporary difference, and;
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are calculated by the liability method, based on the latest enacted tax rates at the balance sheet date. At December 31, 2005 the rate used for French companies was 34.43% for short-term profit-taking.

### Treasury shares

Treasury shares are stated at cost as a deduction from equity. The proceeds from sales of treasury shares are credited directly to 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 35% 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 executive managers of WENDEL Investissement purchased from Solfur call options on Wendel-Participations shares. The options – which expire in October 2010 – have a strike price of 40 euros, corresponding to the average share price for WENDEL Investissement's shares over the six months preceding October 22, 2004 – the date on which the Board of Directors decided to purchase the call options. The premium received by the Group on the sale of these options was valued by an independent valuer at 4 millions of 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 WENDEL Investissement's share price, period-on-period changes in said values are recorded in equity. This accounting treatment complies with IFRS, which prohibits entities from recording profit or loss on treasury shares. Dividends received from Wendel-Participations have also been eliminated from the income statement and are recognised directly in equity.

The fair value of the Wendel-Participations shares recorded in the consolidated balance sheet amounted to 66.5 millions of euros at January 1, 2005 and 104.8 millions of euros at the year-end. The 38.3 millions of euros increase was recognised in equity.

The fair value of the options recorded on the liabilities side of the consolidated balance sheet amounted to 10.4 millions of euros at the start of the year and 30.9 millions of euros at December 31, 2005. The 20.5 millions of euros increase was also recognised in equity.

### 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.

As required under IAS 32, since the take-over of Bureau Veritas in 2004, WENDEL Investissement has considered that the Bureau Veritas shares that have already been issued following the exercise of stock options and which are covered by the liquidity commitment belong to the Group and no longer to minority interests. A provision has therefore been booked, corresponding to the amount set in the commitment agreement and representing the Group's related liability.

For shares covered by this commitment which have not yet been issued, a provision has been recorded as a deduction from equity for the difference between the purchase price of the shares concerned and the strike price of the unexercised options.

### 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 realisable value.

Assets and liabilities of operations held for sale are presented on a separate line in the balance sheet, and profit for the year from discontinued operations and operations held for sale is presented on a separate line in the income statement for both 2005 and 2004. Profit for the year from discontinued operations and operations held for sale includes any disposal gains or losses or any impairment losses recorded in relation to the operations.

### Revenue recognition

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

In the Bureau Veritas group, revenue is generally recognised 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 recognised according to the completed contract method.

### Translation of foreign currency transactions

Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign currency receivables and payables are translated into euros at the closing exchange rate at the balance sheet date. Exchange differences resulting from the translation of transactions in foreign currencies are recorded in the consolidated statement of income under "Other financial income and expenses".

## STOCK OPTIONS

In accordance with IFRS 2 – Share-based payment, the Group expenses employee stock options in an amount corresponding to the fair value of the options at the grant date. This expense is recognised in the income statement over the vesting period of the options. As the issuance of 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 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 as current when it satisfies any of the following criteria:

- it is expected to be realised 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 realised within twelve months after the balance sheet date; or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

A liability is classified as current when it satisfies any of the following 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 twelve months after the balance sheet date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

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

## INCOME STATEMENT PRESENTATION

"Operating profit" corresponds to profit for the year excluding financial income and expenses, income tax expense, share of profit of associates and profit 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, including 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.

Financial income and expenses include "Finance costs, net" and "Other financial income and expenses" which notably include gains and losses 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 profit for the year attributable to equity holders of the Company by the average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing profit for the year attributable to equity holders of the Company 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 potentially dilutive instruments (stock options), using the treasury stock method. Potentially dilutive instruments issued by the Group's subsidiaries are also taken into account in the calculation of profit for the year attributable to equity holders of the Company.

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

## TRANSITION TO IFRS

### FIRST-TIME ADOPTION OF IFRS

The WENDEL Investissement Group has elected to apply the following accounting options provided for in IFRS 1 – First-time Adoption of International Financial Reporting Standards:

- Business combinations: the Group has opted not to apply IFRS 3 retrospectively to business combinations that occurred before the date of transition to IFRS.
- Financial instruments: IAS 32 and IAS 39 relating to financial instruments have been applied with effect from the transition date.
- Translation adjustments: cumulative translation adjustments arising on the translation of the financial statements of foreign subsidiaries were transferred to retained earnings at January 1, 2004. This adjustment had no impact on opening shareholders' equity at that date. The gain or loss on a subsequent disposal of any foreign subsidiary will therefore only include translation adjustments arising after the transition date.
- Long-term employee benefits: all cumulative unrecognised actuarial gains and losses at December 31, 2003 were recognised in retained earnings at the transition date.
- Share-based payment: IFRS 2 – Share-based Payment has been applied to stock options granted after November 7, 2002 that had not vested at January 1, 2005.
- Property, plant and equipment: the Group has not used the option to measure property, plant and equipment at fair value at the transition date. However, investment property is recognised at fair value in accordance with IAS 40 – Investment Property.

Restatements of assets and liabilities at January 1, 2004 in accordance with IASs/IFRSs other than those mentioned above have been made retrospectively, as if the Group had always applied those standards.

## IMPACTS OF THE TRANSITION TO IFRS ON CONSOLIDATED PROFIT

In millions of euros	2004
<b>Net profit attributable to the Group (French GAAP)</b>	<b>281.0</b>
(a) Investments in non-consolidated listed companies (IAS 39)	38.2
(b) Investments in non-consolidated unlisted companies (IAS 39)	(5.1)
(c) Marketable securities (IAS 39)	(10.4)
(d) Bonds exchangeable for Valeo/Capgemini shares (IAS 39)	59.7
(d) Options used to hedge the bonds exchangeable for Capgemini shares (IAS 39)	(48.2)
(e) Other options and swaps (IAS 39)	(7.8)
Other impacts of IAS 39	7.2
(f) Treasury shares classified as marketable securities (IAS 32)	0.1
(g) Dividends from Wendel-Participations shares	(2.8)
(h) Commitment to guarantee the liquidity of Bureau Veritas shares (IAS 32)	16.8
(i) Stock options (IFRS 2)	(2.1)
(j) Provisions for pension and other post-employment benefit obligations (IAS 19)	(0.7)
(k) Elimination of goodwill amortisation (IFRS 3)	52.5
(l) Investment property (IAS 40)	(3.1)
(m) Editorial design costs recognised by the Editis group (IAS 38)	1.0
(n) Energy sector of Oranje-Nassau	7.5
(o) Cancellation of translation adjustments at the transition date (IFRS 1)	16.5
(p) Impact of restatements and IFRS 3 – Business Combinations on goodwill arising in 2004	18.5
Other restatements	1.2
(q) Deferred taxes (IAS 12)	(1.1)
<b>Total IFRS restatements</b>	<b>138.0</b>
<b>Profit for the year attributable to equity holders of the Company (IFRS)</b>	<b>419.0</b>

## IMPACTS OF THE TRANSITION TO IFRS ON CONSOLIDATED EQUITY

In millions of euros	01.01.2004	12.31.2004
<b>Shareholders' equity attributable to the Group (French GAAP)</b>	<b>1,229.0</b>	<b>1,364.4</b>
(a) Investments in non-consolidated listed companies (IAS)	(16.1)	22.5
(b) Investments in non-consolidated unlisted companies (IAS 39)	37.3	41.7
(c) Marketable securities (IAS 39)	11.2	1.9
(d) Bonds exchangeable for Valeo/Capgemini shares (IAS 39)	(50.2)	9.5
(d) Options used to hedge the bonds exchangeable for Capgemini shares (IAS 39)	24.7	(23.4)
(e) Other options and swaps (IAS 39)	3.9	(2.6)
Other impacts of IAS 39	(2.9)	4.7
(f) Treasury shares classified as marketable securities (IAS 32)	(7.8)	(7.7)
(g) Wendel-Participations shares	30.7	49.0
(h) Commitment to guarantee the liquidity of Bureau Veritas shares (IAS 32)	0.0	(5.6)
(i) Stock-options (IFRS 2)	0.0	0.0
(j) Provisions for pension and other post-employment benefit obligations (IAS 19)	(11.7)	(16.8)
(k) Elimination of goodwill amortisation (IFRS 3)	0.0	57.5
(l) Investment property (IAS 40)	11.1	8.0
(m) Editorial design costs recognised by the Editis group (IAS 38)	na	(10.0)
(n) Energy sector of Oranje-Nassau	(15.4)	(8.2)
(o) Cancellation of translation adjustments at the transition date (IFRS 1)	0.0	0.0
(p) Impact of restatements and IFRS 3 – Business Combinations on goodwill arising in 2004	0.0	9.5
Other restatements	4.7	21.4
(q) Deferred taxes (IAS 12)	(209.3)	(195.6)
<b>Total IFRS restatements</b>	<b>(189.7)</b>	<b>(44.3)</b>
<b>Revaluation of the portion of Bureau Veritas' identifiable assets and liabilities held by the Company prior to the take-over*</b>		<b>141.1</b>
<b>Capital and reserves attributable to equity holders of the Company (IFRS)</b>	<b>1,039.3</b>	<b>1,461.2</b>

\* See note on changes in scope of consolidation.

## IMPACTS OF THE TRANSITION TO IFRS ON CHANGES IN EQUITY IN 2004

In millions of euros	Capital and reserves attributable to equity holders of the Company at 01.01.2004	Dividends paid	Translation adjustments	Profit for the year attributable to equity holders of the Company	Other	Capital and reserves attributable to equity holders of the Company at 12.31.2004
<b>French GAAP</b>	<b>1,229.0</b>	<b>(58.4)</b>	<b>(6.3)</b>	<b>281.0</b>	<b>(80.9)</b>	<b>1,364.4</b>
Impacts of transition to IFRS	(189.7)		(4.6)	138.0	12.1*	(44.3)
Revaluation of the portion of Bureau Veritas' identifiable assets and liabilities held by the Company prior to the take-over**					141.1	141.1
<b>IFRS</b>	<b>1,039.3</b>	<b>(58.4)</b>	<b>(10.9)</b>	<b>419.0</b>	<b>72.4</b>	<b>1,461.2</b>

\* Including: (b) a positive 9.4 millions of euros impact relating to changes in the fair value of available-for-sale financial assets (IAS 39); (g) a positive 21.1 millions of euros impact relating to Wendel-Participations dividends as well as changes in value of Wendel-Participations shares and the Wendel-Participations call option; (h) a negative 22.4 millions of euros impact relating to the commitment to guarantee the liquidity of Bureau Veritas shares (IAS 32); and (i) a positive 2.1 millions of euros impact as a result of expensing stock options (IFRS 2).

\*\* See note on changes in scope of consolidation.

## ANALYSIS OF MAIN RESTATEMENTS

**(a) Investments in non-consolidated listed companies (IAS 39)**

Under French GAAP these shares (in Capgemini, Valeo and bioMérieux) were stated at cost and were written down if the average stock market price for the last month of the year was less than cost.

In the IFRS financial statements they are recorded under “Financial assets at fair value through profit or loss” and are measured at the stock market price prevailing on the balance sheet date. Any period-on-period changes in fair value are recorded in the income statement.

**(b) Investments in non-consolidated unlisted companies (IAS 39)**

Under French GAAP, these shares were stated at cost, and where appropriate, were written down to their fair value determined by reference to the Group’s equity in the underlying net assets and the earnings outlook of the company concerned.

In the IFRS financial statements they are recorded under “Available-for-sale financial assets”. Any period-on-period changes in fair value are recorded in equity. Any prolonged decline in the fair value of these financial asset below their cost is considered as an indicator that the investment is impaired, and an impairment loss is recorded in the income statement.

The IFRS restatements made in relation to these assets mainly concern securities held by Oranje-Nassau Groep on which an unrealised gain has been recognised in equity in the IFRS accounts.

**(c) Marketable securities (IAS 39)**

Under IFRS, marketable securities are classified as “Financial assets at fair value through profit or loss”. Any unrealised gains or losses are recorded in the income statement at the year end, whereas in the French GAAP financial statements only unrealised losses were recognised.

**(d) Bonds exchangeable for Valeo/Capgemini shares (IAS 39)**

Under IFRS, the option component of these bonds is separated from the liability component and is carried in the balance sheet at fair value as an independent derivative instrument. Any changes in fair value are recorded in the income statement. The liability component is measured at amortised cost.

**Options used to hedge the bonds exchangeable for Capgemini shares (IAS 39)**

The option component of these bonds is hedged by way of options purchased, which are also measured at fair value through profit or loss under IFRS. Therefore, the impact on the IFRS income statement of the hedged option component of the bonds exchangeable for Capgemini shares is offset by the impact of the purchased options.

In the French GAAP accounts, the premium paid for the purchase of these options designed to convert the bonds exchangeable for Capgemini shares into plain vanilla bonds, was considered to be additional interest and was recognised on a straight-line basis over the life of the bond.

**(e) Other swaps and options (IAS 39)**

Under IFRS, swaps and options are recognised at fair value, with changes in fair value recorded in the income statement.

In the French GAAP financial statements, options were recorded at cost in a suspense account and only unrealised losses were recognised. Swaps were accounted for as off-balance sheet items.

**(f) Treasury shares classified as marketable securities (IAS 32)**

In the IFRS financial statements, all treasury shares are cancelled, with a corresponding adjustment to retained earnings and other reserves, including those that were recorded in the French GAAP balance sheet as marketable securities due to the purpose for which they were held.

**(g) Wendel-Participations shares and sale of call options on Wendel-Participations shares**

*(see “Summary of significant accounting policies” for further details)*

Wendel-Participations shares and call options on these shares were recorded at historical cost in the French GAAP financial statements, amounting to 11.1 millions of euros and -4 millions of euros respectively.

Under IFRS, Wendel-Participations shares held by the Group, as well as the call options sold in 2004 have been 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 WENDEL Investissement share price, period-on-period changes in their fair values are recorded in 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 recognised directly in equity.

The fair value of Wendel-Participations shares recorded in the consolidated balance sheet amounted to 41.8 millions of euros at January 1, 2004 and 66.5 millions of euros at the year-end. This 24.7 millions of euros increase was recognised in equity.

At the time of the sale of the call options, the fair value of the options recorded under liabilities in the consolidated balance sheet totalled 4 millions of euros, compared with 10.4 millions of euros at the year-end. This 6.4 millions of euros increase was also recognised in equity.

In the IFRS transition report presented in the 2004 registration document, the value of Wendel-Participations shares and the value of the call options were cancelled, with a corresponding adjustment to equity. This change in accounting method does not affect the impacts of IFRS on the income statement but it increases the impact of IFRS on equity by 41.8 millions of euros at January 1, 2004 and by 56.1 millions of euros at December 31, 2004.

#### **(h) Commitment to guarantee the liquidity of Bureau Veritas shares (IAS 32)**

WENDEL Investissement has undertaken to guarantee the liquidity of Bureau Veritas shares issued or to be issued in connection with that company's employee stock option plans. As required under IAS 32, since the take-over of Bureau Veritas in the second half of 2004, WENDEL Investissement has considered that the Bureau Veritas shares that have already been issued following the exercise of stock options and which are covered by the liquidity commitment belong to the Group and no longer to minority interests. A 5.8 millions of euros provision has therefore been booked for the Group's related commitment, corresponding to the price set in the liquidity guarantee agreement. The contra-entry to the provision is the carrying amount of the minority interests concerned, totalling 0.2 million of euros, with the remaining 5.6 millions of euros recorded in capital and reserves attributable to equity holders of the Company. The 16.8 millions of euros provision recorded in the second half of 2004 to cover the difference between the purchase price of shares covered by this commitment which have not yet been issued and the strike price of the unexercised options was recorded as an expense in the income statement in the French GAAP accounts but is recognised as a deduction from equity in the IFRS financial statements.

#### **(i) Stock options (IFRS 2)**

In accordance with IFRS 2 – Share-based payment, the Group expenses employee stock options in an amount corresponding to the fair value of the options at the grant date. This expense is charged to income over the vesting period of the options. As the issuance of stock options had no impact on the Group's cash position and net assets at the grant date, the contra-entry to the expense was recognised in consolidated equity; therefore there was no impact on the level of consolidated equity.

The expense recorded in relation to stock options in 2004 totalled 2.1 millions of euros, including 1.4 million of euros for stock options granted by WENDEL Investissement.

No expense was recorded in French GAAP in relation to stock options.

#### **(j) Provisions for pension and other post-employment benefit obligations (IAS 19)**

As a result of applying the measurement and recognition criteria set out in IAS 19 – Employee benefits, WENDEL Investissement has adjusted its provisions for pension and other post-employment benefit obligations in relation to certain subsidiaries. At the transition date, this adjustment amounted to 11.7 millions of euros, including 8.4 millions of euros relating to Oranje-Nassau Groep.

#### **(k) Elimination of goodwill amortisation as of January 1, 2004 (IFRS 3)**

Under IFRS goodwill may not be amortised. Instead it is tested for impairment on an annual basis. Consequently, the Group eliminated goodwill amortisation in its 2004 financial statements, leading to a positive 52.5 millions of euros impact on 2004 profit attributable to equity holders of the Company.

#### **(l) Investment property (IAS 40)**

Under IFRS, investment property held by Oranje-Nassau Groep is recorded at fair value through profit or loss, whereas in French GAAP it was stated at cost, less any provisions for impairment.

#### **(m) Editorial design costs recorded by the Editis group (IAS 38)**

In the French GAAP accounts, internal and external costs incurred by the Editis group's Education & Reference division with respect to editorial design were capitalised and amortised over two to three years as from the publication date of the works concerned. These assets were tested for impairment if there was any evidence that they were impaired. External costs incurred by the General Literature division were included in the cost of inventories.

In accordance with the asset recognition criteria in IAS 38, these costs may only be capitalised when they relate to major projects, or to expenditure incurred by the publishing departments of the Reference and Text Books divisions. Application of this standard had a 7.7 millions of euros negative impact on intangible assets at December 31, 2004. The value of inventories in the General Literature division, which previously included the external costs of editorial design, has been adjusted, resulting in a negative 2.2 millions of euros impact on inventories at December 31, 2004.

#### **(n) Energy sector of Oranje-Nassau Groep**

The transition to IFRS had three impacts for this sector:

**1 –** The functional currency of the sector's assets, which were recorded in US dollars under French GAAP, has been changed. In the IFRS accounts, Dutch assets are now recorded in euros and British assets in pounds sterling. The related translation adjustments which were recorded in the income statement in the French GAAP accounts are recognised in equity under IFRS.

**2 –** Impairment tests are carried out for each well under IFRS, whereas in the French GAAP financial statements they were performed for the sector as a whole. This change led the Group to record impairment losses in relation to certain wells in the opening IFRS balance sheet.

**3 –** In the French GAAP accounts, a provision covering the costs of dismantling equipment and site restoration was recorded over the well's estimated production life, with no discounting applied. Under IFRS, the present value of these estimated costs is recorded as part of the cost of the asset, with the provision recognised as the contra-entry. The asset is depreciated over the well's estimated production life, and the impact of the passage of time on the provision is recorded under financial expenses.

#### **(o) Impacts of transferring cumulative translation adjustments to retained earnings at the transition date, in accordance with the option provided by IFRS 1**

The translation adjustments recorded in the French GAAP income statement at the time of the divestments of Trader Classified Media, bioMérieux and Silliker were cancelled in the IFRS financial statements as a result of applying the option available under IFRS 1 – First-time Adoption of International Financial Reporting Standards.

#### **(p) Impacts of restatements and IFRS 3 – Business Combinations on goodwill arising in 2004**

Due to the various IFRS restatements recorded by Editis and Bureau Veritas, WENDEL Investissement adjusted goodwill arising in 2004 on these groups, leading to an 11.9 millions of euros increase for Editis and a 20.9 millions of euros decrease for Bureau Veritas.



In the French GAAP accounts, the tax loss carryforwards recognised at the level of WENDEL Investissement tax group on the acquisition of Editis and the take-over of Bureau Veritas were recorded as a deduction from the goodwill generated on each of these groups in the respective amounts of 3.1 millions of euros and 15.4 millions of euros. In compliance with IFRS 3 – Business combinations, this deferred tax asset was not charged against the related goodwill in the IFRS financial statements but was recorded in the income statement, in the amount of 18.5 millions of euros.

#### (q) Deferred taxes (IAS 12)

The restatement relating to deferred taxes includes i) the impacts of certain other IFRS restatements, and ii) a 212.5 millions of euros deduction from opening equity, corresponding to the recognition of a deferred tax liability on the brands owned by Legrand.

## CHANGES IN SCOPE OF CONSOLIDATION

### AT THE LEVEL OF WENDEL INVESTISSEMENT

#### Take-over of Bureau Veritas at December 31, 2004

The Group's take-over of Bureau Veritas – a company specialised in quality control and certification – was recognised in the financial statements at December 31, 2004, and the analysis of the related goodwill was completed during the second half of 2005. The company's identifiable assets and liabilities have been presented in the financial statements at December 31, 2004 (and the related notes) as if this goodwill analysis had been completed at the take-over date.

Two groups of assets were identified:

- the Bureau Veritas, BVQI and BIVAC brands, representing 132 millions of euros net of deferred taxes (202 millions of euros gross and 70 millions of euros in 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 amortised, 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 millions of euros net of deferred taxes (436 millions of euros gross and 150 millions of euros in 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. The intangible assets recognised in respect of contracts and customer relationships are therefore amortised over the period used to calculate the margins on each contract category. 2% of the identified amounts are amortised over a period of less than one year, 21% are amortised over four to five years, 47% are amortised over six years, and 30% are amortised over ten 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 millions of euros), 34% charged against retained earnings (141 millions of euros), and 1% deducted from minority interests (3 millions of euros).

#### Divestment of Wheelabrator Allevard (specialised in abrasive pellets)

The Group sold 95.5% of Wheelabrator Allevard 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. The sale price obtained, net of transaction costs, came to 322 millions of euros including 9.6 millions of euros relating to the shares sold in 2006.

Wheelabrator Allevard was therefore deconsolidated as from June 30, 2005, the date of the company's latest available financial statements prior to the sale. The shares still held at the end of the 2005 fiscal year were classified as financial assets at fair value through profit or loss (see "Financial assets and liabilities" in "Summary of significant accounting policies") and the change in their fair value in 2005, calculated based on their sale price, was recognised in the 2005 financial statements.

The total disposal gain recorded by the Group amounted to 164.3 millions of euros, including a 4.8 millions of euros reversal of a translation adjustment. This gain was included in "Profit for the year from discontinued operations and operations held for sale", as was the first-half 2005 profit posted by Wheelabrator Allevard.

See Note 25 for further details.

### AT THE LEVEL OF THE SUBSIDIARIES

#### Acquisitions by the Bureau Veritas group (specialised in quality control and certification)

The acquisitions carried out in 2005 by the Bureau Veritas group – excluding companies that were not consolidated at December 31, 2005 – represented an investment of 169 millions of euros, with substantially all corresponding to the purchase of a 100% stake. 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.

Total goodwill arising on these acquisitions came to 132 millions of euros and the contribution of the acquired subsidiaries to the Group's profit for 2005 was 5,151 thousands of euros.

#### Acquisitions by the Editis group (Publishing)

The acquisitions carried out in 2005 by the Editis group – excluding companies that were not consolidated at December 31, 2005 – represented an investment of 45 millions of euros. They corresponded to the purchase of almost the entire capital of Le Cherche-Midi Éditeur at the end of first-half 2005 and of Éditions First at the end of the year.

Total goodwill arising on these acquisitions came to 40.5 millions of euros, and the contribution of the acquired subsidiaries to the Group's profit for 2005 was 245 thousands of euros.

#### Acquisition by Oranje-Nassau

During the summer of 2005, Oranje-Nassau Énergie purchased an indirect 50% stake in UK-based Edinburgh Oil & Gas Ltd for 101 millions of euros, corresponding to 2.6% of the Buzzard oil field. No related goodwill was recorded. Edinburgh Oil & Gas Ltd is proportionately consolidated based on a 50% interest.

The Group's share of the losses of this subsidiary amounted to 3,700 thousands of euros in 2005.

### Acquisition by the Stallergènes group (specialised in immunotherapy)

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

### Acquisition by the Legrand group (specialised in electrical equipment)

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

### 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 decided to cancel 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; 10,000 shares were sold under a liquidity contract, and 80,840 shares were transferred following the exercise of employee stock options.

### PRO FORMA INCOME STATEMENT

As the acquisition of the entire capital of the Editis group and the take-over of Bureau Veritas took place in the fourth quarter of 2004, a pro forma income statement for 2004 has been drawn up based on the following parameters:

- completion of the acquisitions as of January 1, 2004;
- full consolidation of the Bureau Veritas group, rather than by the equity method;
- inclusion of the profit figures for all of the Editis companies acquired;
- elimination of non-recurring items related to the acquisitions.

In millions of euros	2004
Revenue	2,450.1
Other income from operations	33.3
Operating expenses	-2,111.3
<b>Recurring operating profit</b>	<b>372.10</b>
Other operating income and expenses	-11.0
<b>Operating profit</b>	<b>361.1</b>

### RELATED PARTIES

The related parties of the WENDEL Investissement Group comprise Lumina Parent, which is accounted for by the equity method, members of the Supervisory Board and the Management Board, and SLPS and Wendel-Participations.

### Lumina Parent

Lumina Parent indirectly holds the Group's stake in Legrand. No related-party transactions took place between Lumina Parent and the WENDEL Investissement Group in 2005. The Group's initial investment in Lumina Parent took the form of an equity and a quasi-equity stake. At December 31, 2005, the quasi-equity stake was presented on the "Investments in associates" line in the consolidated balance sheet (see Note 6) in an amount of 434.6 millions of euros, including 58.4 millions of euros in accrued interest.

### Members of the Supervisory Board and Management Board

Total compensation paid to WENDEL Investissement's executives came to 2,074.7 thousands of euros in 2005, breaking down as 1,808.8 thousands of euros in fixed compensation and 258.7 thousands of euros in directors' fees. Directors' fees paid to non-executive officers amounted to 334.9 thousands of euros.

The stock option expense recorded in 2005 included 962 thousands of euros relating to stock options granted to corporate officers.

At December 31, 2005, the number of WENDEL Investissement's stock options granted to members of the Supervisory Board and Management Board totalled 760,554.

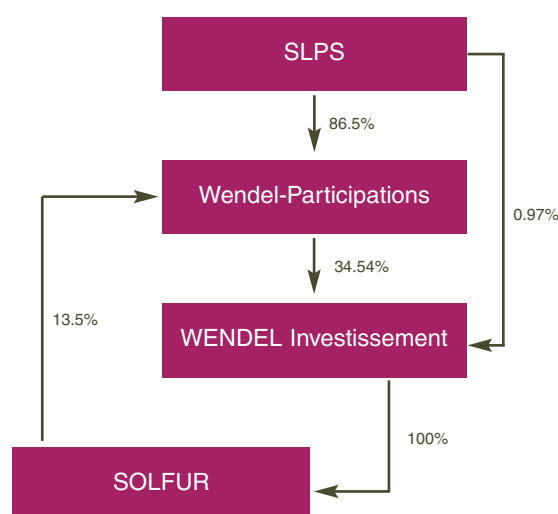
Certain corporate officers are members of a supplementary pension plan set up by WENDEL Investissement (see note 12). The Group's obligation in relation to this plan – which is fully funded by assets managed by an insurance company – stood at 19,480 thousands of euros at December 31, 2005.

Finally, some of the members of the Management Board and Supervisory Board are shareholders of joint investment companies as described in note g 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 the "Summary of significant accounting policies".

At December 31, 2005, corporate officers held 1% of WENDEL Investissement's capital.

### Wendel-Participations and SLPS

Wendel-Participations and SLPS are holding companies. SLPS is owned by 800 individual shareholders who are members of the Wendel family.



SLPS holds 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 and Wendel-Participations and SLPS.

A brand licence agreement is in force, authorising WENDEL Investissement to use "Wendel" as part of its corporate and trading name. No fee is paid under this agreement.

## MANAGERS' INVESTMENT SYSTEMS

### INVESTMENT BY MANAGERS OF SUBSIDIARIES

WENDEL Investissement has gradually set up the following policy in relation to its subsidiaries:

- executive managers may invest significant sums from their own remuneration jointly with investments made by the WENDEL Investissement;
- stock options are granted exclusively to other managers.

Investments made by executive managers only generate income if WENDEL Investissement's return on its investment reaches a certain level (10% to 15%).

These investments represent a high level of risk for the executive managers concerned as the sums invested are forfeited if the above-mentioned threshold is not reached. However, in return for this high level of risk, the executive managers receive variable proportions of the yield on such investments where it does exceed the threshold.

At December 31, 2005, this type of system had been set up in Legrand, Editis and Bureau Veritas.

### INVESTMENT BY MANAGERS OF WENDEL INVESTISSEMENT

WENDEL Investissement's executive managers have been able to invest significant amounts in the Group's new acquisitions, in accordance with similar terms as those applicable to the management of the subsidiaries concerned.

These investments represent a high level of risk for the executive managers concerned as the sums invested are forfeited if the above-mentioned threshold is not reached. However, in return for this high level of risk, the executive managers receive variable proportions of the yield on such investments where it does exceed the threshold.

In addition, in 2004 the executive managers of WENDEL Investissement purchased call options on Wendel-Participations shares which were recognised in WENDEL Investissement's consolidated balance sheet. For further details, see the section entitled "Wendel-Participations shares and options" in the "Summary of significant accounting policies".

## ESTIMATED POTENTIAL IMPACT FOR WENDEL INVESTISSEMENT AT DECEMBER 31, 2005

Based on **Legrand's** valuation at the time of its IPO, the potential dilution related to Legrand's and WENDEL Investissement's manager investment systems represents a reduction in WENDEL Investissement's equity in this company, from 37% to 34%.

For **Editis** and **Bureau Veritas**, the total long-term dilutive impact of these systems is expected to range between 5% and 10%, assuming that the business plans proposed by WENDEL Investissement at the time of the acquisition are implemented.

## RISK MANAGEMENT

### INTEREST RATE RISK

The interest rates payable on the Group's borrowings are described in note 13. The interest-rate derivatives used in order to manage the Group's interest rate position are described in note 5-C; these instruments do not qualify for hedge accounting within the meaning of IAS 39.

In millions of euros	Fixed rate	Variable rate	Total
Borrowings (nominal amount, excluding accrued interest)	-1,777	-1,133	-2,910
Cash and cash equivalents	-	1,030	1,030
Interest rate derivatives	-251	251	-
<b>Total</b>	<b>-2,028</b>	<b>148</b>	<b>-1,880</b>

The Group has only a limited exposure to interest rate risk as its net borrowings at December 31, 2005 were primarily at fixed rates.

### LIQUIDITY RISK

The maturity schedule of the Group's borrowings is provided in note 13.

The covenants on the Group's main borrowings are as follows:

### Financial covenants – Bank loans of WENDEL Investissement (not drawn down at December 31, 2005) and Winvest5

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 of the holding companies set up for the purpose of acquisitions. Consequently, the calculation of the related ratios does not include the debt of the following groups: Editis, Bureau Veritas (including Winvest5), Legrand, Stallergènes and Oranje-Nassau.

The Group performs quarterly tests to ensure compliance with these covenants, which are detailed below:

- 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 net debt of WENDEL Investissement and its financial holding companies must not exceed 1,700 millions of euros (at December 31, 2005, this covenant applied solely to Winvest5's bank borrowings, and was cancelled in early 2006);
- 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.

All of these covenants were respected at December 31, 2005.

#### Financial covenants – Bureau Veritas' bank loans

Bureau Veritas' bank loans are subject to compliance with the following ratios:

- an interest cover ratio of above 5.5. This ratio, which corresponds to last twelve month (LTM) earnings before interest, tax, depreciation and amortisation (EBITDA), divided by net interest expense, is calculated on a rolling twelve-month basis;
- a net debt-EBITDA ratio of less than 3.65 (corresponding to Bureau Veritas' consolidated net debt divided by LTM EBITDA).

These ratios are tested every six months. All of the covenants were respected at December 31, 2005.

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, 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.

#### Financial covenants – Bank loans of Editis

Editis' bank loans are subject to compliance with the following ratios and capex ceiling:

- a net debt-to EBITDA ratio of less than 4.9 (corresponding to Editis' consolidated net debt divided by LTM EBITDA);
- a debt service coverage ratio of above 1 (corresponding to cash flow after capex divided by total debt service – i.e. interest payable plus capital repayments). This ratio is calculated on a rolling twelve-month basis;
- an interest cover ratio of above 2.15. This ratio, corresponding to LTM EBITDA divided by net interest expense, is calculated on a rolling twelve-month basis;
- a net debt-to EBITDA ratio of less than 3 (corresponding to Editis' consolidated net debt – excluding high yield bonds – divided by LTM EBITDA);
- Capex must not exceed 34.8 millions of euros.

These ratios and Capex ceiling are tested quarterly.

All of the covenants were respected at December 31, 2005.

The credit agreements entered into by Editis contain standard restrictions relating to this type of LBO loan. 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.

#### FOREIGN EXCHANGE RISK

The companies controlled by WENDEL Investissement operate internationally. As a result, these companies' assets and part of their earnings are denominated in currencies other than the euro. Most of the Group's foreign exchange risk is concentrated within the oil operations of Oranje-Nassau, and within Bureau Veritas.

#### Oranje-Nassau

As part of its oil operations, Oranje-Nassau has assets and liabilities denominated in US dollars (USD) and generates a substantial portion of its earnings in this currency.

The amount of revenue generated in USD in 2005 was estimated at approximately 185 millions of euros, whereas USD-denominated operating expenses were not deemed to be material. A 5% fluctuation in the EUR/USD exchange rate would have around a 9 millions of euros impact on pre-tax operating profit.

#### Bureau Veritas

As Bureau Veritas is present in many countries throughout the world, a large proportion of its operations are conducted in currencies other than the euro. WENDEL Investissement estimates that approximately 35% of Bureau Veritas' recurring operating profit is denominated in USD or in pegged currencies. On this basis, a 5% fluctuation in the EUR/USD exchange rate would have around a 4 millions of euros impact on recurring operating profit. This exposure is offset by a liability of approximately USD 430 million carried in Bureau Veritas' balance sheet.

#### WENDEL Investissement

WENDEL Investissement reduces its exposure to fluctuations in the EUR/USD exchange rate by means of forward sales of US dollars. In 2005, these contracts generated a foreign exchange loss of 38.9 millions of euros, versus an 11 millions of euros gain in 2004. On the basis of open positions at December 31, 2005 (see note 5-E to the consolidated financial statements), a 5% fluctuation in the EUR/USD exchange rate would result in a foreign exchange gain or loss of around 2.5 millions of euros.

# Notes to the consolidated balance sheet

## NOTE 1 GOODWILL

In thousands of euros	12.31.2005 Amount	12.31.2004 Amount
<b>Gross</b>		
• Bureau Veritas	895,864	895,864
• Oranje-Nassau Groep (excluding Energy)	30,577	30,577
• Oranje-Nassau Énergie	10,895	10,895
• Wheelabrator Allevard (see note 25)	-	28,704
• Stallergènes	947	947
• Editis	528,589	496,037
• Subsidiaries of Wheelabrator Allevard (see note 25)	-	44,479
• Subsidiaries of Stallergènes	28,236	22,159
• Subsidiaries of Bureau Veritas	453,677	316,933
<b>TOTAL</b>	<b>1,948,785</b>	<b>1,846,595</b>

In thousands of euros	12.31.2005 Amount	12.31.2004 Amount
<b>Impairment</b>		
• Subsidiaries of Bureau Veritas	13,803	10,051
<b>TOTAL</b>	<b>13,803</b>	<b>10,051</b>

In thousands of euros	12.31.2005 Amount	12.31.2004 Amount
<b>Net</b>		
• Bureau Veritas	895,864	895,864
• Oranje-Nassau Groep (excluding Energy)	30,577	30,577
• Oranje-Nassau Énergie	10,895	10,895
• Wheelabrator Allevard (see note 25)	-	28,704
• Stallergènes	947	947
• Editis	528,589	496,037
• Subsidiaries of Wheelabrator Allevard (see note 25)	-	44,479
• Subsidiaries of Stallergènes	28,236	22,159
• Subsidiaries of Bureau Veritas	439,874	306,882
<b>TOTAL</b>	<b>1,934,982</b>	<b>1,836,544</b>

# Notes to the consolidated balance sheet

## Analysis of movements in goodwill

In thousands of euros	12.31.2005 Amount	12.31.2004 Amount
<b>Net at beginning of year</b>	<b>1,836,544</b>	<b>408,270</b>
Business combinations <sup>(1)</sup>	178,549	1,569,213
Divestments <sup>(2)</sup>	-73,183	-140,954
Impacts of changes in translation adjustments and other	-3,176	15
Impairment for the year	-3,752	-
<b>Net at end of year</b>	<b>1,934,982</b>	<b>1,836,544</b>

**(1)** In 2004 this item included 763,169 thousands of euros relating to the acquisition of Bureau Veritas shares; 306,882 thousands of euros relating to changes in Bureau Veritas' scope of consolidation; 496,037 thousands of euros relating to the acquisition of Editis; and 2,590 thousands of euros relating to acquisitions by Wheelabrator Allevard (goodwill arising on the acquisition of Editis was previously allocated on a provisional basis). In 2005 it included 131,977 thousands of euros, 40,495 thousands of euros and 6,077 thousands of euros relating to acquisitions carried out by Bureau Veritas, Editis and Stallergènes respectively.

**(2)** In 2004 this item included 140,954 thousands of euros arising from the sale of bioMérieux, and in 2005 included 73,183 thousands of euros relating to the divestment of Wheelabrator Allevard.

## GOODWILL IMPAIRMENT TESTS

For the purpose of impairment testing, goodwill is allocated to Cash Generating Units (CGUs), which correspond to the Group's operating subsidiaries. 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.

Recoverable amount is measured as part of the Group's net asset value calculation.

For **Bureau Veritas** and **Editis**, this amount is determined by applying market capitalisation multiples of comparable companies to the main account captions during the same period of reference. The sample of companies used for comparative purposes does not vary over time, and enables average industry multiples to be determined that are used in order to calculate the enterprise value of the company in question. Movements in the share price represent changes in the enterprise value. In addition, these companies are tracked by several analysts who regularly publish reviews on the industry in question. These analysts' estimates are used in order to

calculate the forecast multiples which enable the growth prospects of the companies and the industry concerned to be factored into the overall amount. Debt is deducted from each company's enterprise value.

For **Stallergènes**, recoverable amount corresponds to the average share price prior to the test.

**Oranje-Nassau Groep's** assets are primarily composed of shares in oil fields and property. Oranje-Nassau draws up several measurement plans to calculate the value of its oil assets. These enable forecast sales and profit figures to be established for the coming years, and the present value of future cash flows is used to measure the value of Energy operations. The group's property assets are mainly composed of office and commercial buildings. These buildings are leased to government agencies or companies and they are measured by Oranje-Nassau at market value.

No impairment losses were recognised further to the impairment tests carried out at December 31, 2005.

# Notes to the consolidated balance sheet

## NOTE 2 INTANGIBLE ASSETS

In thousands of euros		12.31.2004	
	Gross	Amortization and impairment	Net
<b>Amortisable assets</b>			
<b>Internally generated</b>			
Concessions, patents and licenses	8,808	3,864	4,944
Editorial design	24,019	14,596	9,423
Other	5,194	4,185	1,009
	<b>38,021</b>	<b>22,645</b>	<b>15,376</b>
<b>Acquired</b>			
Concessions, patents and licenses	1,624	1,083	541
Customer relationships <sup>(1)</sup>	436,000	-	436,000
Software	18,176	14,883	3,293
Other	22,596	19,139	3,457
	<b>478,396</b>	<b>35,105</b>	<b>443,291</b>
<b>Assets with indefinite useful lives</b>			
<b>Internally generated</b>			
Other	100	-	100
	<b>100</b>	<b>-</b>	<b>100</b>
<b>Acquired</b>			
Brands <sup>(2)</sup>	214,638	191	214,447
Other intangible assets of acquired businesses	13,440	7,027	6,413
	<b>228,078</b>	<b>7,218</b>	<b>220,860</b>
<b>TOTAL</b>	<b>744,595</b>	<b>64,968</b>	<b>679,627</b>

In thousands of euros		12.31.2005	
	Gross	Amortization and impairment	Net
<b>Amortisable assets</b>			
<b>Internally generated</b>			
Concessions, patents and licenses	-	-	-
Editorial design	42,247	32,909	9,338
Other	1,158	417	741
	<b>43,405</b>	<b>33,326</b>	<b>10,079</b>
<b>Acquired</b>			
Concessions, patents and licenses	1,788	219	1,569
Customer relationships <sup>(1)</sup>	464,800	104,843	359,957
Software	20,653	16,784	3,869
Other intangible assets	32,115	22,573	9,542
	<b>519,356</b>	<b>144,419</b>	<b>374,937</b>
<b>Assets with indefinite useful lives</b>			
<b>Internally generated</b>			
Other	2,650	-	2,650
	<b>2,650</b>	<b>-</b>	<b>2,650</b>
<b>Acquired</b>			
Brands <sup>(2)</sup>	216,662	206	216,456
Other intangible assets of acquired businesses	5,743	-	5,743
	<b>222,405</b>	<b>206</b>	<b>222,199</b>
<b>TOTAL</b>	<b>787,816</b>	<b>177,951</b>	<b>609,865</b>



# Notes to the consolidated balance sheet

## Analysis of movements in intangible assets

In thousands of euros	2005	2004
<b>At beginning of year</b>	<b>679,627</b>	<b>14,763</b>
Acquisitions	13,232	1,354
Internally generated assets <sup>(3)</sup>	11,622	2,121
Disposals	-501	-11
Impact of business combinations <sup>(4)</sup>	26,894	666,036
Impact of translation adjustments	705	-266
Amortisation and impairment for the year	-121,714	-4,370
<b>At end of year</b>	<b>609,865</b>	<b>679,627</b>
<i>of which WENDEL Investissement and holding companies</i>	<i>2,650</i>	<i>-</i>
<i>Wheelabrator Allevard (see note 25)</i>	<i>-</i>	<i>11,882</i>
<i>Stallergènes</i>	<i>4,049</i>	<i>2,542</i>
<i>Editis</i>	<i>37,173</i>	<i>23,537</i>
<i>Bureau Veritas</i>	<i>565,993</i>	<i>641,666</i>

(1) Customer relationships recognised at the time of i) the take-over of Bureau Veritas in 2004, amounting to 436,000 thousands of euros and ii) the acquisition of Editis in 2005, in the amount of 28,800 thousands of euros.

(2) Including 205,276 thousands of euros relating to Bureau Veritas brands (see "Changes in scope of consolidation") and 11,386 thousands of euros relating to brands of the Editis group. Brands were tested for impairment at the year end, and no impairment losses were recorded.

(3) Including 11,035 thousands of euros in 2005 and 1,684 thousands of euros in 2004, relating to editorial design costs at Editis.

(4) See "Changes in scope of consolidation".

## NOTE 3 PROPERTY, PLANT AND EQUIPMENT

In thousands of euros		12.31.2004 Depreciation and impairment	
	<b>Gross</b>		<b>Net</b>
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	167,350	121,926	45,424
Assets under construction	8,782	-	8,782
<b>TOTAL</b>	<b>1,185,140</b>	<b>908,339</b>	<b>276,801</b>

		12.31.2005 Depreciation and impairment	
	<b>Gross</b>		<b>Net</b>
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	168,712	119,514	49,198
Assets under construction	14,604	-	14,604
<b>TOTAL</b>	<b>1,164,076</b>	<b>806,601</b>	<b>357,475</b>

# Notes to the consolidated balance sheet

## Analysis of movements in property, plant and equipment

In thousands of euros	2005	2004
<b>At beginning of year</b>	<b>276,801</b>	<b>200,337</b>
Acquisitions	94,814	40,337
Disposals	-4,173	-10,088
Changes related to discontinued operations and operations held for sale	-8,552	-
Impact of business combinations	80,431	119,053
Impact of translation adjustments	-630	411
Depreciation and impairment for the year	-81,216	-73,249
<b>At end of year</b>	<b>357,475</b>	<b>276,801</b>
<i>of which Oranje-Nassau Groep (excluding Energy)</i>	<i>873</i>	<i>151</i>
<i>Oranje-Nassau Énergie</i>	<i>197,262</i>	<i>78,363</i>
<i>Wheelabrator Alleverd (see note 25)</i>	<i>-</i>	<i>58,099</i>
<i>Stallergènes</i>	<i>20,487</i>	<i>14,888</i>
<i>Editis</i>	<i>32,508</i>	<i>47,923</i>
<i>Bureau Veritas</i>	<i>100,785</i>	<i>71,829</i>
<i>WENDEL Investissement and holding companies</i>	<i>5,560</i>	<i>5,548</i>
<b>TOTAL</b>	<b>357,475</b>	<b>276,801</b>

## NOTE 4 INVESTMENT PROPERTY

In thousands of euros	12.31.2005 Net	12.31.2004 Net
Oranje-Nassau Groep	94,872	104,084
Trief Corporation	951	956
<b>TOTAL</b>	<b>95,823</b>	<b>105,040</b>

## Analysis of movements in investment property

In thousands of euros	2005	2004
<b>At beginning of year</b>	<b>105,040</b>	<b>114,028</b>
Acquisitions	713	3,601
Disposals	-11,335	-9,400
Changes in fair value	1,328	-3,150
Other movements	77	-39
<b>At end of year</b>	<b>95,823</b>	<b>105,040</b>
Rental income	8,716	10,194
Operating expenses generating rental income	-1,774	-981
Operating expenses not generating rental income	-	-15
<b>TOTAL</b>	<b>6,942</b>	<b>9,198</b>

The investment properties owned by Oranje-Nassau Groep are mortgaged in the amount of 47,700 thousands of euros. 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.

# Notes to the consolidated balance sheet

## NOTE 5 FINANCIAL ASSETS AND LIABILITIES

In thousands of euros	12.31.2005	12.31.2004
Securities	330,654	649,594
Interest rate swaps	7,127	3,872
Derivatives held by the Energy sector of Oranje-Nassau Groep	1,642	-
Options on shares	41,491	27,581
Other	47,686	93,968
<b>Non-current financial assets</b>	<b>428,600</b>	<b>775,015</b>
Securities	175,806	25,730
Interest rate swaps	2,651	-
Derivatives held by the Energy sector of Oranje-Nassau Groep	664	-
Forward sales of USD	1,302	14,244
Other	-110	-
<b>Current financial assets</b>	<b>180,313</b>	<b>39,974</b>
Interest rate swaps	-212	-2,205
Derivatives held by the Energy sector of Oranje-Nassau Groep	-14,770	-6,449
Options on shares	-72,790	-36,863
Other	-63	-
<b>Other non-current financial liabilities</b>	<b>-87,835</b>	<b>-45,517</b>
Interest rate swaps	-1,814	-444
Derivatives held by the Energy sector of Oranje-Nassau Groep	-7,160	-
Options on shares	-4,024	-405
Other	-6,668	-2,103
<b>Other current financial liabilities</b>	<b>-19,666</b>	<b>-2,952</b>
<b>TOTAL</b>	<b>501,412</b>	<b>766,520</b>

## A - AVAILABLE-FOR-SALE FINANCIAL ASSETS (SECURITIES WHOSE CHANGES IN FAIR VALUE ARE RECOGNISED IN EQUITY)

In thousands of euros	12.31.2005	12.31.2004
Held by WENDEL Investissement and holding companies		
• Neuf Telecom	165,060	128,228
• Wendel-Participations	104,795	66,508
• Other	3,261	2,193
Held by Oranje-Nassau Groep (excluding Energy)	16,707	68,948
Held by Stallergènes	-	756
Held by Editis	10,768	10,797
Held by Bureau Veritas	30,063	7,769
	<b>330,654</b>	<b>285,199</b>
<i>Of which classified in non-current financial assets</i>	<i>330,654</i>	<i>285,199</i>

# Notes to the consolidated balance sheet

## B - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (SECURITIES)

In thousands of euros	12.31.2005	12.31.2004
• Capgemini	70,143	73,472
• Valeo	38,071	252,130
• bioMérieux	16,014	38,793
• Wheelabrator Allevard <sup>(3)</sup>	14,890	-
• Other <sup>(4)</sup>	36,688	25,730
	<b>175,806</b>	<b>390,125</b>
<i>Of which classified in non-current financial assets</i>	-	364,395
<i>Of which classified in other current financial assets</i>	175,806	25,730

<sup>(3)</sup> These shares correspond to WENDEL Investissement's remaining interest in Wheelabrator Allevard, held via a subsidiary in which the Group owns a 65.46% stake (see "Summary of significant accounting policies").

<sup>(4)</sup> Portfolio of shares in listed European and American companies.

## C - INTEREST RATE SWAPS (NOT QUALIFYING FOR HEDGE ACCOUNTING UNDER IAS 39)

Nominal amount	Lender rate	Borrower rate	Maturity	12.31.2005	12.31.2004
<b>Hedging of bonds carried by WENDEL Investissement</b>					
95.7 M€	3-month Euribor	3.885%	02-2011	3,104	956
400 M€	CMS 7 years (3.43% floor and 3.85% cap)	3.885%	02-2011	2,322	1,853
100 M€	CMS 7 years (3.32% floor and 4.02% cap)	4.055%	02-2011	1,701	1,063
300 M€	12M Euribor +0.93% between 1.70% and 2.60%, 3.40% if < 1.70% and 3.53% if > 2.60%.	3.494%	08-2017	-212	-
<b>Hedging of subsidiaries' debt</b>					
50 MUSD	4.00%	3-month USD Libor	12-2009	1,177	-
50 MUSD	CMS 5 years (2.95% floor and 4.43% cap)	3-month USD Libor	12-2009	875	-
50 MUSD	CMS 3 years (3.1% floor and 4.77% cap)	3-month USD Libor	03-2008	274	-
50 MUSD	3-month USD Libor (3.5% floor and 5.18% cap)	3-month USD Libor	03-2008	100	-
62.9 M€	2.925%	3-month Euribor	09-2007	124	-384
62.9 M€	CMS residual -0.35% (2% floor and 3.5% cap)	3-month Euribor	09-2007	-9	-60
11.3 M€	5.59%	Euribor	12-2006	-315	-667
11.3 M€	5.03%	Euribor	06-2008	-540	-809
10.0 M€	3.27%	Euribor	09-2015	101	-
9.80 M€	4.75%	Euribor	05-2009	-488	-
9.1 M€	5.57%	Euribor	10-2007	-462	-729
				<b>7,752</b>	<b>1,223</b>
				<i>Of which classified in non-current financial assets</i>	<i>7,127</i>
				<i>Of which classified in other current financial assets</i>	<i>2,651</i>
				<i>Of which classified in other non-current financial liabilities</i>	<i>-212</i>
				<i>Of which classified in other current financial liabilities</i>	<i>-1,814</i>

# Notes to the consolidated balance sheet

## D - DERIVATIVES HELD BY THE ENERGY SECTOR OF ORANJE-NASSAU GROEP

The Energy sector of Oranje-Nassau Groep has set up various hedges in relation to its future oil output.

	Maturity	Number of barrels	Strike price (USD)	12.31.2005	12.31.2004
<b>Derivatives qualifying for hedge accounting under IAS 39</b>					
Options on oil prices					
Collars	2006	1,080,000	40.97 / 55.74	-7,160	-
Collars	2010	2,970,000	39.44 / 63.12	-14,770	-
Other				1,642	1,846
Currency options				664	908
<b>Derivatives not qualifying for hedge accounting under IAS 39</b>					
Options on oil prices				-	-9,203
				<b>-19,624</b>	<b>-6,449</b>
<i>Of which classified in non-current financial assets</i>				1,642	-
<i>Of which classified in other current financial assets</i>				664	-
<i>Of which classified in other non-current financial liabilities</i>				-14,770	-6,449
<i>Of which classified in other current financial liabilities</i>				-7,160	-

## E - FORWARD SALES OF USD (NOT QUALIFYING FOR HEDGE ACCOUNTING UNDER IAS 39)

Nominal amount	Exchange parity (1 €=)	Maturity	12.31.2005	12.31.2004
58.1 MUSD	1.162 USD	05-2006	1,302	7,435
129.7 MUSD	1.2971 USD	12-2005	-	5,089
66.3 MUSD	1.3253 USD	12-2005	-	1,720
			<b>1,302</b>	<b>14,244</b>
<i>Of which classified in other current financial assets</i>			1,302	14,244

## F - OPTIONS ON SHARES (NOT QUALIFYING FOR HEDGE ACCOUNTING UNDER IAS 39)

WENDEL Investissement has entered into put and call option contracts as part of the gradual divestment of its interests in Capgemini, Valeo and bioMérieux.

	Number of options	Strike price (in €)	Maturity	12.31.2005	12.31.2004
Sales of call options on Capgemini shares	2,000,000	33.74	03-2006	-3,105	-405
Sales of put options on Capgemini shares	750,000	30.17	02-2006	-200	-
Sales of call options on Valeo shares	1,185,000	34.24	03-2006	-719	1,329

The option component of bonds issued by the Group that are exchangeable for Capgemini shares is almost fully hedged by US call options on Capgemini shares whose characteristics are substantially the same as those of the bonds. The hedged portion of these bonds is therefore converted into plain vanilla bonds.

# Notes to the consolidated balance sheet

	Number of options	Strike price (in €)	Maturity	12.31.2005	12.31.2004
Sale of US calls on Capgemini shares relating to the bonds exchangeable for Capgemini shares	7,000,000	39.86	06-2009	-41,851	-26,390
Purchase of US calls on Capgemini shares used to hedge the bonds exchangeable for Capgemini shares	6,939,658	39.86	06-2009	41,490	26,186
Options on Wendel-Participations shares <sup>(1)</sup>				-30,939	-10,407
				<b>-35,324</b>	<b>-9,687</b>
<i>Of which classified in non-current financial assets</i>				<i>41,490</i>	<i>27,581</i>
<i>Of which classified in other non-current financial liabilities</i>				<i>-72,790</i>	<i>-36,863</i>
<i>Of which classified in other current financial liabilities</i>				<i>-4,024</i>	<i>-405</i>

The Group does not have any financial instruments other than those described above that may have a material impact on its financial position.

<sup>(1)</sup> See "Summary of significant accounting policies".

## NOTE 6 INVESTMENTS IN ASSOCIATES

In thousands of euros	12.31.2005	12.31.2004
Lumina Parent (Legrand)	434,454	352,793
Investments in Bureau Veritas	2,044	2,182
Investments in Wheelabrator Allevard (see note 25)	-	71
	<b>436,498</b>	<b>355,046</b>
<b>Analysis of movements in investments in associates</b>		
<b>At beginning of year</b>	<b>355,046</b>	<b>755,885</b>
Dividends for the year	-46	-21,275
Increases		
• Lumina Parent (Legrand) <sup>(1)</sup>	19,071	19,123
Sales and/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
Impacts of changes in translation adjustments	25,283	-9,623
Changes due to discontinued operations	-71	-
Share of profit of associates (see notes 25 and 26)	37,215	63,054
<b>At end of year</b>	<b>436,498</b>	<b>355,046</b>

<sup>(1)</sup> The investment in Lumina Parent is part equity and part quasi-equity. For ease of reference, the total amount of this investment has been grouped in "Investments in associates".

# Notes to the consolidated balance sheet

Additional information relating to Lumina Parent	2005	2004
Total assets	5,364,000	4,847,600
Minority interests	12,100	9,000
Quasi-equity	1,162,500	1,111,300
Total liabilities	4,189,800	3,895,100
Revenue	3,247,900	2,926,300
Operating profit	405,500	348,800
Profit for the year attributable to equity holders of the Company	99,400	26,700

## NOTE 7 INVENTORIES AND WORK IN PROGRESS

In thousands of euros			12.31.2005	12.31.2004
	Gross	Provisions	Net	Net
At:				
• Wheelabrator Allevard (see note 25)	-	-	-	55,183
• Trief Corporation	-	-	-	585
• Stallergènes	13,572	499	13,073	10,881
• Oranje-Nassau Énergie	2,055	-	2,055	2,016
• Bureau Veritas	47,362	5,327	42,035	31,849
• Editis	84,277	30,669	53,608	54,432
<b>TOTAL</b>	<b>147,266</b>	<b>36,495</b>	<b>110,771</b>	<b>154,946</b>

## NOTE 8 TRADE RECEIVABLES

In thousands of euros			12.31.2005	12.31.2004
	Gross	Provisions	Net	Net
At:				
• WENDEL Investissement and holding companies	749	-	749	657
• Wheelabrator Allevard (see note 25)	-	-	-	92,944
• Trief Corporation	-	-	-	1,452
• Stallergènes	19,849	299	19,550	16,248
• Oranje-Nassau Groep (excluding Energy)	141	-	141	286
• Oranje-Nassau Énergie	24,733	-	24,733	24,149
• Bureau Veritas	438,314	37,226	401,088	305,953
• Editis	163,013	6,095	156,918	158,215
<b>TOTAL</b>	<b>646,799</b>	<b>43,620</b>	<b>603,179</b>	<b>599,904</b>



# Notes to the consolidated balance sheet

## NOTE 9 OTHER RECEIVABLES

In thousands of euros			12.31.2005 Net	12.31.2004 Net
	Gross	Provisions		
<b>Other receivables</b>				
• WENDEL Investissement and holding companies	9,448	1,724	7,724	9,086
• Wheelabrator Allevar (see note 25)	-	-	-	11,598
• Stallergènes	4,923	-	4,923	4,348
• Oranje-Nassau Groep (excluding Energy)	16,152	-	16,152	233
• Bureau Veritas	25,763	1,192	24,571	19,669
• Editis <sup>(1)</sup>	163,123	115,668	47,455	59,506
	<b>219,409</b>	<b>118,584</b>	<b>100,825</b>	<b>104,440</b>
<b>Pre-paid expenses</b>				
• WENDEL Investissement and holding companies	113	-	113	242
• Stallergènes	764	-	764	441
• Oranje-Nassau Groep (excluding Energy)	120	-	120	228
• Oranje-Nassau Énergie	435	-	435	1,910
• Bureau Veritas	16,454	-	16,454	14,883
• Editis	4,280	-	4,280	3,492
	<b>22,166</b>	<b>-</b>	<b>22,166</b>	<b>21,196</b>
<b>TOTAL</b>	<b>241,575</b>	<b>118,584</b>	<b>122,991</b>	<b>125,636</b>

(1) Including in 2005 139,999 thousands of euros relating to advances of royalties, written down by 113,425 thousands of euros. At December 31, 2004, advances of royalties amounted to 129,843 thousands of euros, written down by 102,871 thousands of euros.

## NOTE 10 CASH AND CASH EQUIVALENTS

In thousands of euros		12.31.2005 Net	12.31.2004 Net
<b>Cash equivalents</b>			
• WENDEL Investissement and holding companies		741,042	656,619
• Wheelabrator Allevar (see note 25)		-	2,470
• Bureau Veritas		40,876	37,973
		<b>781,918</b>	<b>697,062</b>
<b>Cash</b>			
• WENDEL Investissement and holding companies		7,368	5,868
• Wheelabrator Allevar (see note 25)		-	25,678
• Stallergènes		6,688	5,711
• Oranje-Nassau Groep (excluding Energy)		5,318	3,826
• Oranje-Nassau Groep Énergie		80,334	94,369
• Bureau Veritas		83,472	77,898
• Editis		64,501	47,933
		<b>247,681</b>	<b>261,283</b>
<b>TOTAL</b>		<b>1,029,599</b>	<b>958,345</b>

# Notes to the consolidated balance sheet

## NOTE 11 MINORITY INTERESTS

In thousands of euros	Bureau Veritas group	Editis group	Stallergènes group	Wheelabrator group	BRL Lux	Total
<b>At December 31, 2003</b>	-	-	<b>19,789</b>	<b>7,573</b>	<b>52,540</b>	<b>79,902</b>
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
Profit for 2004	-	13	5,381	630	-16	6,008
<b>At December 31, 2004</b>	<b>8,320</b>	<b>3,537</b>	<b>22,942</b>	<b>5,639</b>	<b>52,524</b>	<b>92,962</b>
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	-474	-52	531	-120	15,116	15,001
Profit for 2005	3,135	75	6,965	699	-6	10,868
<b>At December 31, 2005</b>	<b>16,955</b>	<b>3,705</b>	<b>21,107</b>	<b>5,085</b>	<b>67,741</b>	<b>114,593</b>

# Notes to the consolidated balance sheet

## NOTE 12 PROVISIONS

In thousands of euros	12.31.2005	12.31.2004
Provisions for liabilities and charges	233,518	215,671
Employee benefits	96,996	121,042
	330,514	336,713
Of which current	18,389	20,641
Of which non-current	312,125	316,072

	Total 12.31.2004	Additions	Reversals		Discounting impact	Other	Total 12.31.2005
Provisions for liabilities and charges			Utilised provisions	Surplus provisions			
WENDEL Investissement and holdings companies							
• Commitment to guarantee the liquidity of Bureau Veritas shares <sup>(1)</sup>	22,572	-	-	-	-	7,822	30,394
• Miscellaneous <sup>(2)</sup>	19,023	-	-	-	-	-	19,023
Bureau Veritas							
• Claims and litigation <sup>(3)</sup>	62,197	4,622	-6,356	-908	171	-428	59,298
• Miscellaneous	11,987	5,964	-5,448	-1,608	407	-707	10,595
Stallergènes							
• Miscellaneous	1,181	1,273	-153	-88	-	-60	2,153
Oranje-Nassau Énergie							
• Dismantling of oil equipment	73,108	-	-170	-	3,217	16,735 <sup>(4)</sup>	92,890
• Miscellaneous	2,500	-	-	-	-	-	2,500
Editis							
• Restructuring	14,602	1,425	-6,511	-	-	806	10,322
• Miscellaneous	5,529	2,384	-1,206	-1,143	-	779	6,343
Wheelabrator Allevard							
• Miscellaneous	2,972	-	-	-	-	-2,972	-
	215,671	15,668	-19,844	-3,747	3,795	21,975	233,518
Of which current	20,641					Of which current	18,389

(1) See "Commitment to guarantee the liquidity of Bureau Veritas shares" in "Summary of significant accounting policies".

(2) The main litigation concerns the discovery of pollution on a site near Rouen, alleged to be due to the iron and steel activities carried out by Hauts Fourneaux de Rouen (HFR), which ceased operations in 1967. By way of an order issued in 1998, the Prefect of the Seine Maritime region ruled that there was an affiliation between HFR and Sofiservice and instructed the latter to carry out an environmental study, and restore the site. This order was appealed, and subsequently cancelled in a ruling handed down by the Administrative Court. The Administrative Court's ruling was subsequently overturned by the Administrative Appeal Court in October 2002, which ordered that the environmental study be conducted. 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 represents some 1 million of euros.

(4) See "Summary of significant accounting policies": "Measurement of oil assets".

# Notes to the consolidated balance sheet

## EMPLOYEE BENEFITS

DEFINED BENEFIT SCHEMES	12.31.2004	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Exchange- rate effects	Other	12.31.2005
<b>Obligations</b>								
WENDEL Investissement and holdings companies	32,874	3,601	-45	-2,079	1,040	-	-154	35,237
Wheelabrator Allevard (see note 25)	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	-	-	-	-	-	-	-	-
	<b>101,045</b>	<b>5,899</b>	<b>1,118</b>	<b>-4,325</b>	<b>3,300</b>	<b>20</b>	<b>-14,672</b>	<b>92,385</b>
	<b>12.31.2004</b>	<b>Return on plan assets</b>	<b>Contributions</b>	<b>Amounts used</b>		<b>Exchange- rate effects</b>	<b>Other</b>	<b>12.31.2005</b>
<b>Partially funded plan assets</b>								
WENDEL Investissement and holdings companies	-7,491	-1,426	-26,499	1,797		-	-	-33,620
Wheelabrator Allevard (see note 25)	-7,685	-	-	-		-	7,685	-
Oranje-Nassau Groep (excluding Energy)	-21,197	-2,082	-500	1,072		-	94	-22,613
	<b>-36,373</b>	<b>-3,508</b>	<b>-26,999</b>	<b>2,869</b>		<b>-</b>	<b>7,779</b>	<b>-56,233</b>
<b>Surplus</b>								
	260							266
	<b>64,932</b>							<b>36,419</b>
<b>RETIREMENT BONUSES</b>	<b>12.31.2004</b>	<b>Service cost</b>	<b>Actuarial gains and losses</b>	<b>Benefits paid</b>	<b>Interest cost</b>	<b>Exchange- rate effects</b>	<b>Other</b>	<b>12.31.2005</b>
<b>Obligations</b>								
WENDEL Investissement and holdings 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
	<b>42,147</b>	<b>4,272</b>	<b>436</b>	<b>-862</b>	<b>1,606</b>	<b>390</b>	<b>29</b>	<b>48,017</b>
	<b>12.31.2004</b>	<b>Return on plan assets</b>	<b>Contributions</b>	<b>Amounts used</b>		<b>Exchange- rate effects</b>	<b>Other</b>	<b>12.31.2005</b>
<b>Partially funded plan assets</b>								
Stallergènes	-360	-41	-750	71		-	15	-1,065
	-360	-41	-750	71		-	15	-1,065
	<b>41,787</b>							<b>46,952</b>
<b>OTHER</b>	<b>12.31.2004</b>	<b>Service cost</b>	<b>Actuarial gains and losses</b>	<b>Benefits paid</b>	<b>Interest cost</b>	<b>Exchange- rate effects</b>	<b>Other</b>	<b>12.31.2005</b>
Wheelabrator Allevard (see Note 25)	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
	<b>14,323</b>	<b>1,232</b>	<b>16</b>	<b>-508</b>	<b>425</b>	<b>76</b>	<b>-1,939</b>	<b>13,625</b>
<b>PROVISION FOR EMPLOYEE BENEFITS</b>	<b>121,042</b>							<b>96,996</b>

# Notes to the consolidated balance sheet

## WENDEL Investissement

The retirement scheme set up in 1947 by “Les petits-fils de François de Wendel et Cie”, which has since been renamed WENDEL Investissement, is a defined benefit scheme which was closed to new entrants on December 31, 1998. It still covers employees who worked in the Company prior to that date, provided that they are still with WENDEL Investissement when they retire. The main actuarial assumptions used in the related calculations 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 determined based on the following assumptions: a discount rate of 4%, a 4.45% return on plan assets, a salary increase rate of 5%, and a 1.9% inflation rate.

## Bureau Veritas

Bureau Veritas' defined benefit schemes primarily relate to the payment of pensions in France and Germany. These schemes are now closed to new entrants.

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.

The main actuarial assumptions used in 2005 to calculate Bureau Veritas' related obligations in France (which represent 77% of the group's total obligation) were as follows: a discount rate of 4%, a salary increase rate of 2.25%, a staff turnover rate ranging from 24% at 20 years old to 0% at 50 years old, and a 1.75% inflation rate.

## Editis

Most of this Group's employees are entitled to retirement bonuses in accordance with the collective bargaining agreement relating to the publishing sector. The main actuarial assumptions used in 2005 to calculate the Group's related obligation were as follows: a discount rate of 3.75%, a 2.15% inflation rate, and a staff turnover rate of 16.3% for employees aged 20, 1.17% for employees aged 54, and 0% from aged 55 to retirement.

### Expenses recognised for defined benefit schemes in 2005

Current service cost	11,403
Interest cost	5,331
Expected return on plan assets	-3,549
Actuarial gains and losses	1,529
Past service cost	-92
Curtailments and settlements	-945
<b>TOTAL</b>	<b>13,677</b>

### Total expenses recognised for defined benefit schemes in 2005<sup>(1)</sup>

36,837

<sup>(1)</sup> Primarily concerning Bureau Veritas.

# Notes to the consolidated balance sheet

## NOTE 13 BORROWINGS

							12.31.2005	12.31.2004
	Currency	Coupon/ interest rate	Effective interest rate	Maturity	Repayment/ redemption terms	Total amounts available	Amounts drawn down	
<b>WENDEL Investissement</b>								
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		253,748	247,210
2011 bonds	EUR	5.00%	5.16%	02-2011	At maturity		595,727	595,014
2014 bonds	EUR	4.8750%	4.93%	11-2014	At maturity		398,320	398,171
2017 bonds	EUR	4.3750%	4.46%	08-2017	At maturity		297,664	-
Syndicated credit line	EUR	Euribor+margin		05-2010	Revolving	500,000	-	-
Deferred issuance costs							-710	-
Other borrowings and accrued interest	EUR						17,057	25,276
							<b>1,561,806</b>	<b>1,631,179</b>
<b>Winvest5</b>								
Bank borrowings <sup>(1)</sup>	EUR	Euribor+margin		06-2006	At maturity	300,000	300,000	350,000
Bank borrowings <sup>(1)</sup>	EUR	Euribor+margin		06-2006	Revolving	-	-	16,271
Other borrowings and accrued interest							57	54
							<b>300,057</b>	<b>366,325</b>
<b>Bureau Veritas</b>								
Bank borrowings <sup>(1)</sup>	GBP	Libor+margin		12-2009	Revolving	250,000	43,777	20,424
Bank borrowings <sup>(1)</sup>	USD	Libor+margin		12-2009	Revolving		49,165	-
Bank borrowings <sup>(1)</sup>	EUR	Euribor+margin		12-2009	Revolving		-	-
Bank borrowings <sup>(1)</sup>	EUR	Euribor+margin		12-2011	At maturity	400,000	10,000	10,000
Bank borrowings <sup>(1)</sup>	USD	Libor+margin		12-2011	At maturity		319,022	302,474
Bank borrowings <sup>(1)</sup>	EUR	Euribor+margin		12-2009	Repayable in inst.	300,000	20,380	30,600
Deferred issuance costs							-5,972	-11,945
Other borrowings							18,646	12,809
							<b>455,018</b>	<b>364,362</b>
<b>Editis</b>								
High Yield bonds	EUR	8.375%		10-2014	At maturity		150,000	150,000
Bank borrowings	EUR	Euribor+margin		09-2011	Repayable in inst.	83,721	83,721	93,282
Bank borrowings	EUR	Euribor+margin		09-2012	At maturity	83,860	83,860	83,860
Bank borrowings	EUR	Euribor+margin		09-2013	At maturity	83,860	83,860	83,860
Bank borrowings	EUR	Euribor+margin		09-2011	Repayable in inst.	40,000	25,000	-
Bank borrowings	EUR					-	-	30,360
Bank borrowings	EUR	Euribor+margin		09-2011	Revolving	100,000	-	-
Deferred issuance costs							-14,510	-16,533
Other borrowings	EUR						9,138	9,127
							<b>421,069</b>	<b>433,956</b>
<b>Oranje-Nassau Groep</b>							110,921	71,599
<b>Stallergènes</b>							23,926	6,480
<b>Wheelabrator Allevard</b> (see note 25)							-	81,923
<b>TOTAL BORROWINGS</b>							<b>2,872,797</b>	<b>2,955,824</b>

(1) Global ceiling on drawdowns = 950 millions of euros.

# Notes to the consolidated balance sheet

	12.31.2005	12.31.2004
<b>ANALYSIS BY MATURITY</b>		
<b>Long-term borrowings:</b>		
Due beyond 5 years	2,251,106	1,672,963
Due in 1 to 5 years	568,097	762,147
<b>Short-term borrowings:</b>		
Due within 1 year and accrued interest	53,594	520,714
<b>ANALYSIS BY CURRENCY</b>		
Euro and other European Union currencies	2,504,610	2,638,527
Other currencies	368,187	317,297
<b>ANALYSIS BY TYPE OF INTEREST RATE<sup>(1)</sup></b>		
Fixed rate	60%	61%
Variable rate	40%	39%

<sup>(1)</sup> Excluding the impact of interest rate swaps (see note 5).

	12.31.2005	12.31.2004
<b>ANALYSIS OF COMMITMENT BY RESIDUAL MATURITY</b>		
Within 1 year	-	29,933
In 1 to 5 years	936,678	920,542
Beyond 5 years	182,978	169,166

## MAIN MOVEMENTS DURING THE YEAR

In May 2005, WENDEL Investissement redeemed in cash 369 millions of euros worth of bonds exchangeable for Valeo shares. During the same month, the Company obtained a new 500 millions of euros syndicated credit line maturing in May 2010 to replace the existing

350 millions of euros line maturing in August 2008. In August 2005, WENDEL Investissement issued 300 millions of euros worth of bonds maturing in August 2017 with a coupon of 4.375%.

Additional information	12.31.2005		12.31.2004	
	Nominal value	Market value <sup>(1)</sup>	Nominal value	Market value <sup>(1)</sup>
2005 3.75% bonds exchangeable for Valeo shares	-	-	369,606	380,035
2009 2.00% bonds exchangeable for Capgemini shares	279,020	307,845	279,020	291,760
2011 5.00% bonds	600,000	637,888	600,000	631,758
2014 4.875% bonds	400,000	425,673	400,000	409,240
2017 4.375% bonds	300,000	298,561	-	-
High yield 8.375% bonds	150,000	170,250	150,000	163,313

<sup>(1)</sup> Including the option component.



# Notes to the consolidated balance sheet

## NOTE 14 TRADE PAYABLES

In thousands of euros	12.31.2005	12.31.2004
<b>Analysis by company:</b>		
WENDEL Investissement and holding companies	4,143	8,639
Wheelabrator Allevard (see note 25)	-	45,380
Trief Corporation	-	317
Stallergènes	19,821	14,153
Oranje-Nassau Groep (excluding Energy)	930	844
Oranje-Nassau Énergie	26,212	20,409
Bureau Veritas	111,419	91,629
Editis	191,818	178,511
<b>TOTAL</b>	<b>354,343</b>	<b>359,882</b>

## NOTE 15 OTHER PAYABLES AND DEFERRED INCOME

In thousands of euros	12.31.2005	12.31.2004
<b>Other payables</b>		
WENDEL Investissement and holding companies	10,042	9,128
Wheelabrator Allevard (see note 25)	-	20,400
Stallergènes	13,310	11,224
Oranje-Nassau Groep (excluding Energy)	3,532	3,708
Oranje-Nassau Énergie	4,292	2,157
Bureau Veritas <sup>(1)</sup>	234,096	197,930
Editis <sup>(2)</sup>	110,093	95,868
	<b>375,365</b>	<b>340,415</b>
<b>Deferred income</b>		
WENDEL Investissement and holding companies	-	-
Wheelabrator Allevard (see note 25)	-	-
Stallergènes	16	6
Oranje-Nassau Groep (excluding Energy)	194	1,388
Oranje-Nassau Énergie	1,074	602
Bureau Veritas	57,446	52,401
Editis	4,808	4,187
	<b>63,538</b>	<b>58,645</b>
<b>TOTAL</b>	<b>438,903</b>	<b>399,060</b>

(1) Including 228,601 thousands of euros in accrued taxes and payroll costs in 2005 (190,049 thousands of euros in 2004).

(2) Including for 2005 and 2004 respectively: (i) 48,916 thousands of euros and 42,618 thousands of euros in royalties, and (ii) 51,681 thousands of euros and 47,699 thousands of euros in accrued taxes and payroll costs.

# Notes to the consolidated balance sheet

## NOTE 16 CURRENT AND DEFERRED TAXES

In thousands of euros	12.31.2005	12.31.2004
<b>Current taxes</b>		
• WENDEL Investissement and holding companies	31,985	-
• Bureau Veritas	45,378	44,506
• Stallergènes	2,749	-
• Editis	1,027	2,800
	<b>81,139</b>	<b>47,306</b>
<b>Current tax liabilities</b>		
• Wheelabrator Allevard (see note 25)	-	2,786
• Stallergènes	1,401	1,193
• Oranje-Nassau Groep (excluding Energy)	46,707	42,412
• Bureau Veritas	75,891	71,883
• Editis	2,720	6,232
<b>TOTAL</b>	<b>126,719</b>	<b>124,506</b>

In thousands of euros	12.31.2004	Changes recorded in the income statement	Changes recorded in equity	Translation adjustments	Business combinations	Other	12.31.2005
<b>Deferred tax assets</b>							
• WENDEL Investissement and holding companies	18,515	-18,460	-	-	-	-55	-
• Wheelabrator Allevard (see note 25)	1,691	-	-	-	-	-1,691	-
• Stallergènes	1,975	81	-	-	1,283	-	3,339
• Oranje-Nassau Groep (excluding Energy)	2,639	251	-	-	-	-232	2,658
• Oranje-Nassau Énergie	9,458	38	-	79	-	10,434	20,009
• Bureau Veritas <sup>(1)</sup>	51,886	-2,246	-	780	-	1,810	52,230
• Editis	20,138	-7,860	-	-	-	846	13,124
	<b>106,302</b>	<b>-28,196</b>	<b>-</b>	<b>859</b>	<b>1,283</b>	<b>11,112</b>	<b>91,360</b>
<i>Of which movements due to changes in income tax rates</i>		<i>-814</i>	<i>-</i>				
<b>Deferred tax liabilities</b>							
Wheelabrator Allevard (see note 25)	6,731	-	-	-	-	-6,731	-
Stallergènes	374	222	-	-	144	-	740
Oranje-Nassau Groep (excluding Energy) <sup>(2)</sup>	22,750	-564	271	-	-	10	22,467
Oranje-Nassau Énergie	10,022	-5,642	-12,748	248	-	9,973	1,853
Bureau Veritas <sup>(3)</sup>	228,183	-27,139	-	436	-	1,559	203,039
Editis <sup>(4)</sup>	14,616	-6,984	-	-	-	7,227	14,859
	<b>282,676</b>	<b>-40,107</b>	<b>-12,477</b>	<b>684</b>	<b>144</b>	<b>12,038</b>	<b>242,958</b>
<i>Of which movements due to changes in income tax rates</i>		<i>-313</i>	<i>-2,194</i>				

(1) Including 17,398 thousands of euros in 2004 and 19,844 thousands of euros in 2005 relating to provisions for pension and other post-employment benefit obligations.

(2) Including 22,674 thousands of euros in 2004 and 21,845 thousands of euros in 2005 relating to asset valuation differences.

(3) Including 219,596 thousands of euros in 2004 and 188,525 thousands of euros in 2005 corresponding to intangible assets recognised on the allocation of goodwill.

(4) Including 10,719 thousands of euros in 2004 and 12,438 thousands of euros in 2005 relating to asset valuation differences.

# Notes to the consolidated balance sheet

## NOTE 17 OFF-BALANCE SHEET COMMITMENTS

In thousands of euros	12.31.2005	12.31.2004
<b>Bid bonds</b>	<b>27,777</b>	<b>4,902</b>
<b>Outstanding sold receivables</b>	<b>-</b>	<b>-</b>
<b>Pledges, mortgages and collateral</b>	<b>790,303</b>	<b>1,085,027</b>
Of which:		
• Valeo shares placed in escrow relating to bonds exchangeable for Valeo shares	-	215,861
• bonds issued by Sofu-Participations and underwritten by Winvest5 pledged as a guarantee for the repayment of its debt	300,000	366,271
• shares in companies of the Eeditis group pledged by Odyssee 1 (Eeditis group) and certain of its subsidiaries as a guarantee for the repayment of debt due by the Eeditis group	426,441	441,362
• property mortgaged by Oranje-Nassau Groep	47,700	59,226
• other	16,162	2,307
<b>Other guarantees and endorsements given</b>	<b>29,070</b>	<b>23,894</b>
<b>Other commitments given</b>	<b>32,881</b>	<b>3,048</b>

There are no commitments that could have a material impact on WENDEL Investissement's financial position other than those disclosed above.

# Notes to the consolidated income statement

## NOTE 18 REVENUE

In thousands of euros	2005	2004
Sales of goods		
• Oranje-Nassau Énergie	237,777	204,923
• Stallergènes	112,046	94,683
• Editis	747,993	206,986
	<b>1,097,816</b>	<b>506,592</b>
Sales of services		
• Oranje-Nassau Groep (excluding Energy)	8,776	10,914
• Bureau Veritas	1,647,158	-
• Editis	8,815	2,225
	<b>1,664,749</b>	<b>13,139</b>
Royalties		
• Oranje-Nassau Groep (excluding Energy)	266	-
• Editis	19,312	3,942
	<b>19,578</b>	<b>3,942</b>
<b>TOTAL REVENUE</b>	<b>2,782,143</b>	<b>523,673</b>
<b>Revenue of discontinued operations</b>		
Sales of goods		
• Trief Corporation	4,697	5,829
• Wheelabrator Allevard	179,326	340,964
	<b>184,023</b>	<b>346,793</b>
<b>TOTAL</b>	<b>2,966,166</b>	<b>870,466</b>

## OTHER INCOME FROM OPERATIONS

In thousands of euros	2005	2004
Other revenues	58,522	5,425
Changes in inventories of finished products and work in progress	-912	-
<b>TOTAL</b>	<b>57,610</b>	<b>5,425</b>

# Notes to the consolidated income statement

## NOTE 19 OPERATING EXPENSES

In thousands of euros	2005	2004
Purchases and external charges	1,160,219	256,534
Personnel costs	1,041,011	81,799
Taxes other than on income	55,630	2,757
Other operating expenses	55,311	7,869
Depreciation and amortisation	155,524	8,459
Net additions to provisions	23,584	61,302
<b>TOTAL</b>	<b>2,491,279</b>	<b>418,720</b>
<b>Research and development costs and editorial design costs recorded as expenses by:</b>		
• Stallergènes	16,111	11,252
• Editis (editorial design)	109,896	23,927
<b>Average number of employees of consolidated companies of which:</b>	<b>26,590</b>	<b>3,084</b>
• Oranje-Nassau Groep	30	31
• Stallergènes	550	509
• Trief Corporation	11	11
• WENDEL Investissement and holding companies	47	47
• Editis <sup>(1)</sup>	2,269	2,486
• Bureau Veritas <sup>(2)</sup>	23,683	-

(1) The average number of Editis' employees in 2004 corresponds to the full year, although the company was only consolidated as from September 30, 2004.

(2) The average number of employees of Bureau Veritas – which has been fully consolidated since January 1, 2005 – was 20,524 in 2004.

## NOTE 20 OTHER OPERATING INCOME AND EXPENSES

In thousands of euros	2005	2004
Net gains on disposals of intangible assets and property, plant and equipment <sup>(1)</sup>	9,053	9
Restructuring costs, net	-4,781	-9,377
Impairment of goodwill <sup>(2)</sup>	-3,754	-
Other	2,632	-183
<b>TOTAL</b>	<b>3,150</b>	<b>-9,551</b>

(1) Including 9,034 thousands of euros in 2005 relating to the sale of an oil field by Oranje-Nassau Groep Énergie.

(2) Impairment of goodwill relating to Bureau Veritas subsidiaries.

# Notes to the consolidated income statement

## NOTE 21 FINANCE COSTS

In thousands of euros	2005	2004
Income from cash and cash equivalents		
• Interest generated by cash and cash equivalents	15,093	17,549
• Changes in the fair value of investment property	3,942	-296
	<b>19,035</b>	<b>17,253</b>
Finance costs, gross		
• Interest expense	-131,913	-61,527
• Deferral of debt issuance costs and premiums (calculated in accordance with the effective interest method)	-19,718	-16,926
	<b>-151,631</b>	<b>-78,453</b>
<b>TOTAL</b>	<b>-132,596</b>	<b>-61,200</b>

## NOTE 22 OTHER FINANCIAL INCOME AND EXPENSES

In thousands of euros	2005	2004
Gains and losses on disposals and fair value adjustments relating to investments in non-consolidated companies		
• Capgemini	29,350	-35,309
• bioMérieux	7,581	-
• Valeo	35,590	-4,628
• Oranje-Nassau Groep securities portfolio (excluding Energy) <sup>(1)</sup>	41,332	30,398
• Other investments in non-consolidated companies	-199	679
	<b>113,654</b>	<b>-8,860</b>
Dividend income from non-consolidated companies	10,655	10,817
Interest income on loans and gains on disposals of other financial assets	26,062	22,405
Changes in the fair value of other financial assets and liabilities	7,361	14,508
Net foreign exchange gains	-	11,423
Other	1,112	18
<b>Other financial income</b>	<b>158,844</b>	<b>50,311</b>
Changes in the fair value of other financial assets and liabilities	-148	-27
Net foreign exchange losses	-37,396	-
Other	-7,023	-6,232
<b>Other financial expenses</b>	<b>-44,567</b>	<b>-6,259</b>
<b>Other financial income and expenses</b>	<b>114,277</b>	<b>44,052</b>

<sup>(1)</sup> Including 35,793 thousands of euros in 2005 and 18,740 thousands of euros in 2004 transferred from equity further to prior-year revaluations.

# Notes to the consolidated income statement

## NOTE 23 INCOME TAX

In thousands of euros	2005	2004
Current taxes	-131,169	-86,071
Deferred taxes	11,911	51,613
	<b>-119,258</b>	<b>-34,458</b>

### Effective tax rate

The difference between the Group's effective income tax rate and the standard income tax rate applicable in France can be analysed as follows:

	2005
<b>Standard corporate income tax rate in France</b>	<b>34.93%</b>
Impact of:	
• transactions subject to reduced tax rates and differences in foreign tax rates	-4.80%
• recognition of previously unrecognised tax losses	-5.55%
• unrecognised tax losses	10.94%
• other	0.26%
<b>Effective tax rate<sup>(1)</sup></b>	<b>35.78%</b>

*(1) The effective income tax rate represents the ratio between the income tax expense recorded in the income statement, and operating profit after net finance costs and other financial income and expenses.*

## NOTE 24 SHARE OF PROFIT OF ASSOCIATES

In thousands of euros	2005	2004
• Bureau Veritas	-	41,060
• Lumina Parent (Legrand)	37,166	10,136
• Other companies	49	-
<b>TOTAL</b>	<b>37,215</b>	<b>51,196</b>



# Notes to the consolidated income statement

## NOTE 25

### PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE

WENDEL Investissement sold its subsidiary Wheelabrator Allevard (specialised in abrasive pellets) on September 30, 2005. Wheelabrator Allevard's profit for 2005 and 2004 has therefore been included in "Profit for the year from discontinued operations and operations held for sale" (see "Changes in scope of consolidation").

In thousands of euros	2005	2004
Disposal gains		
• Wheelabrator Allevard	164,296	-
• Trader Classified Media	-	157,527
• bioMérieux/Silliker Group Holding	-	132,354
	<b>164,296</b>	<b>289,881</b>
Share of profit for the year from discontinued operations		
• bioMérieux/Silliker Group Holding (accounted for by the equity method)	-	11,863
• Wheelabrator Allevard (fully consolidated) <sup>(1)</sup>	11,013	22,848
	<b>11,013</b>	<b>34,711</b>
<b>TOTAL</b>	<b>175,309</b>	<b>324,592</b>
	2005	2004
	(6 months)	(12 months)
<b>(1) Breakdown of Wheelabrator Allevard's profit</b>		
Revenue	184,023	346,793
Operating expenses	-166,764	-310,088
Operating profit	17,259	36,705
Finance costs, net	-1,411	-3,148
Other financial income and expenses	1,054	-1,283
Income tax expense	-5,889	-9,426
	<b>11,013</b>	<b>22,848</b>

## NOTE 26

### PROFIT FOR THE YEAR

In thousands of euros	2005	2004
Consolidated companies:		
• WENDEL Investissement and financial holding companies	145,651	104,487
• Wheelabrator-Allevar <sup>(1)</sup>	11,013	22,848
• Oranje-Nassau Groep (excluding Energy)	53,080	186,089
• Oranje-Nassau Énergie	81,869	55,982
• Bureau Veritas	93,903	-
• Editis	-9,597	-17,726
• Stallergènes	13,437	10,275
	<b>389,356</b>	<b>361,955</b>
Share of profit of associates (see note 24)	37,215	63,054 <sup>(2)</sup>
	<b>426,571</b>	<b>425,009</b>
Minority interests (see note 11 )	10,868	6,008
<b>Profit for the year attributable to equity holders of the Company</b>	<b>415,703</b>	<b>419,001</b>

<sup>(1)</sup> Classified under "Profit for the year from discontinued operations and operations held for sale".

<sup>(2)</sup> Including 11,863 thousands of euros in profit from bioMérieux/Silliker Group Holding classified under "Profit for the year from discontinued operations and operations held for sale".

# Notes to the consolidated income statement

## NOTE 27 EARNINGS PER SHARE

The calculation of earnings per share is based on the following:

In thousands of euros	2005	2004
Profit for the year attributable to equity holders of the Company	415,703	419,001
Impact of Bureau Veritas stock options	-1,293	-230
Other	-155	-125
Diluted profit for the year	<b>414,255</b>	<b>418,646</b>
Average number of shares	49,026,430	55,472,386
Potential dilution due to WENDEL Investissement stock options	570,781	358,114
Diluted number of shares	<b>49,597,211</b>	<b>55,830,500</b>
Basic earnings per share (in euros)	8.48	7.55
Diluted earnings per share (in euros)	8.35	7.50
Basic earnings per share from continuing operations (in euros)	4.90	1.70
Diluted earnings per share from continuing operations (in euros)	4.82	1.68
Basic earnings per share from discontinued operations (in euros)	3.58	5.85
Diluted earnings per share from discontinued operations (in euros)	3.53	5.82

*Equity instruments relating to managers' joint investment mechanisms (see note g) have not been taken into account in the calculation of diluted earnings per share as the exercise conditions for these mechanisms were not fulfilled at December 31, 2005. The stock options granted by Editis have also been excluded from the calculation as they have an anti-dilutive impact (see note 35).*

# Notes to the consolidated cash flow statement

## NOTE 28 ACQUISITIONS OF INVESTMENTS

In thousands of euros	2005	2004
Bureau Veritas	24,221	514,627
Valeo	7,495	-
Wheelabrator Allevard	-	12
Poincaré Investissements (Bureau Veritas)	-	667,583
Editis (Odyssee 1)	-	653,579
Editions XO (Editis)	-	10,500
Trader Classified Media	-	21,386
By Oranje-Nassau Groep	101,745	-
By Wheelabrator Allevard	-	3,799
By Bureau Veritas	195,453	-
By Stallergènes	7,940	-
By Editis	48,002	-
Other	7,481	162
<b>TOTAL</b>	<b>392,337</b>	<b>1,871,648</b>

## NOTE 29 ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	2005	2004
WENDEL Investissement and holding companies	3,194	343
Oranje-Nassau Groep (excluding Energy)	28,734	22,829
Wheelabrator Allevard	-	8,043
Stallergènes	9,657	4,479
Editis	19,855	5,001
Bureau Veritas	41,874	-
<b>TOTAL</b>	<b>103,314</b>	<b>40,695</b>

# Notes to the consolidated cash flow statement

## NOTE 30 DISPOSALS OF INVESTMENTS (BASED ON SALE PRICE)

In thousands of euros	2005	2004
Capgemini	32,461	87,104
Wheelabrator Allevard	312,616	-
Trader Classified Media	-	343,360
Valeo	254,092	-
bioMérieux	30,279	358,804
Silliker Group Holding	-	16,000
Fonds Alpha	7,572	4,166
Société Générale	-	14,000
Hyva by Oranje-Nassau Groep (excluding Energy)	-	18,816
NavPart by Oranje-Nassau Groep (excluding Energy)	12,409	-
NavTeq by Oranje-Nassau Groep (excluding Energy)	18,481	-
Alpha Bobby by Oranje-Nassau Groep (excluding Energy)	21,742	-
Miscellaneous disposals by Oranje-Nassau Groep (excluding Energy)	3,586	4,515
Miscellaneous disposals by Wheelabrator Allevard	-	587
Miscellaneous disposals by Editis	702	210
Miscellaneous disposals by Stallergènes	620	-
Miscellaneous disposals by Bureau Veritas	-	-
Other	7,134	17
<b>TOTAL</b>	<b>701,694</b>	<b>847,579</b>

## NOTE 31 DISPOSALS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT (BASED ON SALE PRICE)

In thousands of euros	2005	2004
Miscellaneous disposals by WENDEL Investissement	220	75
Miscellaneous disposals by Stallergènes	7	186
Miscellaneous disposals by Wheelabrator Allevard	-	10,836
Miscellaneous disposals by Editis	84	11
Miscellaneous disposals by Bureau Veritas	7,266	-
Miscellaneous disposals by Oranje-Nassau Groep	19,234	10,558
<b>TOTAL</b>	<b>26,811</b>	<b>21,666</b>

# Notes to the consolidated cash flow statement

## NOTE 32 DIVIDENDS PAID

In thousands of euros	2005	2004
WENDEL Investissement dividend	56,452	58,413
Dividends paid to minority interests in consolidated companies	3,389	1,605
<b>TOTAL</b>	<b>59,841</b>	<b>60,018</b>

## NOTE 33 NET CHANGE IN BORROWINGS AND OTHER FINANCIAL LIABILITIES

In thousands of euros	2005	2004
<b>New borrowings obtained/debt issued by:</b>		
WENDEL Investissement – 5% bond issue	-	596,722
WENDEL Investissement – 4.875% bond issue	-	399,348
WENDEL Investissement – 4.375% bond issue	298,653	-
Oranje-Nassau Groep (excluding Energy)	109,464	15,294
Wheelabrator Allevar	-	13,333
Stallergènes	18,104	-
Winvest5	-	715,000
Bureau Veritas	74,979	349,971
Editis	25,549	477,974
	<b>526,749</b>	<b>2,567,642</b>
<b>Borrowings repaid/redeemed by:</b>		
WENDEL Investissement – Syndicated credit line expiring in 2008	-	170,000
WENDEL Investissement – Bonds exchangeable for Valeo shares	369,606	39,194
WENDEL Investissement – Bank borrowings	-	100,000
Oranje-Nassau Groep (excluding Energy)	86,643	21,792
Wheelabrator Allevar	-	39,629
Stallergènes	503	5,279
Winvest5	66,271	348,729
Bureau Veritas	43,449	-
Editis	40,860	35,215
	<b>607,332</b>	<b>759,838</b>
<b>TOTAL</b>	<b>-80,583</b>	<b>1,807,804</b>

# Additional information

## NOTE 34 LEASES

There are no financial leases other than those set out below which could have a material impact on WENDEL Investissement's financial position.

### Finance leases

(Contracts under 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 thousands of euros and signed a 12-year lease with the company on the same date. The rental payments under this lease were calculated based on the repayment in annual instalments of debt representing 7,368 thou-

sands of euros over the life of the lease. The related expense recorded in 2005 amounted to 819 thousands of euros, breaking down as 316 thousands of euros in interest and 503 thousands of euros in repayment of debt. The company has a bargain purchase option on the building amounting to 1 euro exercisable at the term of the lease. At December 31, 2005 the outstanding debt under this lease stood at 5,813 thousands of euros. Transactions costs – which totalled 216 thousands of euros at that date – are being recognised over the life of the lease on a straight-line basis. The net value of the building was 6,126 thousands of euros at year-end 2005 and the related depreciation expense recorded during the year came to 289 thousands of euros.

Finance leases entered into by Editis represented 707 thousands of euros at December 31, 2005 and primarily related to IT equipment.

Future minimum lease payments under finance leases	Amount
Due within 1 year	1,312
Due in 1 to 5 years	3,536
Due beyond 5 years	3,071
<b>TOTAL</b>	<b>7,919</b>

### Operating leases

(Contracts under which the Group does not retain the substantial risks and rewards of ownership of the leased asset)

Editis has operating leases – primarily relating to sales force vehicles – representing future minimum lease payments of 1,971 thousands of euros.

Future minimum lease payments on operating leases due by Bureau Veritas amounted to 159,531 thousands of euros at December 31, 2005. Of this total, 84% relates to property leases.

Future minimum lease payments under operating leases	Amount
Due within 1 year	50,474
Due in 1 to 5 years	103,424
Due beyond 5 years	7,604
<b>TOTAL</b>	<b>161,502</b>

# Additional informations

## NOTE 35 EMPLOYEE STOCK OPTIONS

Total stock option expense amounted to 5,077 thousands of euros in 2005, compared with 2,219 thousands of euros in 2004.

New stock option plans set up in 2005 were as follows:

### WENDEL Investissement

WENDEL Investissement granted 49,000 stock subscription options on July 6, 2005 with an exercise price of 65.28 euros. The options have a life of ten years and a one-year vesting period.

The estimated unit value of the options is 13.4 euros, representing a total value of 656 thousands of euros. This valuation was made based on the Black and Scholes option pricing model using the following assumptions: estimated actual option life = 5 years, volatility = 23.5% and risk-free interest rate = 2.7%.

The related expense is being recognised in the income statement over the vesting period of the stock options, with the expense for 2005 amounting to 328 thousands of euros.

### Editis

Editis granted 369,000 stock subscription options on December 28, 2005 with an exercise price of 16 euros. The options have a life of ten years and a five-year vesting period. The exercise price of the options corresponds to 15% annual growth in the company's share price over the vesting period.

The estimated unit value of the options is 0.6 euro, representing a total value of 222 thousands of euros. This valuation was made based on the Black and Scholes option pricing model using the following assumptions: estimated actual option life = 10 years, volatility = 17% and risk-free interest rate = 3.4%.

The related expense is being recognised in the income statement over the vesting period. The impact on 2005 profit was not material as the options were granted just before the balance sheet date.

### Stallergènes

Stallergènes granted 18,000 stock subscription options on November 14, 2005 with exercise prices of 99.32 euros and 104.68 euros. The options have a life of ten years. The vesting period for certain of the options is one year and for the remainder is dependent on achieving various stages in the development of the company's products.

The related expense is being recognised in the income statement over the vesting period. The impact on 2005 profit was not material as the options were granted close to the balance sheet date.

In thousands of euros	Number of options outstanding at 12.31.04	Options granted in 2005	Options cancelled in 2005	Options exercised in 2005	Number of options outstanding at 12.31.05	Number exercisable options	Exercise price (euro)	Average exercise price (euro)	Average residual life
WENDEL Investissement									
• Stock purchase options <sup>(3)</sup>	228,302	2,166 <sup>(1)</sup>	-	-80,840	149,628	149,628	33.35 to 44.23	33.78	5 years
• Stock subscription options	1,698,638	65,109 <sup>(2)</sup>	-	-728,036	1,035,711	986,711	24.59 to 65.28	36.41	5 years
Bureau Veritas	499,250	-	-10,000	-128,135	361,115	201,065	19.06 to 120.94	81.00	5 years
Editis	-	369,000	-	-	369,000	-	16.00	16.00	10 years
Stallergènes	291,689	18,000	-	-97,249	212,440	72,565	14.97 to 104.68	37.06	5 years

(1) Adjustment due to the simplified public tender offer carried out in January 2005.

(2) Including 16,109 options due to an adjustment following the simplified public tender offer carried out in January 2005.

(3) At December 31, 2004 and December 31, 2005, WENDEL Investissement held the required number of shares for allocation on the exercise of share purchase options granted.



# Additional informations

## NOTE 36 SEGMENT INFORMATION

WENDEL Investissement's business segments correspond to the sectors in which its subsidiaries operate, as follows:

- Bureau Veritas (Certification and quality control)
- Editis (Publishing)
- Stallergènes (Immunotherapy)
- Oranje-Nassau Énergie (Energy)

WENDEL Investissement does not analyse its operations by geographic area but rather by subsidiary. The breakdown of the subsidiaries' operations by geographic area is specific to each subsidiary and cannot therefore be compared between one subsidiary and another.

The majority of the Group's balance sheet and income statement items are broken down by business in the notes to the balance sheet and income statement, other than those set out below:

In thousands of euros	TOTAL	WENDEL Investissement & Holding companies	Bureau Veritas	Editis	Stallergènes	Oranje- Nassau Énergie	Oranje-Nassau Groep (excluding Energy)
Total assets <sup>(1)</sup>	6,091	1,728	2,759	966	105	327	205
Total liabilities <sup>(1)</sup>	4,474	1,978	1,311	775	63	225	121
Recurring operating profit/(loss) <sup>(1)</sup>	348	-35	152	55	22	151	4
Cash flows from operating activities	557	-27	251	115	22	190	-
Cash flows from investing activities	275	576	-218	-60	-14	-118	108
Cash flows from financing activities	-592	-581	12	-44	1	8	12
Impact of income tax on cash and cash equivalents	-168	-4	-57	-31	-7	-69	-1

### Fully consolidated companies

	Total consolidated net value (in millions of euros)
Oranje-Nassau (excluding Stallergènes and Lumina Parent)	186.0
Stallergènes	20.6
BLR Lux (Neuf Telecom)	97.3
Odyssée 1 (Editis)	191.0
Bureau Veritas	1,437.3

### Company accounted for by the equity method

Lumina Parent (Legrand)	434.5
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<sup>(1)</sup> After accounting of goodwill.

# Additional informations

## NOTE 37 UNAVAILABLE ASSETS

	Release date	Consolidated value of unavailable assets	12.31.2005 Total recognised in the balance sheet	% of total recognised assets
Intangible assets	-	-		
		-	2,544,847	0%
Property, plant and equipment				
• Property owned by Oranje-Nassau (mortgaged)	june 2009	38,000		
• Property owned by Oranje-Nassau (mortgaged)	may 2009	9,700		
		47,700	453,298	10.5%
Financial assets	-	-		
		-	865,098	0.0%
Cash and cash equivalents	-	10,349		
		10,349	1,029,599	1.0%
<b>Total</b>		<b>58,049</b>	<b>6,091,147</b>	<b>1.0%</b>

Certain other assets eliminated in consolidation – such as shares in consolidated companies and inter-company receivables – have been pledged as collateral for banks as follows:

- bonds issued by Sofu-Participations and underwritten by Winvest5 pledged as a guarantee for the repayment of 300,000 thousands of euros;
- certain Editis group shares pledged as a guarantee for the repayment of debt due by the Editis group in an amount of 426,441 thousands of euros.

## NOTE 38 EVENTS AFTER THE BALANCE SHEET DATE (Up to the Supervisory Board meeting of March 29, 2006)

### Materis

In February 2006, WENDEL Investissement and LBO France signed a contract to purchase Materis, a company that produces special-ist chemicals for the building industry. The agreed purchase price for the entire capital of Materis is 1,011 millions of euros, corresponding to an enterprise value of approximately 2 billions of euros (8.5 x estimated 2005 EBITDA). WENDEL Investissement and the company's management will invest approximately 420 millions of euros in connection with this acquisition.

# List of main consolidated companies at December 31, 2005

Consolidation method	% interest	Company	Country	Business sector
<b>FULL</b>	<b>100.00</b>	<b>WENDEL Investissement</b>	<b>France</b>	<b>Investment</b>
FULL	58.96	BLR Lux (Neuf Telecom)	Luxembourg	"
FULL	100.00	Compagnie Financière de la Trinité	France	"
FULL	100.00	Simfor	France	"
FULL	100.00	Sofisamc	Switzerland	"
FULL	100.00	Sofiservice	France	"
FULL	100.00	Solfur	France	"
FULL	100.00	Trief Corporation	Luxembourg	"
FULL	100.00	Winvest1	France	"
FULL	100.00	Winbond	France	"
FULL	82.86	Odyssée 3	France	"
FULL	100.00	Ofilux Finance	Luxembourg	"
FULL	100.00	Winvest3	France	"
FULL	100.00	Poincaré-Participations	France	"
FULL	100.00	Sofu-Participations	France	"
FULL	100.00	Winvest5	France	"
FULL	100.00	Winvest6	France	"
FULL	56.20	Winvest7	France	"
FULL	100.00	Eufor	France	"
FULL	100.00	Compagnie d'Alberta	France	"
FULL	100.00	Bethany et compagnie	France	"
FULL	100.00	Catania	France	"
FULL	100.00	Financière de Dalaba	France	"
FULL	100.00	Froeggen	Luxembourg	"
FULL	65.46	WA Invest	Luxembourg	"
FULL	75.00	Compagnie de l'Odyssée	France	"
<b>FULL</b>	<b>100.00</b>	<b>Oranje-Nassau Groep B.V.</b>	<b>Netherlands</b>	
FULL	100.00	Onroerend Goed Oranje-Nassau N.V.	Netherlands	Real estate
FULL	100.00	Oranje-Nassau Énergie B.V.	Netherlands	Energy
FULL	100.00	Oranje-Nassau Participaties B.V.	Netherlands	Equity interests
<b>FULL</b>	<b>48.16</b>	<b>Stallergènes SA</b>	<b>France</b>	<b>Immunotherapy</b>
FULL	48.16	SCI Stallergènes Antony	France	"
FULL	48.16	Bergstrabe 20. Erste VVGmbH	Germany	"
FULL	48.16	Stallergènes GmbH	Germany	"
FULL	48.16	Stallergènes & Co KG	Germany	"
FULL	48.16	Stallergènes Italia	Italy	"
FULL	48.16	Stallergènes Iberica	Spain	"
FULL	48.16	Stallergènes Belgium	Belgium	"
<b>FULL</b>	<b>99.37</b>	<b>Bureau Veritas</b>	<b>France</b>	<b>Quality control/Certification</b>
FULL	99.37	BV sa - South Africa	South Africa	"
FULL	99.37	BV sa - Germany	Germany	"
FULL	99.37	BVCPS Germany	Germany	"
FULL	99.37	BVQI Germany	Germany	"
FULL	99.37	DIN VSB Zert GmbH	Germany	"
FULL	99.37	Ingenieurgesellschaft für Projektmanagement	Germany	"
FULL	99.37	PKB Hamburg	Germany	"
FULL	99.37	BV Angola	Angola	"
FULL	99.37	BV sa - Arabie Saoudite	Saudi Arabia	"
FULL	59.62	BV Sats - Saudi Arabia	Saudi Arabia	"
FULL	99.37	BIVAC Argentina	Argentina	"
FULL	99.37	BV Argentina	Argentina	"

**FULL:** Fully consolidated. **EQUITY:** Accounted for by the equity method.

# List of main consolidated companies at December 31, 2005

Consolidation method	% interest	Company	Country	Business sector
FULL	99.37	BVQI Argentina	Argentina	Quality control/Certification
FULL	99.37	BV sa - Australia	Australia	"
FULL	99.37	BVQI Australia	Australia	"
FULL	99.37	BV SA - Austria	Austria	"
FULL	99.37	BVQI Austria	Austria	"
FULL	99.37	BV Austria	Austria	"
FULL	99.37	BV Azeri	Azerbaijan	"
FULL	99.37	BV sa - Bahrain	Bahrain	"
FULL	99.37	BIVAC Bangladesh	Bangladesh	"
FULL	95.40	BV CPS Bangladesh	Bangladesh	"
FULL	99.37	AIBV	Belgium	"
FULL	99.37	BV sa - Belgium	Belgium	"
FULL	99.37	BVQI Belgium	Belgium	"
FULL	99.37	BV Bangladesh Private Ltd	Bangladesh	"
FULL	99.37	BV Benin	Benin	"
FULL	49.69	TT- Neptunus Bermudes	Bermuda	"
FULL	95.78	BV do Brasil	Brazil	"
FULL	99.37	BVQI do Brasil	Brazil	"
FULL	95.79	Tecnitas do Brasil	Brazil	"
FULL	99.37	BV sa - Brunei	Brunei	"
FULL	99.37	BV Varna	Bulgaria	"
FULL	99.37	BV Douala	Cameroon	"
FULL	99.37	BV Canada	Canada	"
FULL	99.37	BV Chile	Chile	"
FULL	99.37	BVQI Chile	Chile	"
FULL	99.37	BV Consulting China	China	"
FULL	99.37	BV CPS Hong Kong	China	"
FULL	59.62	BV CPS Testing Co - Shanghai	China	"
FULL	99.37	BV sa - Hong Kong	China	"
FULL	99.37	BVQI Hong Kong	China	"
FULL	48.67	Falide International Quality Assessment	China	"
FULL	99.37	LCIE China	China	"
FULL	99.37	QA Testing Center Ltd	China	"
FULL	99.37	BIVAC Colombia	Colombia	"
FULL	99.37	BV Colombia	Colombia	"
FULL	99.37	BVQI Colombia	Colombia	"
FULL	99.37	Bivac Congo	Congo	"
FULL	99.37	BV Congo	Congo	"
FULL	99.37	BV sa - Korea	South Korea	"
FULL	99.37	BVQI Korea	South Korea	"
FULL	99.37	Bivac Ivory Coast	Ivory Coast	"
FULL	50.68	Bivac Scan CI	Ivory Coast	"
FULL	99.37	BV Ivory Coast	Ivory Coast	"
FULL	99.37	BV Croatia	Croatia	"
FULL	99.37	BV sa - Cuba	Cuba	"
FULL	99.37	BV sa - Denmark	Denmark	"
FULL	99.37	BVQI Denmark	Denmark	"
FULL	89.43	BV Egypt	Egypt	"
FULL	99.37	BV sa - Egypt	Egypt	"
FULL	99.37	BV sa - Abu Dhabi	United Arab Emirates	"
FULL	99.37	BV sa - Dubai	United Arab Emirates	"

**FULL:** Fully consolidated. **EQUITY:** Accounted for by the equity method.

# List of main consolidated companies at December 31, 2005

Consolidation method	% interest	Company	Country	Business sector
FULL	99.37	BV Ecuador	Ecuador	Quality control/Certification
FULL	99.37	BVQI Ecuador	Ecuador	"
FULL	98.69	BV Espanol	Spain	"
FULL	99.37	BV sa - Spain	Spain	"
FULL	99.37	BVQI Spain	Spain	"
FULL	99.37	IPM Spain	Spain	"
FULL	99.37	IPM Spain	Spain	"
FULL	99.37	BV Estonia	Estonia	"
FULL	99.37	BDI Laboratories	United States	"
FULL	99.37	Berryman & Henfullar East Florida	United States	"
FULL	99.37	Berryman & Henigar Enterprises	United States	"
FULL	99.37	Berryman & Henigar West California	United States	"
FULL	99.37	BHE Medical Staffing	United States	"
FULL	99.37	BHE Technical Staffing Inc.	United States	"
FULL	99.37	Bivac North America	United States	"
FULL	99.37	BTC Laboratories	United States	"
FULL	99.37	BV Cons Products Inc.	United States	"
FULL	99.37	BVHI - USA	United States	"
FULL	99.37	BVNA - USA	United States	"
FULL	99.37	BVQI North America	United States	"
FULL	99.37	Clayton Engineering	United States	"
FULL	99.37	Curtis Strauss	United States	"
FULL	99.37	Earth Consultant Inc.	United States	"
FULL	99.37	Employment Systems Inc.	United States	"
FULL	99.37	Graham Marcus	United States	"
FULL	99.37	Inspect d.o.o.	United States	"
FULL	99.37	Intercounty Laboratories	United States	"
FULL	99.37	ISI / UNICON	United States	"
FULL	99.37	KW2 MI BV	United States	"
FULL	99.37	LP2A	United States	"
FULL	99.37	One Cis	United States	"
FULL	99.37	Professional Eng Inspections Co	United States	"
FULL	99.37	RW Hunt	United States	"
FULL	99.37	Terra Mar	United States	"
FULL	99.37	Testing Engineers Los Angeles	United States	"
FULL	99.37	Testing Engineers Nevada	United States	"
FULL	99.37	Testing Engineers San Diego	United States	"
FULL	99.37	Unitek Energy	United States	"
FULL	99.37	Unitek Technical Services	United States	"
FULL	99.37	US Engineering Laboratories	United States	"
FULL	99.37	US Laboratories Inc.	United States	"
FULL	99.37	Vasey Engineering Cy Inc.	United States	"
FULL	99.37	LP2A	United States	"
FULL	99.37	Clayton Engineering	United States	"
FULL	99.37	Curtis-Strauss LLC	United States	"
FULL	99.37	Risk & Safety	United States	"
FULL	99.37	BV sa - Finland	Finland	"
FULL	99.37	Aquarism	France	"
EQUITY	49.61	ATSI - France	France	"
FULL	99.37	Bio Control	France	"
FULL	99.37	Bivac International	France	"

**FULL:** Fully consolidated. **EQUITY:** Accounted for by the equity method.

# List of main consolidated companies at December 31, 2005

Consolidation method	% interest	Company	Country	Business sector
FULL	99.37	BV Consulting France	France	Quality control/Certification
FULL	99.33	BV Monaco	France	"
FULL	99.37	BV SA - Guyana West Indies region	France	"
FULL	99.37	BV SA - Indian Ocean region	France	"
FULL	99.37	BVCPS France (formerly ACTS France)	France	"
FULL	99.37	BVQI France	France	"
FULL	99.37	BVQI Holding H. Off. France	France	"
FULL	99.37	BVSA Mayotte	France	"
FULL	99.37	CEP Industrie	France	"
FULL	99.37	LCIE France	France	"
FULL	99.37	LCT SA - France	France	"
FULL	99.37	PKB France	France	"
FULL	94.42	Qualité France SA	France	"
FULL	99.37	Sedhyca	France	"
FULL	99.37	Tecnitas SA	France	"
FULL	99.37	Transcable	France	"
FULL	99.37	SSIC00R	France	"
FULL	99.37	BV Gabon	Gabon	"
FULL	99.37	BIVAC Ghana	Ghana	"
FULL	99.37	BV sa - Greece	Greece	"
FULL	99.37	BVQI Hellas	Greece	"
FULL	99.37	BVCPS Guatemala	Guatemala	"
FULL	99.37	BV Guinea	Guinea	"
FULL	99.37	BV Equatorial Guinea	Equatorial Guinea	"
FULL	99.37	Technitas Far East Company Limited	Hong Kong	"
FULL	99.37	BV Hungary	Hungary	"
FULL	99.37	BV sa - Mauritius	Mauritius	"
FULL	99.37	BV Consulting India	India	"
FULL	99.37	BV CPS India Ltd	India	"
FULL	99.37	BV sa - India	India	"
FULL	97.20	BVIS - India	India	"
FULL	99.37	BVQI India	India	"
FULL	84.46	BV CPS Indonesia	Indonesia	"
FULL	99.37	BV Indonesia	Indonesia	"
FULL	99.37	BV sa - Iran	Iran	"
FULL	99.37	BV sa - Ireland	Ireland	"
FULL	99.37	BV Italia	Italy	"
FULL	99.37	BVQI Italy	Italy	"
FULL	99.37	MTL Italy	Italy	"
FULL	99.37	BV Japan Company Ltd (Consulting)	Japan	"
FULL	99.37	BV sa - Japan	Japan	"
FULL	99.37	BVQI Japan	Japan	"
FULL	49.69	Nihon Testing Ltd - Japan	Japan	"
FULL	99.37	BV Kazakhstan	Kazakhstan	"
FULL	99.37	BVI Ltd Kazakhstan Branch	Kazakhstan	"
FULL	59.62	BV Kazakhstan Industrial Services LLP	Kazakhstan	"
FULL	99.27	BV Kenya	Kenya	"
FULL	99.37	BV sa - Kuwait	Kuwait	"
FULL	99.37	BV Latvia	Latvia	"
FULL	99.37	BV Lebanon	Lebanon	"
FULL	99.37	BV Lithuania	Lithuania	"

**FULL:** Fully consolidated. **EQUITY:** Accounted for by the equity method.

# List of main consolidated companies at December 31, 2005

Consolidation method	% interest	Company	Country	Business sector
FULL	99.37	BV Luxembourg	Luxembourg	Quality control/Certification
FULL	99.37	Soprefira	Luxembourg	"
FULL	99.37	BV Madagascar	Madagascar	"
FULL	48.69	BV Malaysia	Malaysia	"
FULL	99.37	BVQI (Malaysia) Sdn Bhd	Malaysia	"
FULL	99.37	BV Mali	Mali	"
FULL	99.37	BV sa - Malta	Malta	"
FULL	99.37	BV sa - Morocco	Morocco	"
FULL	99.37	BVQI Morocco	Morocco	"
FULL	99.37	BV sa - Mauritania	Mauritania	"
FULL	99.37	BV Mexicana	Mexico	"
FULL	99.37	BVQI Mexico	Mexico	"
FULL	99.37	MTL Mexico	Mexico	"
FULL	99.37	BV sa - Mozambique	Mozambique	"
FULL	59.62	BV Nigeria	Niger	"
FULL	99.37	BV sa - Norway	Norway	"
FULL	99.37	BV sa - New Caledonia	New Caledonia	"
FULL	99.37	BV New Zealand	New Zealand	"
FULL	99.37	BV sa - Oman	Oman	"
FULL	99.37	BV sa - Pakistan	Pakistan	"
FULL	99.37	BV Panama	Panama	"
FULL	99.37	BIVAC Paraguay	Paraguay	"
FULL	99.37	BV Marine Belgium&Luxembourg N.V	Netherlands	"
FULL	99.37	BIVAC Rotterdam	Netherlands	"
FULL	99.37	BIVAC World market	Netherlands	"
FULL	99.37	BV sa - Netherlands	Netherlands	"
FULL	99.37	BVQI Netherlands	Netherlands	"
FULL	99.37	KW2 MI BV	Netherlands	"
FULL	99.37	BIVAC Peru	Peru	"
FULL	99.37	BV Peru	Peru	"
FULL	99.37	BV CPS Philippines	Philippines	"
FULL	99.37	BV sa - Philippines	Philippines	"
FULL	99.37	BV Poland	Poland	"
FULL	99.37	BVQI Poland	Poland	"
FULL	99.37	BV sa - Portugal	Portugal	"
FULL	99.37	BVQI Portugal	Portugal	"
FULL	89.43	Rinave Certificacao e Auditoria	Portugal	"
FULL	99.37	Rinave Consultatorio y Servicios	Portugal	"
FULL	99.37	Rinave Qualidade y Seguranca	Portugal	"
FULL	99.37	Rinave Registro Int'l Naval	Portugal	"
FULL	99.37	BV sa - Qatar	Qatar	"
FULL	99.37	BVCPS Dominican	Dominican Republic	"
FULL	99.37	BV - Czech Republic	Czech Republic	"
FULL	99.37	BVQI Czech Republic	Czech Republic	"
FULL	99.37	Inspekta Cert	Czech Republic	"
FULL	99.37	Inspekta Core	Czech Republic	"
FULL	99.37	BV Romania CTRL	Romania	"
FULL	99.37	AMTAC Laboratories Ltd	United Kingdom	"
FULL	99.37	BV Inspection UK (formerly PSL)	United Kingdom	"
FULL	99.37	BV sa - United Kingdom	United Kingdom	"
FULL	99.37	BV UK Ltd (formerly Weeks Group Holding)	United Kingdom	"

**FULL:** Fully consolidated. **EQUITY:** Accounted for by the equity method.



# List of main consolidated companies at December 31, 2005

Consolidation method	% interest	Company	Country	Business sector
FULL	99.37	BVQI Holding H. Off. UK branch	United Kingdom	Quality control/Certification
FULL	99.37	BVQI LTD - UK	United Kingdom	"
FULL	99.37	Casella	United Kingdom	"
FULL	99.37	LJ Church Ltd	United Kingdom	"
FULL	74.53	Pavement Technologies Limited	United Kingdom	"
FULL	99.37	Technicare	United Kingdom	"
FULL	99.37	Templeth UK	United Kingdom	"
FULL	49.69	TT Neptunus London	United Kingdom	"
FULL	99.37	Weeks Consulting Limited	United Kingdom	"
FULL	99.37	Weeks Laboratories Limited	United Kingdom	"
FULL	99.37	Weeks Technical Services	United Kingdom	"
FULL	99.37	Merchandise Testing Laboratories Ltd	United Kingdom	"
FULL	99.37	Casella Consulting Ltd	United Kingdom	"
FULL	99.37	Stranger	United Kingdom	"
FULL	99.37	Winton	United Kingdom	"
FULL	99.37	Hazmat	United Kingdom	"
FULL	99.37	Analytic	United Kingdom	"
FULL	99.37	Seal	United Kingdom	"
FULL	99.37	Winton Holding	United Kingdom	"
FULL	99.37	BV Russia	Russia	"
FULL	99.37	BV - Senegal	Senegal	"
FULL	99.37	Bureau Veritas d.o.o - Serbie	Serbie	"
FULL	99.37	BV CPS Singapore	Singapore	"
FULL	99.37	BV sa - Singapore	Singapore	"
FULL	99.37	BVQI Singapore	Singapore	"
FULL	99.37	BV Slovakia	Slovakia	"
FULL	99.37	BVQI Slovakia	Slovakia	"
FULL	99.37	Bureau Veritas D.O.O - Slovenia	Slovenia	"
FULL	99.37	BV SA - Slovenia	Slovenia	"
FULL	99.37	BV CPS Lanka	Sri Lanka	"
FULL	99.37	BV Lanka Ltd	Sri Lanka	"
FULL	99.37	BV sa - Sweden	Sweden	"
FULL	99.37	BVQI Sweden	Sweden	"
FULL	99.37	BV Bivac Switzerland	Switzerland	"
FULL	99.37	BVQI Switzerland	Switzerland	"
FULL	99.37	BV sa - Tahiti	Tahiti	"
FULL	96.90	Advance Data Technology Corporation	Taiwan	"
FULL	99.37	BV sa - Taiwan	Taiwan	"
FULL	99.37	BVQI Taiwan	Taiwan	"
FULL	99.37	BV Taiwan	Taiwan	"
FULL	99.37	BV Chad	Chad	"
FULL	48.69	BV Thailand	Thailand	"
FULL	99.37	BVCPS Thailand	Thailand	"
FULL	48.69	BVQI Thailand	Thailand	"
FULL	99.37	BV Togo	Togo	"
FULL	99.37	BV sa - Tunisia	Tunisia	"
FULL	49.62	STCV - Tunisia	Tunisia	"
FULL	99.37	BV CPS Turkey	Turkey	"
FULL	99.37	BV Turkey	Turkey	"
FULL	99.37	BVQI Turkey	Turkey	"
FULL	99.37	BV Ukraine	Ukraine	"

**FULL:** Fully consolidated. **EQUITY:** Accounted for by the equity method.

# List of main consolidated companies at December 31, 2005

Consolidation method	% interest	Company	Country	Business sector
FULL	99.37	BVQI Ukraine	Ukraine	Quality control/Certification
FULL	99.37	BV Venezuela	Venezuela	"
FULL	99.37	BVQI Venezuela	Venezuela	"
FULL	99.37	BV Vietnam	Vietnam	"
FULL	99.37	BVQI Vietnam	Vietnam	"
<b>FULL</b>	<b>100.00</b>	<b>Odysée Holding (Editis)</b>	<b>France</b>	<b>Publishing</b>
FULL	100.00	Odysée 1	France	"
FULL	100.00	Editis-Holding	France	"
FULL	100.00	Editis SA	France	"
FULL	99.99	Editis Financing	Luxembourg	"
FULL	100.00	Julliard	France	"
FULL	100.00	Éditions La Découverte	France	"
FULL	100.00	Plon	France	"
FULL	99.95	Éditions Robert Laffont	France	"
FULL	99.95	Éditions Robert Laffont Canada	Canada	"
FULL	99.95	Éditions Nil	France	"
FULL	98.78	Le Cherche-Midi Éditeur	France	"
FULL	100.00	Les Presses de La Renaissance	France	"
FULL	100.00	Place des Éditeurs	France	"
FULL	100.00	Sogedif	France	"
FULL	99.95	Sagitta	France	"
FULL	100.00	Univers Poche	France	"
FULL	100.00	Univers Poche Langue Pour Tous	France	"
FULL	100.00	Spring & Rochelle	France	"
FULL	100.00	Perrin sas	France	"
FULL	100.00	Éditions First Interactive	France	"
FULL	100.00	Éditions Générales First	France	"
FULL	51.00	Bookpole	France	"
FULL	100.00	Comptoir du Livre	France	"
FULL	100.00	Interforum	France	"
FULL	100.00	Interforum Benelux	Belgium	"
FULL	100.00	Interforum Canada	Canada	"
FULL	100.00	Interforum Switzerland	Switzerland	"
FULL	100.00	Sejer	France	"
FULL	100.00	Jacar Sci	France	"
FULL	100.00	Bordas Sas	France	"
FULL	100.00	Librairie Fernand Nathan	France	"
FULL	96.86	Dictionnaires Le Robert	France	"
FULL	100.00	Nathan Jeux	France	"
FULL	100.00	Éditions Hemma	Belgium	"
FULL	100.00	E-Plateforme	France	"
<b>EQUITY</b>	<b>37.39</b>	<b>Lumina Parent (Legrand)</b>	<b>Luxembourg</b>	<b>Electrical equipment</b>

**FULL:** Fully consolidated. **EQUITY:** Accounted for by the equity method.

# Statutory auditors' report on the consolidated financial statements Year ended December 31, 2005

*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 entrusted to us by the Shareholders' Meeting, we have audited the accompanying consolidated financial statements of WENDEL Investissement for the year ended December 31, 2005.

The consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit. These financial statements have been prepared for the first time in accordance with IFRS as adopted by the European Union. They include comparative information for 2004 restated in accordance with the same standards.

## 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2005, 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 dealt with 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 "Managers' investment systems" 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 indefinite-lived intangible assets 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 testing". We examined the methods used to implement these impairment tests, obtained assurance that the estimates used were reasonable, and verified that the notes mentioned above provide appropriate disclosures in this regard.

The 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.

Paris La Défense and Neuilly-sur-Seine, May 12, 2006

The Statutory auditors

Ernst & Young Audit  
François Carrega

PricewaterhouseCoopers Audit  
Olivier Thibault



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# Analysis of the parent company financial statements

## INCOME STATEMENT

In millions of euros	2005	2004
Income from investments in subsidiaries, associates and long-term equity portfolio	97	814
Other financial income and expenses	-113	-51
Net financial income	<b>-16</b>	<b>763</b>
Operating profit (loss)	-27	-25
<b>Profit (loss) before exceptional items and tax</b>	<b>-43</b>	<b>738</b>
Exceptional items	213	-77
Income taxes	32	3
<b>Net profit</b>	<b>202</b>	<b>664</b>

Profit (loss) before exceptional items and tax was (43) millions of euros in 2005 compared with 738 millions of euros in 2004. The 2004 figures included certain non-recurring transactions, including mainly 745 millions of euros of dividends and 11 millions of euros of foreign currency gains on hedging of assets. Results in 2005 also include certain non-recurring transactions including in particular 36 millions of euros of dividends and 39 millions of euros of foreign currency losses on hedging of assets. Apart from these items, the change in "Profit (loss) before exceptional items and tax" mainly resulted from the increase in the cost of net debt and, because of the high number of acquisition projects studied, an increase in the level of fees paid to the company's different advisors.

Exceptional items of 213 millions of euros in 2005 mainly include the capital gain on the disposal of Wheelabrator Allevard shares in an amount of 92 millions of euros, results on investments in Valeo and Capgemini (gains and losses on disposals and changes in provisions) for 92 millions of euros and the write-back of the provision on shares in Winvest1 (which holds the Group's investment in Neuf Telecom) for 26 millions of euros.

After taking into account income on tax consolidation of 32 millions of euros (which includes, for the first time, income related to the tax consolidation of Bureau Veritas and Editis), the net profit for 2005 is 202 millions of euros.

## BALANCE SHEET

### ASSETS

In millions of euros	12.31.2005	12.31.2004
Tangible fixed assets	3	3
Financial fixed assets	3,011	3,179
Working capital	188	75
Cash, and marketable securities	754	667
<b>Total Assets</b>	<b>3,956</b>	<b>3,924</b>

The change in financial fixed assets mainly results from the disposal of shares in Wheelabrator Allevard (-188), Valeo (-192), and Capgemini (-76), and from acquisitions and subscriptions of shares in Winvest3 (+19), Odyssee Holding (+24), Bureau Veritas (+24) and WENDEL Investissement (+209) and the change in the provision on Winvest1 shares (+26).

Working capital mainly includes financial instruments, receivables related to tax consolidation and receivables on certain holdings of the WENDEL Investissement Group.

### EQUITY AND LIABILITIES

In millions of euros	12.31.2005	12.31.2004
Equity	1,702	1,640
Provisions	16	46
Borrowings	2,238	2,238
<b>Total Equity and Liabilities</b>	<b>3,956</b>	<b>3,924</b>

Equity, which represents an amount of 1,702 million of euros at year end, changed in the year as a result of net profit of 202 millions of euros, dividends paid in respect of 2004 of 56 millions of euros, cancellation of treasury shares for 110 millions of euros and issuance of shares in the context of stock option plans and the employee savings plan for 26 millions of euros.

Borrowings, whose amount at the end of 2005 is equal to that at the end of 2004, changed as a result of the repayment of the bond exchangeable for Valeo shares for 370 millions of euros, the issuance of a bond for 300 millions of euros and changes in borrowings from holding companies in the WENDEL Investissement Group.

## INVESTMENTS MADE IN THE YEAR

In application of article L. 233-6 of the French commercial Code, we inform you that in 2005 WENDEL Investissement invested in, or took control of, the following companies:

	Direct ownership	Direct and indirect ownership
Winvest3	100%	100%
Winvest9	100%	100%
Winvest10	100%	100%
Eufor	80%	100%
Compagnie du Sahara	100%	100%
Poincaré Participations	100%	100%



# Balance sheet

## Assets

In thousands of euros	Note	12.31.2005			12.31.2004 Net	12.31.2003 Net
		Gross	Depreciation or provisions	Net		
FIXED ASSETS						
Tangible fixed assets		11,064	8,392	2,672	2,675	2,927
Financial fixed assets <sup>(1)</sup>						
Investments in subsidiaries and associates	1	2,704,287	34,825	2,669,462	2,611,116	2,078,579
Long-term equity portfolio	2	39,170	-	39,170	332,026	-
Other fixed asset securities	3	304	-	304	142,587	265,139
Treasury shares	3	301,774	-	301,774	92,773	3,601
Loans and other financial fixed assets		55	-	55	63	78
		3,045,590	34,825	3,010,765	3,178,565	2,347,397
TOTAL		3,056,654	43,217	3,013,437	3,181,240	2,350,324
CURRENT ASSETS						
Trade receivables <sup>(2)</sup>		2,664	-	2,664	1,337	1,043
Other receivables <sup>(2)</sup>	4	161,010	-	161,010	32,574	8,626
Treasury instruments	5	56,136	-	56,136	63,850	45,324
Marketable securities	6	752,686	18	752,668	665,426	13,343
Cash at bank and in hand		1,098	-	1,098	1,263	305
Prepayments		101	-	101	238	84
TOTAL		973,695	18	973,677	764,688	68,725
Loan redemption premiums		4,279	-	4,279	3,510	-
TOTAL ASSETS		4,034,628	43,235	3,991,393	3,949,438	2,419,049
(1) Of which within one year				22	21	13
(2) Of which more than one year				-	-	-

# Equity and liabilities

In thousands of euros	Note	12.31.2005	12.31.2004	12.31.2003
<b>EQUITY</b>				
Share capital		218,854	224,732	223,928
Share premiums		216,246	294,285	127,099
Legal reserve		22,473	22,393	22,368
Regulated reserves		191,820	391,820	391,820
Other reserves		203,497	8,484	8,484
Retained earnings		646,937	34,264	27,304
<b>Profit for the year</b>		<b>202,172</b>	<b>664,219</b>	<b>217,481</b>
		<b>1,701,999</b>	<b>1,640,197</b>	<b>1,018,484</b>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	7	<b>15,984</b>	<b>45,592</b>	<b>51,437</b>
<b>CREDITORS<sup>(1)</sup></b>				
Borrowings	8	2,237,864	2,238,521	1,324,904
Other creditors	9	35,546	25,128	24,224
		<b>2,273,410</b>	<b>2,263,649</b>	<b>1,349,128</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,991,393</b>	<b>3,949,438</b>	<b>2,419,049</b>
<i>(1) Of which within one year</i>		<i>694,390</i>	<i>984,629</i>	<i>491,308</i>
<i>Of which more than one year</i>		<i>1,579,020</i>	<i>1,279,020</i>	<i>857,820</i>

# Income statement

In thousands of euros	Note	2005	2004	2003
<b>Income from investments in subsidiaries, associates and long-term equity portfolio</b>	12	<b>97,491</b>	<b>813,846</b>	<b>165,594</b>
<b>Other financial income and expenses</b>	13			
Income				
• Income from marketable securities		-	-	422
• Income from fixed asset loans and advances		2,831	8,706	9,211
• Income from invested cash		12,037	25,018	13,835
• Provisions written back		546	1,550	2,531
Expenses				
• Interest and similar expenses		128,377	84,325	54,690
• Allowances to provisions		596	2,071	-
<b>NET FINANCIAL INCOME</b>		<b>-16,068</b>	<b>762,724</b>	<b>136,903</b>
<b>Operating income</b>	14			
Other income		4,880	7,633	2,774
Provisions written back		23,926	-	-
<b>Operating expenses</b>				
Purchases and external expenses		45,200	18,244	5,460
Taxes other than income taxes		1,084	1,988	877
Wages and salaries	15	5,588	5,738	4,586
Social security costs		2,854	3,215	2,520
Depreciation		464	459	456
Allowances to provisions		-	2,296	1,754
Miscellaneous expenses		427	391	421
<b>OPERATING PROFIT (LOSS)</b>		<b>-26,811</b>	<b>-24,698</b>	<b>-13,300</b>
<b>PROFIT (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>-42,879</b>	<b>738,026</b>	<b>123,603</b>
<b>Exceptional income</b>				
On operating transactions		8,204	3,383	94,940
On capital transactions		814,595	785,234	781,710
Provisions written back		94,391	63,392	490,552
<b>Exceptional expenses</b>				
On operating transactions		13,439	5,111	7,644
On capital transactions		686,142	870,711	1,192,432
Allowances to provisions		4,800	53,495	79,478
<b>EXCEPTIONAL ITEMS</b>	16	<b>212,809</b>	<b>-77,308</b>	<b>87,648</b>
<b>INCOME TAXES</b>	17	<b>32,242</b>	<b>3,501</b>	<b>6,230</b>
<b>NET PROFIT FOR THE YEAR</b>		<b>202,172</b>	<b>664,219</b>	<b>217,481</b>

# Statement of changes in equity

Number of shares		Share capital	Share premiums	Legal reserve	Regulated reserves	Other reserves and retained earnings	Net profit for the year	Interim dividend	Total equity
<b>55,931,687</b>	<b>At December 31, 2002 before appropriation</b>	<b>223,727</b>	<b>226,422</b>	<b>22,368</b>	<b>391,820</b>	<b>33,661</b>	<b>-7,173</b>	<b>-34,997</b>	<b>855,828</b>
	Appropriation of 2001/2002 net loss		-100,000			92,827 <sup>(1)</sup>	7,173		-
	Ordinary dividend					-90,700		34,997	-55,703
	Capital increases:								
11,722	- on the exercise of stock option	47	85						132
38,507	- in connection with employee savings plan	154	592						746
	Net profit 2003						217,481		217,481
<b>55,981,916</b>	<b>At December 31, 2003 before appropriation</b>	<b>223,928</b>	<b>127,099</b>	<b>22,368</b>	<b>391,820</b>	<b>35,788</b>	<b>217,481</b>		<b>-1,018,484</b>
	Appropriation of 2003 net profit			25		217,456 <sup>(2)</sup>	-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 5 <sup>th</sup> resolution of the GM of 12.03.2004 <sup>(3)</sup>	13,578	162,430						176,008
-3,394,440	Shares cancelled pursuant to the decision taken at the Board Meeting of 12.03.2004	-13,578				-147,095			-160,673
	Tax on reserves for long-term capital gains					-4,988			-4,988
	Net profit 2004						664,219		664,219
<b>56,183,048</b>	<b>At December 31, 2004 before appropriation</b>	<b>224,732</b>	<b>294,285</b>	<b>22,393</b>	<b>391,820</b>	<b>42,748</b>	<b>664,219</b>		<b>-1,640,197</b>
	Appropriation of 2004 net profit			80		664,139 <sup>(4)</sup>	-664,219		-
	Appropriation pursuant to the 3 <sup>rd</sup> resolution of the GM of 05.31.2005				-200,000 <sup>(5)</sup>	200,000 <sup>(5)</sup>			-
	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 employee savings plan	109	1,264						1,373
-2,224,765	Shares cancelled pursuant to the decision taken at the Board Meeting of 01.18.2005	-8,899	-100,714						-109,613
	Net profit 2005						202,172		202,172
<b>54,713,540</b>	<b>At December 31, 2005 before appropriation</b>	<b>218,854</b>	<b>216,246</b>	<b>22,473</b>	<b>191,820</b>	<b>850,434</b>	<b>202,172</b>		<b>-1,701,999</b>

<sup>(1)</sup> The amount appropriated to retained earnings approved by the Annual General Meeting of May 27, 2003 was increased by 229 thousands of euros because of the non-payment of dividends on WENDEL Investissement shares held in treasury shares by the company on the ex-dividend date.

<sup>(2)</sup> The amount appropriated to retained earnings approved by the Annual General Meeting of June 1, 2004 was increased by 367 thousands of euros because of the non-payment of dividends on WENDEL Investissement shares held in treasury shares by the company on the ex-dividend date.

<sup>(3)</sup> Shares issued as remuneration 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.

<sup>(4)</sup> The amount appropriated to retained earnings approved by the Annual General Meeting of May 31, 2005 was increased by 8,157 thousands of euros because of the non-payment of dividends on WENDEL Investissement shares held in treasury shares by the company on the ex-dividend date.

<sup>(5)</sup> 3<sup>rd</sup> resolution of the GM of May 31, 2005: in application of article 39-IV of the revised finance act for 2004 (act n°2004-1485 of December 30, 2004), it was decided to transfer, before December 31, 2005, an amount of 200,000 thousands of euros from "Special reserve for long-term capital gains" to "other reserves".

# Cash flow statement

In thousands of euros	2005	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the year	202,172	664,219	217,482
Elimination of gains and losses on fixed asset disposals	-129,987	85,478	410,722
Elimination of depreciation and provisions	-113,021	-6,621	-411,382
Elimination of other non-cash items	-12,147	-675,868	4,063
Change in operating working capital	-123,806	-32,440	-141,634
<b>Net cash flows from operating activities</b>	<b>-176,789</b>	<b>34,768</b>	<b>79,251</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Outflows:			
• acquisitions of investments in subsidiaries and associates <sup>(1)</sup>	-84,371	-614,157	-334,169
• acquisitions of bonds	-2,047	-150,205	-7,710
• acquisitions of tangible fixed assets	-529	-330	-265
• loans granted	-16	- 2	-23
Inflows (based on sale price):			
• disposals of investments in subsidiaries and associates <sup>(2)</sup>	709,342	517,039	373,060
• disposals of tangible fixed assets	213	75	377
• disposals of bonds	-	272,757	50,000
• loans and advances	24	16	61
Change in working capital related to investing activities	-3,848	-	-
<b>Net cash flows from investing activities</b>	<b>618,768</b>	<b>25,193</b>	<b>81,331</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Related to share capital			
• share capital increase	25,696	5,560	878
• buyback of WENDEL Investissement shares	-323,413	-249,845	-3,601
• disposal of WENDEL Investissement shares (liquidity contract)	882	-	-
• disposal of WENDEL Investissement shares (exercise of share options)	2,696	-	-
Dividend payments	-56,453	-58,413	-55,703
Net change in borrowings	-2,003	909,686	-298,542
Change in working capital related to financing activities	-5,060	-15,458	-
<b>Net cash flows from financing activities</b>	<b>-357,655</b>	<b>591,530</b>	<b>-356,968</b>
<b>CHANGE IN NET CASH AND CASH EQUIVALENTS</b>	<b>84,324</b>	<b>651,491</b>	<b>-196,386</b>
<b>Net cash and cash equivalents at beginning of year</b>	<b>657,382</b>	<b>5,891</b>	<b>202,277</b>
<b>NET CASH AND CASH EQUIVALENTS AT YEAR END</b>	<b>741,706</b>	<b>657,382</b>	<b>5,891</b>

<sup>(1)</sup> Including, in 2005, mainly the acquisition of Bureau Veritas shares for 24,221 thousands of euros, the subscription to share capital of Odyssee Holding for 24,039 thousands of euros, the acquisition of Winvest3 shares for 19,130 thousands of euros and the subscription to share capital of Winvest7 for 8,900 thousands of euros.

<sup>(2)</sup> Including, in 2005, mainly the disposal of Capgemini shares for 101,422 thousands of euros, the disposal of bioMérieux shares for 30,279 thousands of euros, the disposal of Wheelabrator Allevar shares for 316,529 thousands of euros, and the disposal of Valeo shares for 261,112 thousands of 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 French general accounting plan, applying the same exceptions as in previous years in order to give a true and fair view of profit for the year. The two exceptions to the policies set out in the French general accounting plan are as follows:

- substitution of “Net financial income” – as the sub-total representing the company’s activity – instead of “Operating profit” as defined by the general accounting plan;
- recognition of all capital transactions in respect of assets other than “Marketable securities” in “Exceptional items”. As regards marketable securities, changes in provisions for impairment and gains and losses on disposal are recognised 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, amortisation and impairment of fixed 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 fixed 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 capitalisation). A provision for impairment may be recognised 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.

## FOREIGN CURRENCY AND INTEREST RATE DERIVATIVE FINANCIAL INSTRUMENTS

Gains and losses arising on derivative financial instruments used in the context of hedging are determined and recognised 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 recognised in a suspense account until expiry of the option. Unrealised losses are provided against; however, unrealised gains are not recognised.

As an exception to this policy, premiums paid for the purchase of options on shares whose purpose is to hedge an optional instrument embedded in a financial liability (convertible bond) are considered as being early payment 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 recognised 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 recognised for the portion of the obligation 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 yield 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 ASSOCIATES

In thousands of euros	% Interest		Net amounts 12.31.04	Internal restruct- uring	Acquisitions and subs- criptions	Disposals	Change in provisions	Net amounts 12.31.05
	12.31.04	12.31.05						
French subsidiaries								
Sofiservice	100.00	100.00	98,595	-	-	-	1,667	100,262
Solfur	100.00	100.00	14,982	-	-	-	-	14,982
Compagnie Financière de la Trinité	100.00	100.00	15,607	-	-	-	-	15,607
Simfor	100.00	100.00	302	-	-	-	-	302
Wheelabrator Allevard	95.50	-	188,202	-	36,197(1)	224,399	-	-
Winvest1	100.00	100.00	153,829	-	-	-	26,521	180,350
Winbond	100.00	100.00	376,190	-	-	-	-	376,190
Winvest6	100.00	100.00	8,809	-	-	-	-	8,809
Odyssée Holding	100.00	100.00	73,705	-	24,039	-	-	97,744
Bureau Veritas	46.45	47.33	748,937	-	24,220	-	-	773,157
Sofu	50.00	-	59,280	-59,280(2)	-	-	-	-
Poincaré Investissements	74.30	-	390,861	-390,863(2)	2	-	-	-
SAS l'Ancienne Mairie	100.00	-	67,610	-67,610(2)	-	-	-	-
SAS du Pont Neuf	100.00	-	67,610	-67,610(2)	-	-	-	-
Winvest3	-	100.00	-	-	19,130	-	-	19,130
Winvest7	100.00	56.20	80	-	8,900	-	-	8,980
Eufor	-	80.00	-	-	237	-	-	237
Poincaré Participations	-	100.00	-	726,863(2)	-	-	-	726,863
Foreign subsidiaries								
Oranje-Nassau	100.00	100.00	238,320	-	-	-	-	238,320
Trief Corporation	24.99	25.00	107,828	-	135	-	-	107,963
Miscellaneous			369	-	197	-	-	566
TOTAL			2,611,116	141,500	113,057	224,399	28,188	2,669,462

(1) Dividend paid in shares.

(2) On September 30, 2005, Poincaré Participations absorbed SAS du Pont Neuf, SAS Ancienne Mairie, Sofu and Poincaré Investissements.

## NOTE 2 LONG-TERM EQUITY PORTFOLIO

In thousands of euros	% Interest		Net amounts 12.31.04	Restruct- uring	Acquisitions and subs- criptions	Disposals	Change in provisions	Net amounts 12.31.05	<sup>(1)</sup> Stock market value
	12.31.04	12.31.05							
Capgemini	2.37	-	76,684	-	-	130,011	53,327	-	-
bioMérieux	3.03	0.90	35,333	-	17	26,800	2,939	11,489	15,231
Valeo	9.97	1.31	220,009	-	7,495	199,823	-	27,681	32,022
<b>TOTAL</b>			<b>332,026</b>	<b>-</b>	<b>7,512</b>	<b>356,634</b>	<b>56,266</b>	<b>39,170</b>	<b>47,253</b>

(1) Valuation at the average stock market price in the month preceding the balance sheet date.



# Notes to the balance sheet

## NOTE 3 OTHER FIXED ASSET SECURITIES

In thousands of euros	Net amounts 12.31.04	Restruct- uring	Acquisitions and subs- criptions	Treasury shares	Other	Change in provisions	Net amount 12.31.05
<b>Other fixed asset securities</b>							
Poincaré Participations (bonds)	142,283	-141,500	-	-	783	-	-
Other securities	304	-	-	-	-	-	304
	142,587	-141,500		-	783	-	304
Treasury shares <sup>(1)</sup>	92,773	-	323,413	-109,614	-4,798 <sup>(2)</sup>	-	301,774
<b>TOTAL</b>	<b>235,360</b>	<b>-141,500</b>	<b>323,413</b>	<b>-109,614</b>	<b>-4,015</b>	<b>-</b>	<b>302,078</b>

(1) Number of treasury shares held by WENDEL Investissement:

at 12.31.2004: 1,932,774

at 12.31.2005: 5,115,934

(2) 82,166 shares reclassified into marketable securities:

- 80,000 allocated to the liquidity contract;

- 2,166 allocated to the purchase options granted in the context of stock-option plans. The simplified public tender offer carried out in January 2005 by WENDEL Investissement on its own shares resulted in the adjustment of the stock purchase and subscription options on WENDEL Investissement shares granted to employees and certain directors.

## NOTE 4 OTHER RECEIVABLES

In thousands of euros	12.31.2005	12.31.2004	12.31.2003
Tax and employee-related receivables <sup>(1)</sup>	32,493	1,424	574
Loans and advances to subsidiaries and associates	96,036	12,224	4,011
Other <sup>(2)</sup>	32,481	18,926	4,041
<b>TOTAL</b>	<b>161,010</b>	<b>32,574</b>	<b>8,626</b>
<i>Of which related companies</i>	<i>103,688</i>	<i>12,314</i>	<i>7,682</i>

(1) Including, in 2005, 31,922 thousands of euros in respect of advance income tax payments made.

(2) Including, in 2005, interest receivable on swaps of 24,538 thousands of euros, compared to 17,990 thousands of euros in 2004.

## NOTE 5 TREASURY INSTRUMENTS

In thousands of euros	Note	12.31.2005	12.31.2004	12.31.2003
Purchase options on Capgemini shares	10	43,159	49,606	42,289
Other purchase options on CAC 40 portfolio		11,675	-	-
Foreign currency derivatives	10	1,302	14,244	3,035
<b>TOTAL</b>		<b>56,136</b>	<b>63,850</b>	<b>45,324</b>

# Notes to the balance sheet

## NOTE 6 MARKETABLE SECURITIES

In thousands of euros	Net book value	12.31.2005 Stock market value	Net book value	12.31.2004 Stock market value	Net book value	12.31.2003 Stock market value
WENDEL Investissement shares <sup>(1)</sup>	6,138	5,054	9,308	7,678	7,758	7,758
	<b>6,138</b>	<b>5,054</b>	<b>9,308</b>	<b>7,678</b>	<b>7,758</b>	<b>7,758</b>
Mutual fund units	733,951	733,951	656,118	656,118	5,516	5,516
Liquidity contract <sup>(2)</sup>						
• WENDEL Investissement shares	5,923	5,940	-	-	-	-
• Mutual fund units	5,833	5,833	-	-	-	-
CAC 40 portfolio	823	823	-	-	69	76
	<b>746,530</b>	<b>746,547</b>	<b>656,118</b>	<b>656,118</b>	<b>5,585</b>	<b>5,592</b>
<b>TOTAL</b>	<b>752,668</b>	<b>751,601</b>	<b>665,426</b>	<b>663,796</b>	<b>13,343</b>	<b>13,350</b>

<sup>(1)</sup> Shares held for allotment on the exercise of stock options granted in connection with stock option plans. The market value of these shares is the lower of their stock market value and their value on the basis of the exercise price for the options granted. In accordance with accounting standards, the negative difference between the book value and the exercise price of the options, which amounted to 1,104 thousands of euros, gave rise to a provision recognised under "Provisions for liabilities and charges".

Number of shares at Dec. 31, 2005: 149,628.

<sup>(2)</sup> 70,000 WENDEL Investissement shares.

## NOTE 7 PROVISIONS FOR LIABILITIES AND CHARGES

In thousands of euros	12.31.2005	12.31.2004	12.31.2003
Provision for pensions and other post-employment benefit obligations <sup>(1)</sup>	357	24,283	21,987
Provision for reimbursement of income tax (tax consolidation) (see note 17)	3,555	10,259	14,864
Other provisions for liabilities and charges	12,072	11,050	14,586
<b>TOTAL</b>	<b>15,984</b>	<b>45,592</b>	<b>51,437</b>

### Analysis of change in provisions

In thousands of euros	12.31.2004	Allowances in the year	Write-backs in the year used	not used	12.31.2005
Provision for pensions and other post-employment benefit obligations <sup>(1)</sup>	24,283	-	23,926	-	357
Provision for reimbursement of income tax (tax consolidation)	10,259	3,233	4,876	5,061	3,555
Other provisions for liabilities and charges	11,050	1,568	546	-	12,072
<b>TOTAL</b>	<b>45,592</b>	<b>4,801</b>	<b>29,348</b>	<b>5,061</b>	<b>15,984</b>
Operating profit		-	23,926 <sup>(1)</sup>	-	
Net financial income		-	546	-	
Exceptional items		4,801	4,876	5,061	
<b>TOTAL</b>		<b>4,801</b>	<b>29,348</b>	<b>5,061</b>	

<sup>(1)</sup> 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 thousands of euros and the write-back of the provision previously recognised for an amount of 23,926 thousands of euros.

# Notes to the balance sheet

## NOTE 8 BORROWINGS

In thousands of euros	12.31.2005	12.31.2004	12.31.2003
3.75% 2002-05 bonds exchangeable for Valeo shares, including accrued interest	-	377,922	417,998
2.00% 2003-09 bonds exchangeable for Capgemini shares, including accrued interest	282,017	282,017	282,017
5.00% 2004-11 bonds, including accrued interest	626,219	626,229	-
4.875% 2004-14 bonds, including accrued interest	403,099	403,099	-
4.375% 2005-17 bonds, including accrued interest	305,214	-	-
Bank loans, including accrued interest	-	-	270,266
	<b>1,616,549</b>	<b>1,689,267</b>	<b>970,281</b>
<b>Borrowings from subsidiaries and associates</b>			
Sofiservice	109,960	107,991	105,521
Solfur	5,327	7,974	5,010
Compagnie Financière de la Trinité	16,590	18,923	16,982
Simfor	1,559	1,469	1,446
Trief Corporation	141,784	105,285	87,318
Winvest1	79,073	78,035	77,719
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	-
Winvest6	8,971	-	-
Winvest3	19,372	-	-
Poincaré Participations	2,193	-	-
Froeggen	81,625	-	-
Oranje-Nassau	-	-	55,575
Trimo Participations	-	-	4,674
Miscellaneous	229	165	343
	<b>621,289</b>	<b>549,161</b>	<b>354,588</b>
Other borrowings	26	93	35
<b>TOTAL</b>	<b>2,237,864</b>	<b>2,238,521</b>	<b>1,324,904</b>
<i>Of which: due in less than one year</i>	<i>621,315</i>	<i>918,860</i>	<i>454,623</i>
<i>due in 1 to 5 years</i>	<i>279,020</i>	<i>279,020</i>	<i>578,800</i>
<i>due in more than 5 years</i>	<i>1,300,000</i>	<i>1,000,000</i>	<i>279,020</i>
<i>accruals</i>	<i>37,529</i>	<i>40,641</i>	<i>12,461</i>

# Notes to the balance sheet

## NOTE 9 OTHER CREDITORS

In thousands of euros	12.31.2005	12.31.2004	12.31.2003
Trade creditors	3,982	8,691	1,385
Tax and employee-related creditors <sup>(1)</sup>	10,391	11,049	3,850
Other <sup>(2)</sup>	21,173	5,388	18,989
<b>TOTAL</b>	<b>35,546</b>	<b>25,128</b>	<b>24,224</b>
<i>Of which related companies</i>	<i>3,104</i>	<i>3,769</i>	<i>3,725</i>

<sup>(1)</sup> Including, in 2004 and 2005, 5,058 thousands of euros of exceptional tax of 2.5% on special reserves for long-term capital gains.

<sup>(2)</sup> Including, in 2005, 15,539 thousands of euros in respect of premiums received on options on shares.

## NOTE 10 TREASURY INSTRUMENTS

Apart from the transactions described below, there are no financial instruments that could have a material impact on the financial position of WENDEL Investissement.

### MANAGEMENT OF RISK RELATED TO EQUITY INVESTMENTS

#### Capgemini investment

As part of the gradual disposal of its investment in Capgemini, WENDEL Investissement has entered into various option contracts. Net premiums received in respect of these contracts amounting to 3,093 thousands of euros have been recognised under other creditors until these options expire. At December 31, 2005, unrealised losses in respect of these options amounted to 1,568 thousand of euros. A provision for liabilities and charges has been recognised in respect of these losses.

#### 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 amortised on a straight-line basis over the term of the bonds. These premiums are recognised under "Treasury instruments".

#### Valeo investment

In connection with the management of its investment in Valeo, WENDEL Investissement has entered into various option contracts. Net premiums received in respect of these contracts amounting to 771 thousands of euros have been recognised under other creditors until these options expire. At December 31, 2005, unrealised gains in respect of these options amounted to 52 thousands of euros.

Position at 12.31.2005	Number of options	Exercise price	Maturity
Purchase of Capgemini calls	6,939,658	39.86	June 2009

# Notes to the balance sheet

## MANAGEMENT OF INTEREST RATE RISK

Position at 12.31.2005	Nominal	Maturity
WENDEL Investissement receives 3.885% and pays Euribor 3 months	95,675	02/2011
WENDEL Investissement receives 3.885% and pays CMS 7 years (collar at 3.43% and cap at 3.85%)	400,000	02/2011
WENDEL Investissement receives 4.055% and pays CMS 7 years (collar at 3.32% and cap at 4.02%)	100,000	02/2011
WENDEL Investissement receives 3.494% and pays Euribor 12M + 0.93% between 1.70% and 2.60%, 3.40% if Euribor 12M < 1.70% and 3.53% if Euribor 12M > 2.60%	300,000	08/2017

## MANAGEMENT OF FOREIGN CURRENCY RISK

At December 31, 2005, forward USD sale contracts show an unrealised capital gain of 1,302 thousand of euros. Forward USD sale contracts maturing in the year resulted in recognition of a foreign exchange loss of 38,915 thousands of euros.

Position at 12.31.2005	Nominal value of the transaction	Exchange rate	Maturity
Forward sale of USD for EUROS	58.1 MUSD	1.162	May 2006
(WENDEL Investissement pays USD)	58.1 MUSD		

## NOTE 11 OFF-BALANCE SHEET COMMITMENTS

In thousands of euros	2005	2004	2003
<b>Commitments given</b>			
<b>Pledges, mortgages and collateral given as guarantee</b>	-	215,861	227,760
of which:			
• Valeo shares held as collateral for the WENDEL Investissement bonds exchangeable for Valeo shares	-	215,861	227,760
<b>Other commitments given</b>	37,157	36,633	1,575
including:			
• commitments to buy back Wheelabrator Allevarad shares <sup>(1)</sup>	-	1,882	1,575
• commitments to buy back Bureau Veritas shares <sup>(1)</sup>	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, ASSOCIATES AND LONG TERM EQUITY PORTFOLIO

In thousands of euros	2005	2004	2003
<b>Dividends from:</b>			
Oranje-Nassau	40,000	766,761	30,000
Wheelabrator Allevard <sup>(1)</sup>	43,091	6,086	6,061
Solfur	2,750	2,275	2,688
Valeo	9,005	8,595	7,724
Trader Classified Media	-	4,318	-
bioMérieux	194	10,336	-
Compagnie Financière de la Trinité	2,445	809	-
Sofu	-	967	-
Winbond	-	7,524	-
Poincaré Investissements	-	6,165	-
Sofiservice	-	-	118,245
Simfor	-	-	870
Miscellaneous	6	10	6
<b>TOTAL</b>	<b>97,491</b>	<b>813,846</b>	<b>165,594</b>
Of which interim dividends:			
Sofu	-	967	-
Poincaré Investissements	-	6,165	-

*(1) Of which 36,197 paid in shares.*

# Notes to the income statement

## NOTE 13 OTHER FINANCIAL INCOME AND EXPENSES

In thousands of euros	2005	2004	2003
<b>Income</b>			
Income from marketable securities	-	-	422
Income from fixed asset loans and advances	2,831	8,706	9,211
Income from invested cash	12,037	25,018	13,835
Provisions written back	546	1,550	2,531
<b>TOTAL</b>	<b>15,414</b>	<b>35,274</b>	<b>25,999</b>
<i>Of which related companies</i>	<i>3,713</i>	<i>8,910</i>	<i>9,310</i>
<b>Expenses</b>			
Interest on bonds	73,167	58,652	25,425
Other interest and similar expenses	55,210	25,673	29,265
Allowances to provisions	596	2,071	-
<b>TOTAL</b>	<b>128,973</b>	<b>86,396</b>	<b>54,690</b>
<i>Of which related companies</i>	<i>14,151</i>	<i>11,983</i>	<i>8,468</i>

## NOTE 14 OPERATING INCOME

In thousands of euros	2005	2004	2003
Property rental	180	219	263
Services invoiced to subsidiaries	4,669	7,387	2,455
Other income	31	27	56
Provisions written back	23,926	-	-
<b>TOTAL</b>	<b>28,806</b>	<b>7,633</b>	<b>2,774</b>
<i>Of which related companies</i>	<i>4,641</i>	<i>7,365</i>	<i>2,335</i>

## NOTE 15 MANAGEMENT COMPENSATION AND STAFF NUMBERS

Compensation paid by the company to corporate officers in respect of 2005 amounted to 1,418 thousand of euros.

Fees paid to the directors for attendance at Board meetings amounted to 426 thousands of euros in 2005, 390 thousands of euros in 2004 and 420 thousands of euros in 2003.

Average staff numbers	2005	2004	2003
• Managers	22	19	18
• Office employees	25	26	27
<b>TOTAL</b>	<b>47</b>	<b>45</b>	<b>45</b>

# Notes to the income statement

## NOTE 16 EXCEPTIONAL ITEMS FOR 2005

	Exceptional income			Exceptional expenses			Total for 2005
	Operating transactions	Capital gains on disposal	Provisions written back	Operating transactions	Capital losses on disposal	Allowances to provisions	
<b>Tangible fixed assets</b>							
• Land	-	132	-	-	-	-	132
• Other tangible fixed assets	-	13	-	-	-	-	13
<b>Financial fixed assets</b>							
• Capgemini shares	-	-	53,327	-	28,589	-	-24,738
• Valeo shares	-	61,289	-	-	-	-	61,289
• bioMérieux shares	-	3,478	2,939	-	-	-	6,417
• Wheelabrator Allevard shares	-	92,130	-	-	-	-	92,130
• Winvest1 shares	-	-	26,521	-	-	-	26,521
• Sofiservice shares	-	-	1,667	-	-	-	1,667
<b>Other exceptional transactions</b>							
• related to tax consolidation	-	-	9,937	-	-	3,233	6,704
• related to Capgemini	1,105	-	-	10,062	-	1,567	-10,524
• related to Valeo	5,767	-	-	1,404	-	-	4,363
• related to bioMérieux	95	-	-	-	-	-	95
• other	1,237	-	-	1,973	-	-	-736
<b>TOTAL</b>	<b>8,204</b>	<b>157,042</b>	<b>94,391</b>	<b>13,439</b>	<b>28,589</b>	<b>4,800</b>	<b>212,809</b>

## NOTE 17 INCOME TAXES - 2005

Income taxes for 2005 are analysed as follows:

<b>Taxable bases at a rate of:</b>	<b>33.33%</b>	<b>15.00%</b>
On 2005 losses before exceptional items	-147,376	-
On 2005 exceptional items	-42,198	248,372
	-189,574	248,372
Addbacks/deductions related to tax consolidation	41,076	-1,001
	-148,498	247,371
Deduction of losses carried forward	-	-229,846
Taxable bases of the tax group	-	17,525
Corresponding losses	-	2,629
+ contributions of 1.5% & 3.3%	-	101
- deductions in respect of tax credits	-	-2,030
- impact of tax consolidation	-32,942	-
<b>INCOME TAXES RECOGNISED IN THE INCOME STATEMENT</b>	<b>-32,942</b>	<b>700</b>



# 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 General Tax Code. According to the tax consolidation agreements between WENDEL Investissement and the other companies in the tax group, each company records in its accounts the tax that it would have paid if it had 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, 2005, this temporary reduction in current tax amounted to 3,555 thousands of euros and gave rise to the recognition of a provision for liabilities and charges (see note 7).

In 2005, 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, Winvest5, Winvest6, Winvest8, Winvest, Poincaré Participations, Editis(\*) and Bureau Veritas(\*).

(\*) Including certain of these entities' respective French subsidiaries.

## **NOTE 18** **SUBSEQUENT EVENTS** **(Up to the Supervisory Board meeting** **of March 29, 2006)**

### **MATERIS**

In February 2006, WENDEL Investissement signed, with LBO France, an agreement for the purchase of Materis (specialty chemicals for construction). The price agreed for 100% of the capital was 1,011 million of euros, corresponding to an enterprise value of approximately 2 billions of euros (8.5 times expected EBITDA for 2005). WENDEL Investissement and management will invest approximately 420 millions of euros.

# Securities portfolio

at December 31, 2005

INVESTMENTS	Number of shares owned	% Interest	Net book value (in thousands of euros)
<b>SUBSIDIARIES</b> (over 50%-owned)			
<b>French</b>			
Sofiservice	3,248,493	100.00%	100,262
Solfur	124,994	100.00%	14,982
Compagnie Financière de la Trinité	2,021,154	100.00%	15,607
Simfor	10,000	100.00%	302
Winvest1	5,635,696	100.00%	180,350
Winbond	376,189,599	100.00%	376,190
Winvest6	275,285	100.00%	8,809
Odyssée Holding	12,217,957	100.00%	97,744
Bureau Veritas	5,511,570	47.33%	773,157
Winvest3	597,815	100.00%	19,130
Winvest 7	450	56.20%	8,980
Eufor	236,800	80.00%	237
Poincaré Participations	2,491,501	100.00%	726,863
<b>Foreign</b>			
Oranje-Nassau	1,943,117	100.00%	238,320
Trief Corporation	2,400	25.00%	107,963
<b>OTHER SUBSIDIARIES AND ASSOCIATES</b>			
(whose net book value is below €100,000)			
French shares	-	-	566
<b>LONG-TERM EQUITY PORTFOLIO</b>			
bioMérieux	359,306	0.90%	11,489
Valeo	1,012,072	1.31%	27,681
<b>TOTAL</b>			<b>2,708,632</b>
<b>OTHER FIXED ASSET SECURITIES</b>			
Safet Embamet	1,972	5.62%	271
Other French shares	-	-	33
<b>TOTAL</b>			<b>304</b>

# Five-year financial summary

In thousands of euros	2000/2001	2001/2002	2003	2004	2005
<b>1. CAPITAL AT YEAR END</b>					
Share capital <sup>(1)</sup>	141,195	223,727	223,928	224,732	218,854
Number of ordinary shares in issue	17,649,370	55,931,687 <sup>(3)</sup>	55,981,916	56,183,048	54,713,540
Maximum number of shares that could be issued:					
• on the exercise of options	-	1,126,138	1,435,416	1,698,638	1,035,711
<b>2. RESULTS<sup>(1)</sup></b>					
Sales (excluding VAT)	477	3,164	2,774	7,633	4,880
Income from subsidiaries, associates and long-term equity portfolio	136,014	104,716	165,594	813,846	97,491
Profit before tax, depreciation, and provisions	135,206	261,884	-200,144	654,097	56,928
Income taxes <sup>(6)</sup>	-4,998	-15,849	-6,230	-3,501	-32,242
Net profit (loss)	30,269	-7,173	217,481	664,219	202,172
Dividends <sup>(2)</sup>	38,829	94,761	58,781	64,410	109,427
• of which interim dividends	-	38,829	-	-	-
<b>3. EARNINGS PER SHARE (in euros)</b>					
Profit after tax but before depreciation and provisions	7.94	4.97	-3.46	11.70	1.63
Net profit (loss)	1.72	-0.13	3.88	11.82	3.70
Net dividends	2.20	2.10 <sup>(4)</sup>	1.05	1.15	2.00 <sup>(5)</sup>
• of which interim dividends	-	1.10 <sup>(4)</sup>	-	-	-
<b>4. EMPLOYEE DATA</b>					
Average number of employees	7	31	45	45	47
Total payroll <sup>(1)</sup>	636	5,736	4,586	5,738	5,588
Staff benefits paid during the year (social security, social works, etc.) <sup>(1)</sup>	252	2,269	2,520	3,215	2,854

(1) In thousands of euros.

(2) Including on treasury shares.

(3) After the two-for-one share split, cancellation of shares, and bonus issue of shares decided by the General Meeting that approved the CGIP-Marine Wendel merger.

(4) After the two-for-one share split.

(5) Ordinary dividend of 1.40 euro and additional dividend of 0.60 euro.

(6) The negative amounts represent income for the company.

# Subsidiaries, associates and investments

## at December 31, 2005

In thousands of euros	Share capital	Other equity (including result for year)	Percentage of share capital held	Gross book value of shares owned	Net book value of shares owned	Guarantees and loans granted	Sales of last year	Results of last year	Dividends received in the year
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### DETAILED DISCLOSURES

(for subsidiaries, associates and investments whose net book value is greater than 1% of the share capital of WENDEL Investissement).

#### Subsidiaries

##### French

Sofiservice	90,958	9,305	100.00%	135,088	100,262	-	-	1,667	-
Solfur	2,000	15,651	100.00%	14,982	14,982	-	-	3,052	2,750
Compagnie Financière de la Trinité	15,159	2,428	100.00%	15,607	15,607	-	-	203	2,445
Simfor	230	1,402	100.00%	302	302	-	111	19	-
Winvest1	90,171	93,091	100.00%	180,350	180,350	-	-	29,433	-
Winbond	376,190	2	100.00%	376,190	376,190	-	-	-174	-
Winvest6	4,405	4,516	100.00%	8,809	8,809	-	-	103	-
Odysée Holding (Editis)	48,872	53,092	100.00%	97,744	97,744	-	-	-10,280	-
Bureau Veritas <sup>(1)</sup>	13,973	171,908	47.33%	773,157	773,157	-	1,647,158	153,123	-
Winvest3	9,565	9,726	100.00%	19,130	19,130	-	-	180	-
Winvest7	799	15,184	56.20%	8,980	8,980	-	-	-4	-
Eufor	59	-2,443	80.00%	237	237	-	-	-2,680	-
Poincaré Participations	37,995	230,627	100.00%	726,863	726,863	-	-	-2,912	-

##### Foreign

Oranje-Nassau <sup>(1)</sup>	8,744	666,926	100.00%	238,319	238,320	-	246,819	184,831	40,000
Trief Corporation	240,000	671,993	25.00%	107,963	107,963	-	-	46,172	-

#### Investments

				-	-	-	-	-	-
<b>Long-term equity portfolio</b>									
bioMérieux <sup>(1)</sup>	12,029	486,971	0.90%	11,489	11,489	-	994,000	90,000	194
Valeo <sup>(1)</sup>	232,531	1,471,469	1.31%	27,681	27,681	-	9,933,000	141,000	9,005

### OVERALL DISCLOSURES

French subsidiaries				566	566				
Foreign subsidiaries				-	-				
French investments				-	-				
Foreign investments				-	-				

**(1)** Consolidated figures.

# Statutory auditors' report on the financial statements

## Year ended December 31, 2005

*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 entrusted to us by the Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2005, 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 Management 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 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 the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities at December 31, 2005, 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 non-consolidated companies. 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.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the unqualified 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 the conformity with the financial statements of the information given in the management report of the Management Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

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 holders of shares and voting rights.

Paris-La Défense and Neuilly-sur-Seine, May 12, 2006

The Statutory auditors

Ernst & Young Audit  
François Carrega

PricewaterhouseCoopers Audit  
Olivier Thibault



# SHAREHOLDERS' MEETING

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# Statutory auditors' special report on regulated agreements

*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 S.A., we hereby report to shareholders on regulated agreements.

In application of articles L. 225-40 and L. 225-88 of the French commercial Code (Code de commerce), we have been informed of the agreements which were previously submitted to your Board of Directors or your Supervisory Board for approval, your Shareholders' Meeting of May 31, 2005 having decided to modify the management structure of your company by adopting a Management Board and Supervisory Board.

Our responsibility does not include identifying any undisclosed agreements. We are required to report to shareholders, based on the information provided, on the main terms and conditions of agreements that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article 92 and article 117 of the March 23, 1967 decree, it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

We carried out our work in accordance with French professional standards. Those standards require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents.

## 1. With Bureau Veritas

Members of the Management Board or Supervisory Board concerned:

Ernest-Antoine Seillière and Jean-Bernard Lafonta.

### Nature, purpose and terms

Following the increase in capital of Bureau Veritas, WENDEL Investissement undertook to provide Bureau Veritas various advisory services and assistance, particularly in the areas of accounting, management control, tax, finance, legal, administrative, human resources and communication. This agreement was authorised by the Board of Directors' meeting of May 30, 2005.

The amount invoiced to Bureau Veritas in respect of services rendered during the year came to 2,000,000 euros.

Bureau Veritas negotiated an addendum to the bank financing agreement set up at the end of 2004, to which WENDEL Investissement, Winvest5 and Bureau Veritas are parties. Under the new agreement, the maturity of the Bridge Term Facility Loan granted to Winvest5, a wholly-owned subsidiary of the company, was extended to December 31, 2006.

The proposed addendum, and the planned changes to the financing documents, were authorised by your Supervisory Board on December 2, 2005.

Furthermore, in accordance with the March 23, 1967 decree, we have been informed that the following agreements entered into in prior years, remained in force during the year.

## 2. With Société Lorraine de Participations Sidérurgiques (SLPS)

### Nature, purpose and terms

On September 2, 2003, WENDEL Investissement entered into an agreement with SLPS under the following terms:

- a service agreement in respect of administrative assistance for 15,000 euros per annum, excluding VAT,
- a commitment to rent offices for 11,938 euros, excluding VAT but including rental charges.



### 3. With Stallergènes

#### Nature, purpose and terms

WENDEL Investissement entered into an agreement with Stallergènes concerning administrative and tax services for said company. On March 5, 2003, the agreement was amended by an addendum bringing the fees to 80,000 euros per annum, excluding VAT.

### 4. With Wendel-Participations

#### Nature, purpose and terms

On September 2, 2003, WENDEL Investissement entered into the following agreement with Wendel-Participations:

- an agreement for the rental of offices for an amount of 19,360 euros per annum, excluding VAT but including rental charges.

### 5. With Société Lorraine de Participations Sidérurgiques (SLPS) and Wendel-Participations

#### Nature and purpose

On May 15, 2002, two agreements were entered into with SLPS and Wendel-Participations, which authorise the company to use the term "Wendel" as its corporate and commercial name. The agreements also grant an exclusive licence 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, on the basis that they may be revoked if the direct or indirect interest of the family-run companies in the capital of WENDEL Investissement is less than 33.34% for 120 consecutive days. Should this right of revocation not be exercised in the period immediately after the minimum holding condition not being met, the right to use the name and the exclusive licence to use the brand become final and irrevocable.

Paris La Défense and Neuilly-sur-Seine, May 12, 2006

The Statutory auditors

Ernst & Young Audit  
François Carrega

PricewaterhouseCoopers Audit  
Olivier Thibault

# Statutory auditors' special report

## on the allocation of new or existing bonus shares to employees and corporate officers

*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 your company and in accordance with our assignment pursuant to article L. 225-197-1 of the French commercial Code (Code de commerce), we hereby submit to you our report on the proposed allocation of new or existing bonus shares to employees or corporate officers of WENDEL Investissement and its affiliates within the meaning of article L. 225-180 of the French commercial Code.

Your Management Board asks that you authorise it to award new or existing shares as bonus shares. It is responsible for preparing a report on the planned transaction. Our responsibility is to express an opinion on the information provided regarding the planned transaction.

In the absence of professional standards applicable to this distribution, permitted under legislative provisions of December 30, 2004, we have carried out procedures deemed necessary in order to ascertain that the planned transaction as disclosed in the Management Board's report is consistent with the provisions of the law.

We have no observations regarding the information contained in the Management Board's report on the planned allocation of bonus shares.

Paris La Défense and Neuilly-sur-Seine, May 12, 2006

The Statutory auditors

Ernst & Young Audit  
François Carrega

PricewaterhouseCoopers Audit  
Olivier Thibault

# Statutory auditors' special report

## on the capital increase reserved for employees and corporate officers belonging to a company savings plan, with elimination of preemptive subscription rights

*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 your company and in accordance with our assignment pursuant to article L. 225-138 of the French commercial Code (Code de commerce), we hereby report on the proposed increase in capital for a maximum par value of 250,000 euros reserved for employees and corporate officers of WENDEL Investissement, which you are being asked to approve.

This capital increase is submitted for your approval in application of articles L. 225-129-6 of the French commercial Code and L. 443-5 of the French labour Code.

Pursuant to the provisions of article L. 225-129-2 of the French commercial Code, your Management Board proposes, based on its report, that you grant it authority for a period of 26 months, to carry out this transaction and set the terms and conditions of issue. It is also asking you to waive your preemptive subscription rights.

We have carried out our work in accordance with the professional standards applicable in France. These standards require that we perform the procedures necessary to examine the procedure for calculating the issue price.

Subject to a subsequent review of the terms and conditions of the proposed capital increase, we have no observations regarding the procedure for calculating the issue price, as set forth in the Management Board's report.

As the issue price is yet to be determined, we do not express an opinion on the final conditions applicable to the issues or, consequently, on the proposed waiver of preemptive rights, the principle of which is in keeping with the nature of the proposed transaction.

Pursuant to article 155-2 of the decree of March 23, 1967, we will issue an additional report when the capital increase is effectively carried out by the Management Board.

Paris La Défense and Neuilly-sur-Seine, May 12, 2006

The Statutory auditors

Ernst & Young Audit  
François Carrega

PricewaterhouseCoopers Audit  
Olivier Thibault

# Statutory auditors' special report

## on the reduction in capital via the cancellation of repurchased shares

*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 our assignment pursuant to 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 conditions of the proposed reduction in capital.

We have carried out our work in accordance with professional standards applicable in France. Those standards require that we perform procedures aimed at determining whether the reasons for 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, as provided for by article L. 225-209 of the French commercial Code. It relates to shares purchased in accordance with the 18-month authorisation put to your approval under the ninth resolution, or with previous or subsequent authorisations.

Shareholders are also asked to grant the Management Board full powers to cancel the shares acquired, provided that the aggregate number of shares cancelled in any given period does not exceed 10% of the company's capital, these powers would be exercisable for a period of 24 months.

We have no observations regarding the reasons for or conditions of the proposed capital reduction, the implementation of which is contingent on your prior approval of your company's repurchase of its own shares, in accordance with the authorisation granted under the ninth resolution and/or previous or subsequent authorisations.

Paris La Défense and Neuilly-sur-Seine, May 12, 2006

The Statutory auditors

Ernst & Young Audit  
François Carrega

PricewaterhouseCoopers Audit  
Olivier Thibault

# Report of the Supervisory Board to the Shareholders' Meeting

2005 and early 2006 have seen a wealth of changes at your Company. We instituted a new management structure with an Executive Board and a Supervisory Board. We stepped up the pace of disposal of minority shareholdings. We sold Wheelabrator Allevar, while our large subsidiaries made investments of 800 million euros. We prepared for major acquisitions, realized in early 2006 with Materis and Deutsch, and Legrand made a successful return to the market. These initiatives have had a profound impact on your Company and were undertaken with the full support of your Supervisory Board.

The results obtained by the Executive Board surpassed expectations. Your Company's proforma revenues grew by 14% to 2,782 million euros in 2005, while net profit surged 58% to 295 million euros.

The Executive Board conducted your Company's operations with vitality, in harmony with the Supervisory Board. The corporate governance report describes in detail the number of meetings the Supervisory Board held, the subjects it discussed and the activities of its committees. Work was performed diligently, and as a result, the Supervisory Board has no observations to make on the financial statements or reports presented by the Executive Board to the Shareholders' Meeting.

On March 29, 2006, your Supervisory Board examined the proposed resolutions that have been submitted to you by the Executive Board and recommends their approval. In particular, the Board is pleased to see that Nicolas Celier, Béatrice Dautresme and Jean-Marc Espalioux have been nominated for positions on the Board, which their experience will strengthen.

Finally, the Supervisory Board approves the Executive Board's proposal to distribute an exceptional dividend of 0.60 euro per share. Together with the ordinary dividend, shareholders will thus receive a total of 2 euros per share.

# Report of the Executive Board on the resolutions submitted to the Shareholders' Meeting

Present report aims at explaining shareholders both text and reasons of the resolutions which are preseed to their vote.

## RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING

### I. FINANCIAL STATEMENTS 2005, ALLOCATION OF INCOME AND REGULATED AGREEMENTS

The purpose of the **first resolution** is to approve the statutory accounts of WENDEL Investissement for the period from January 1, 2005, to December 31, 2005. These financial statements show net income of 202 millions of euros.

The object of the **second resolution** is to approve the consolidated financial statements of the WENDEL Investissement Group for the period from January 1, 2005, to December 31, 2005. These financial statements show net income of 416 millions of euros (Group share).

The **third resolution** proposes to allocate 2005 net income and retained earnings, which together comprise a distributable total of 849.1 millions of euros at the disposal of the Shareholders' Meeting after allocation to the legal reserve.

The allocation proposed is as follows:

- 76.6 millions of euros distributed to shareholders in the form of a dividend of 1.40 euro per share in existence as of December 31, 2005;
- 32.8 millions of euros distributed to shareholders in the form of an additional dividend of 0.60 euro per share in existence as of December 31, 2005;
- 739.7 millions of euros to retained earnings.

The total dividend of 2.00 euros per share will be paid from June 1, 2006, when the coupon is detached.

Shareholders are reminded that, in keeping with new legislation, this dividend of 2.00 euros per share is no longer complemented by a tax credit, but is eligible for a 40% tax rebate benefiting individuals domiciled in France for tax purposes.

In application of the law, in 2005 the company ensured the mandatory transfer of the sum of 200 millions of euros from the "Special reserve for long-term capital gains" to an ordinary reserve account and paid the corresponding exceptional tax of 2.5%. For the balance of the "Special reserve for long-term capital gains", the company has the possibility until December 31, 2006, to transfer this

sum of 191.8 millions of euros to an ordinary reserve account and to pay an exceptional tax of 2.5% on the amount of the sums transferred. The Shareholders' Meeting is asked to empower the Executive Board to transfer these sums to an ordinary reserve account, with the understanding that the Executive Board may limit the amount or decide not to effect any transfer.

The **fourth resolution** concerns the regulated agreements mentioned in article L. 225-38 of the Code de commerce that were authorized in the 2005 fiscal year, and are commented in a special report by the auditors.

### II. SUPERVISORY BOARD: APPOINTMENT OF MEMBERS OF THE SUPERVISORY BOARD; DIRECTORS' FEES

The **fifth resolution** proposes to appoint Nicolas Celier as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called to approve the financial statements of the reporting period 2009.

The **sixth resolution** proposes to appoint Béatrice Dautresme as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called to approve the financial statements of the reporting period 2009.

The **seventh resolution** proposes to appoint Jean-Marc Espalioux as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called to approve the financial statements of the reporting period 2009.

The **eighth resolution** proposes to set at 700,000 euros the total annual amount of directors' fees to be paid to members of the Supervisory Board.

### III. RENEWAL OF SHARE BUYBACK PROGRAM

The **ninth resolution** is intended to renew the authorization to buy back company shares granted by the Ordinary and Extraordinary Shareholders' Meeting of May 31, 2004, and which the Board of Directors used in the amount of approximately 44 millions of euros between the Annual general meeting and of December 31, 2005.

This resolution authorizes the company to acquire its own shares within the legal limit of 10% of the number of shares comprising the statutory capital (i.e. 5,471,354 shares as of March 31, 2006) and with a maximum purchase price of 160 euros corresponding to a total maximum share buyback amount of 875,416,640 euros. This authorization would be given for eighteen months.

## RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

### IV. CHANGES TO THE BYLAWS: USE OF TELECOMMUNICATIONS TECHNIQUES AND CHANGE IN THE CONDITION OF NATIONALITY FOR THE ACQUISITION OF DOUBLE VOTING RIGHTS

The **tenth resolution** proposes to change article 14 of the company's bylaws to allow meetings of the Supervisory Board to be held using telecommunications techniques in accordance with French law n° 2005-842 of July 26, 2005.

This resolution also proposes to modify article 25 of the company's bylaws to cancel the condition of nationality for the acquisition of double voting rights for shares registered for more than two years.

### V. RENEWAL OF FINANCIAL AUTHORIZATIONS

#### Free shares granted to company employees

The **eleventh resolution** is intended to renew the authorization of the Executive Board to use the possibility to grant free shares to the Group's employees and officers on the same basis as for stock subscription or purchase options. Granting free shares may complement the company's policy to develop employee shareholding and motivation of the teams.

The total number of free shares granted may not exceed 0.5% of the capital, with the understanding that in the case of shares to be issued, the nominal amount of any capital increase resulting from this authorization shall be taken into account in the calculation of the general ceiling mentioned in the sixth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 31, 2005. The approval of this resolution will therefore not imply any additional dilution with regard to the total ceiling.

The distribution of free shares shall only be definitive at the end of a two-year period (period of acquisition) and the beneficiaries shall be obliged to keep their shares for an additional period of two years (period of holding).

This authorization shall be given for a period of thirty-eight months.

#### Development of employee shareholding

The **twelfth resolution** is intended to empower the Executive Board to increase the company's capital to the benefit of the Group's employees and officers within the framework of a Group savings plan for a maximum nominal amount of 250,000 euros, this amount being taken into account in the calculation of the ceiling mentioned in the sixth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 31, 2005.

In keeping with current legislation, the subscription price may not be greater than the average of the share price in the twenty business days preceding the date of the decision setting the date the subscription is opened, or lower than this average minus the maximum discount authorized by law, i.e. now 20%.

This authorization shall be valid for a period of twenty-six months.

#### Cancellation of shares

The **thirteenth resolution** is intended to renew, for a period of twenty-six months, the authorization granted on June 1, 2004, and used for 5,619,205 shares, to the Board of Directors and then to the Executive Board, to cancel all or some of the shares acquired by the company by virtue of the authorizations granted by the company's Shareholders' Meetings within the framework of the share buyback programs within the limit of 10% of the capital per period of twenty-four months and to reduce capital stock in the same proportions.

Finally, the **fourteenth resolution** concerns the granting of powers to accomplish any publication or formalities required by law.

# Resolutions of the Shareholders' Meeting (ordinary and extraordinary) at May 29, 2006

## RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING

### FIRST RESOLUTION

#### Approval of the statutory 2005 financial statements

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

- after examining the management report of the Executive Board on the activity and situation of the company in 2005 and the report of the Chairman of the Supervisory Board attached to the management report,
- after hearing the general report of the Statutory auditors and their special report on the report of the Chairman,

approves the statutory financial statements for the reporting period that ran from January 1, 2005, to December 31, 2005, as presented by the Executive Board, showing net income of 202,171,894.02 euros, as well as the transactions therein accounted for or summarized in these reports.

### SECOND RESOLUTION

#### Approval of the 2005 consolidated financial statements

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

- after examining the report of the Executive Board on the activity and situation of the Group in 2005 and the observations of the Supervisory Board,
- after hearing the general report of the Statutory auditors on the consolidated financial statements,

approves the consolidated financial statements for the reporting period that ran from January 1, 2005, to December 31, 2005, as presented by the Executive Board, showing net income (Group share) of 415,703 thousands of euros, as well as the transactions therein accounted for or summarized in these reports.

### THIRD RESOLUTION

#### Appropriation of net income, determination of dividend and payment of dividend

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings:

- on the recommendation of the Executive Board:

1. decides to allocate from 2005 net income,

totaling.....	202,171,894.02 €
plus retained earnings of .....	646,936,495.00 €
constituting distributable income of .....	849,108,389.02 €

in the following manner:

a) to shareholders,

(i) the amount of .....	76,598,956.00 €
for a net dividend of 1.40 € per share	
(ii) the amount of .....	32,828,124.00 €
for a net additional dividend of 0.60 € per share	

representing a total amount of ..... 109,427,080.00 €  
for a total net dividend of 2.00 € per  
share in existence as of December 31, 2005

b) and for the balance to retained earnings,

the amount of ..... 739,681,309.02 €;

2. decides that this net dividend of 2.00 euros per share shall be paid from June 1, 2006, when the coupon is detached;

3. decides that the dividend that cannot be paid to the WENDEL Investissement shares held by the company shall be allocated to retained earnings;

4. acknowledges the Executive Board's presentation of distributions allocated in the three previous years, which comprise, with the dividend that has been decided for the fiscal year 2005, the items in the following table:



Fiscal year	Number of shares at year end	Net dividend per share	Tax credit per share <sup>(1)</sup>	Total income per share
€8 per value share				
2001-2002	55,931,687 <sup>(2)</sup>	2.10 <sup>(3)</sup>	1.05	3.15
€4 per value share				
2003	55,981,916	1.05	0.525	1.575 <sup>(4)</sup>
2004	56,183,048	1.15 <sup>(5)</sup>	-	-
2005	54,713,540	2.00 <sup>(6)</sup>	-	-

<sup>(1)</sup> The tax credit (avoir fiscal) represents 50% of the net dividend (however, in the event the beneficiary is a company that does not benefit from the parent company tax system, the rate is 10%).

<sup>(2)</sup> After division in half of the par value on June 13, 2002, and increase in the number of shares in order to remunerate the transfers carried out within the framework of the merger with CGIP.

<sup>(3)</sup> A dividend of 1.00 euro to which is added 1.10 euro per share corresponding to half of the dividend advance of 2.20 euros per share (before division in half of the par value) paid to shareholders of Marine-Wendel prior to the merger.

<sup>(4)</sup> The total amount of tax credits attached to a number of shares can be calculated by multiplying the number of shares by 0.525, this amount is rounded off to the next lower euro when the decimal is strictly less than 0.50 euro and to the next higher euro when it is more than or equal to 0.50 euro.

<sup>(5)</sup> Pursuant to article 243bis of the French tax code (Code général des impôts), it is to be noted that all of the proposed dividend is eligible for a 50% rebate benefiting individuals domiciled in France for tax purposes as provided for in article 158-3 of the French tax code.

<sup>(6)</sup> Pursuant to article 243bis of the French tax code (Code général des impôts), it is to be noted that all of the proposed dividend is eligible for a 40% rebate benefiting individuals domiciled in France for tax purposes as provided for in article 158-3 2 of the French tax code.

5. in application of article 39-IV of the rectified law of finances for 2004 n° 2004-1485 of December 30, 2004, authorizes the Executive Board:

- to transfer, before December 31, 2006, the sum of 191,819,950.13 euros currently recorded in the "Special reserve for long-term capital gains" (of which 191,551,192.03 euros at a rate of 19% and 268,758.10 euros at a rate of 25%) to "Other reserves";
- to charge the exceptional tax of 2.5% on the amount thus transferred to "Other reserves", with the understanding that the Executive Board may decide to limit the amount of the transfer thus conducted and of the charge corresponding to the exceptional tax to the amount it shall decide.

#### FOURTH RESOLUTION

##### Regulated agreements mentioned in articles L. 225-38 and following and L. 225.86 and following of the Code de commerce

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

- after examining the report of the Supervisory Board,
- 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 Code de Commerce,

approves the agreements and operations that occurred between January 1, 2005, and December 31, 2005, and are mentioned in this report.

#### FIFTH RESOLUTION

##### Appointment of a member of the Supervisory Board

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings, decides to appoint, as of this date, Nicolas Celier as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called to approve the financial statements of the reporting period 2009.

#### SIXTH RESOLUTION

##### Appointment of a member of the Supervisory Board

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings, decides to appoint, as of this date, Béatrice Dautresme as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called to approve the financial statements of the reporting period 2009.

#### SEVENTH RESOLUTION

##### Appointment of a member of the Supervisory Board

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings, decides to appoint, as of this date, Jean-Marc Espalioux as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called to approve the financial statements of the reporting period 2009.

#### EIGHTH RESOLUTION

##### Compensation of the members of the Supervisory Board

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings, sets at 700,000 euros the total annual amount of compensation to be paid to members of the Supervisory Board as of this date.

#### NINTH RESOLUTION

##### Authorization granted to the Executive Board to decide the trade in the company's shares

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings,

- after examining the management report of the Executive Board,
- and pursuant to articles L. 225-209 and following of the Code de commerce, of Title IV of Book II of the general regulations of the Autorité des Marchés Financiers, and of European regulation n° 2273/2003 of the European Commission of December 22, 2003,

**1.** authorizes the Executive Board to have the company purchase its own shares within the following limits:

- the number of shares purchased by the company during the buy-back program shall 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, i.e. as an indication, 5,471,354 shares, as of March 31, 2006;

- 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.** decides that company shares, within the limits defined above, may be purchased for the following purposes:

- the later exchange or payment of shares in external growth operations, mergers, spin-offs or buyouts; or

- the delivery of shares on the occasion of the exercise of rights attached to securities giving 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 good conduct recognized by the Autorité des Marchés Financiers; or

- the conduct of transactions to buy, sell or transfer using any means by an investment service provider, particularly in private transactions; or

- the introduction of company stock purchase option plans as defined in article L. 225-177 and following of the Code de commerce; or

- the granting of free shares within the framework of articles L. 225-197-1 and following of the Code de commerce, subject to the approval of the eleventh resolution of this Shareholders' Meeting; or

- the granting of shares within the framework of a Group savings plan under the terms and conditions provided for by current legislation, particularly articles L. 443-1 and following of the Code du travail; or

- the cancellation of all or part of the shares purchased, subject to the approval of the thirteenth resolution of this Shareholders' Meeting;

This program is also intended to allow the company to operate for any other purpose that has been or would come to be authorized by current legislation or regulations. In such an event, the company shall inform its shareholders by issuing a press release;

**3.** decides 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 issuance of securities giving access to the company's capital by conversion, exchange, reimbursement, exercise of warrants or otherwise, either directly or indirectly through an investment service provider;

**4.** sets at 160 euros per share the maximum purchase price, for a total maximum share buyback amount of 875,416,640 euros, and empowers 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.** empowers the Executive Board, with the faculty of sub-delegation, to decide and apply this authorization, to specify, if needed, the terms and define the modalities, 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.** authorizes such a program for a period of eighteen months from this Shareholders' Meeting; this authorization cancels and replaces for the amounts not yet called the preceding authorization granted by the fourth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 31, 2005.

## RESOLUTIONS OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

### TENTH RESOLUTION

**Changes to the bylaws: - Use of telecommunications techniques - Change in the condition of nationality for the acquisition of double voting rights**

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

- after examining the report of the Executive Board,

**1.** decides to change paragraph 4 of article 14 of the company's bylaws to ensure compliance with article L. 225-37 of the Code de commerce, as modified by law n° 2005-842 of July 26, 2005, as follows:

"The Supervisory Board draws up a set of company rules, which may stipulate that, except for the adoption of decisions related to the appointment or replacement of its Chairman and of those related to the appointment or dismissal of members of the Executive Board, the members of the Supervisory Board who participate in Board meetings via videoconference and telecommunications techniques of which the nature and conditions of application are determined by current regulations, are considered to be present for the calculation of the quorum and the majority."

The rest of article 14 remains unchanged;

**2.** decides to modify paragraph IV of article 25 of the company's bylaws as follows:

"IV. The voting rights attached to the shares are proportional to the capital they represent.

However, double voting rights are granted to shares completely paid up for which there is proof of registration for at least two years in the name of the same shareholder."

The rest of article 25 remains unchanged.

## ELEVENTH RESOLUTION

### Delegation of power to the Executive Board to decide to grant free shares to company employees and officers

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

- after examining the management report of the Executive Board,
- after hearing the special report of the Statutory auditors,
- and pursuant to articles L. 225-197-1 and following of the Code de commerce,

**1.** empowers the Executive Board, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the bylaws in the event of shares to be issued, to grant, on one or more occasions, free company shares that are in existence or to be issued to the benefit of employees or officers of the company who meet the conditions set in II of article L. 225-197-1 of the Code de commerce, or employees and officers of companies or groups of companies that are linked to it under the conditions stipulated in article L. 225-197-2 of the Code de commerce, or of certain categories of them;

**2.** decides that the Executive Board shall determine the identity of the beneficiaries or the categories of beneficiaries, as well as the conditions and, if required, the criteria according to which the shares are to be granted;

**3.** decides that the total number of free shares granted may not exceed 0.5% of the capital at the date they are granted, with the understanding that the nominal amount of any capital increase resulting from this authorization shall be taken into account in the calculation of the general ceiling mentioned in paragraph 2 of the sixth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 31, 2005;

**4.** decides that the distribution of shares to their beneficiaries shall be definitive at the end of a two-year minimum period of acquisition and that the minimum length of time the beneficiaries must keep their shares may not be less than two years as of the date they are definitively granted;

**5.** empowers the Executive Board to adjust, if required, during the period of acquisition, the number of shares linked to any operations on the company's capital so as to preserve the rights of the beneficiaries;

**6.** notes that, concerning free shares to be issued, this decision requires the beneficiaries of the free shares to abandon their pre-emptive right to be granted shares, the issuance of which, by the incorporation of reserves, income or paid-in capital, is hereby authorized;

**7.** empowers the Executive Board, with the faculty of sub-delegation, in accordance with current legislation, to apply this authorization, and in particular:

- to determine the list of the beneficiaries of free shares or the category or categories of beneficiaries of free shares and the number of shares granted to each;
- to set the period during which the shares are definitively granted and kept, respecting the minimum time periods mentioned above;
- to set the conditions under which the shares are to be granted and, if required, the criteria for granting the shares;
- to decide and determine the conditions under which shares may be issued, which may be within the framework of this authorization;

- to register any capital increase(s) resulting from the application of this authorization;

- in the event new shares are issued, to deduct, if required, from the reserves, income or issuance premiums, the sums needed to pay up the shares;

- to charge the costs of any capital increases to the amount of the premium related to each capital increase, and take from this amount the sums required for the legal reserve;

- to change, therefore, the bylaws and, generally speaking, to do whatever is necessary;

- to note any capital increase(s) resulting from any issue under this authorization and, consequently, to modify the bylaws;

- and, generally, to take appropriate initiatives and enter into any agreements to achieve the goal of the planned issues;

**8.** decides that this authorization is valid for a period of thirty-eight months from the date of this Shareholders' Meeting;

## TWELFTH RESOLUTION

### Delegation of power to the Executive Board to decide the capital increase by the issuance of shares or securities giving access to the capital reserved to employees and officers participating in Group savings plans

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

- after examining the management report of the Executive Board,
- after hearing the special report of the Statutory auditors,
- and pursuant to articles L. 225-129-6 and L. 225-138-1 of the Code de commerce and articles L. 443-1 and following of the Code du travail,

**1.** empowers the Executive Board, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the bylaws, to increase the capital, on one or more occasions, by the issue of shares or securities giving access to the capital, reserved to the company's employees and officers participating in one or several Group savings plan(s), set up in application of article L. 444-3 of the Code du travail;

**2.** decides to set at 250,000 euros the total maximum nominal amount of capital increases authorized by this resolution, it being specified that this amount shall be deducted from the total ceiling mentioned in the second paragraph of the sixth resolution of this Shareholders' Meeting of May 31, 2005;

**3.** decides to cancel, to the benefit of the beneficiaries mentioned above, the shareholders' pre-emptive right of subscription to the securities concerned by this resolution;

**4.** decides that the Executive Board shall set the subscription price of new shares under the conditions and within the limits provided for by current legislation;

**5.** empowers the Executive Board, with the faculty of sub-delegation, in accordance with current legislation, to apply this authorization, and in particular:

- to draw up under legal conditions the list of the companies of which the employees may subscribe shares or securities giving access to the capital thus issued;
- to decide that subscriptions may be processed directly or through a company mutual fund or other structures or entities authorized by current legislation or regulations;

- to determine the amount to be issued, set the issue price in keeping with the conditions and limits of current legislation, define the ways in which the capital may be paid up, decide the dates, conditions and modalities of the issues that will take place by virtue of this authorization;

- to determine the subscription's opening and closing dates, set the date, even if retroactive, as of which the new shares shall be valid, indicate deadlines by which capital should be paid up, with a maximum limit of three years, as well as, if such is the case, the length of active service to participate in the operation and benefit from the employer contribution;

- to deduct the expenses occasioned by the capital increases from the amount of the premium related to each increase and to take from this amount the sums required for the legal reserve;

- to recognize the capital increase(s) resulting from any issue carried out in application of this authorization and modify the bylaws accordingly;

- and, generally, to take appropriate initiatives and enter into any agreements to achieve the goal of the issues planned;

**6.** decides 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 Shareholders' Meeting.

### THIRTEENTH RESOLUTION

#### **Delegation of power to the Executive Board to reduce the capital by canceling shares**

The Shareholders' Meeting, acting on the basis of the quorum and majority required for extraordinary shareholders' meetings,

- after examining the management report of the Executive Board,
- after hearing the special report of the Statutory auditors, and pursuant to article L. 225-209 of the Code de commerce,

**1.** empowers the Executive Board, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the bylaws, to cancel, on one or more occasions, at its own initiative, all or a part of the company-owned shares within the limit of 10% of the capital per period of twenty-four months from the date of this Shareholders' Meeting;

**2.** authorizes the Executive Board to reduce the capital to a corresponding degree by charging the difference between the purchase value of the canceled shares and their par value to the category of additional paid-in capital it so decides;

**3.** empowers the Executive Board, with the faculty of sub-delegation, to make corresponding modifications in the bylaws, conduct any business, make any declarations, carry out any formalities and, generally speaking, to do what is required for the application of this authorization;

**4.** authorizes the Board of Directors to engage such a program for a period of twenty-six months from this Shareholders' Meeting; this authorization replaces the preceding authorization granted by the sixteenth resolution of the Shareholders' Meeting of June 1, 2004.

### **RESOLUTION OF THE ORDINARY AND THE EXTRAORDINARY SHAREHOLDERS' MEETING**

#### FOURTEENTH RESOLUTION

##### **Powers for legal formalities**

The Shareholders' Meeting, acting on the basis of the quorum and majority required for ordinary shareholders' meetings, empowers the bearer of an original copy, another copy or extract of these official proceedings indicating the vote on the resolutions to accomplish any legal formalities required by law or regulations to ensure the execution of the above-mentioned resolutions.

# SUPPLEMENTAL INFORMATION

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# General information on WENDEL Investissement

## COMPANY NAME AND REGISTERED OFFICE

Company name: WENDEL Investissement.

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 bylaws, the Company has the following purpose, in all countries, directly or indirectly:

- all 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 all equipment;
- the acquisition, sale and commercial use of all processes, patents, or patent licenses;
- the acquisition, operation, sale or exchange of all real estate or real estate rights;
- and generally, all commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities or to all similar or connected activities.

## CONSULTATION OF LEGAL DOCUMENTS RELATING TO THE COMPANY

Company documents that shareholders have the right to consult under the terms stipulated by law and, in particular, the bylaws, minutes of Shareholders’ Meetings and auditors’ reports, may be consulted at the Company’s registered office.

## FINANCIAL YEAR

The financial year runs from January 1 to December 31 of every year.

## APPROPRIATION OF PROFIT

Pursuant to article 27 of the bylaws, the profit is appropriated as follows:

**I.** At least five percent of net profit 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.

Profit available for distribution corresponds to net profit for the year plus any unappropriated retained earnings carried forward from prior years.

Of this profit, the Shareholders’ Meeting is responsible for determining, on the recommendation of the Executive Board:

- the amounts it considers should be allocated to any particular reserve;
- 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 it considers should be allocated to the general reserve or to share capital repayment.

**II.** Any profit remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings.

**III.** On the condition that all profit available for distribution has been allocated in the form of dividends, the ordinary Shareholders’ Meeting may, 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 the ordinary Shareholders’ Meeting or by the Executive Board with the authorization of the ordinary Shareholders’ 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’ Meeting convened to approve the year’s financial statements may offer each shareholder, for all or a part of the dividend being distributed (or the interim dividend) 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.



## INFORMATION ON SHAREHOLDERS' MEETINGS

Article 25 of the bylaws 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, the Executive Board may, as a general measure, reduce this time period, indicating such reduction in the notice of the meeting. Accordingly, the time period was reduced to three days for the Shareholders' Meeting of May 29, 2006.

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.

A proposal has been submitted to the Shareholders' Meeting of May 29, 2006 to eliminate the citizenship condition limiting the acquisition of double voting rights to a citizen of France or another Member State of the European Economic Community.

In the event of a bonus share issue through the capitalization of reserves, distributable profits or the share premium account, double voting rights will be granted at issue to the registered shares distributed in this way to a shareholder in proportion to the 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 an extraordinary Shareholders' Meeting without having to call a separate meeting of holders of double voting rights.

## DISCLOSURE THRESHOLDS

In addition to the legal requirements for disclosing thresholds passed, article 28 of the bylaws 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, 2006, the share capital amounted to 218,858,552 euros, divided into 54,714,638 shares with a par value of 4 euros. Of these shares, 54,713,540 were already entitled to dividend and 1,098 as from January 1, 2006. The shares may be held in registered or bearer form at the shareholder's discretion.

## 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 expiry date	Authorized amount (amount used)	Overall ceiling
<b>A. Issue of shares or other securities giving access to the capital</b>				
Securities giving access to the capital				
• with preferential subscription rights	05.31.2005	26 months 07.30.2007	Capital: €200 M Debt: €2,000 M	<b>Capital: €1,000 M</b>
• without preferential subscription rights	05.31.2005	26 months 07.30.2007	Capital: €100 M Debt: €2,000 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	05.31.2005	26 months 07.30.2007	€250,000 (€108,884)	<b>Debt: €2,000 M</b>
Stock options	06.01.2004	26 months 07.31.2006	560,000 options (473,200 options)	
<b>B. Share buybacks and share cancellations</b>				
Share buybacks	05.31.2005	18 months 11.30.2006	10% of share capital or €647,916,360 (557,912 shares or €44,020,079.41)	
Share cancellations <sup>(1)</sup>	06.01.2004	26 months 07.31.2006	10% of share capital per 24-months period (5,619,205 shares)	

(1) The Board of Directors of WENDEL Investissement cancelled 3,394,440 shares on December 3, 2004 and a further 2,224,765 shares on January 18, 2005.



During the 2005 financial year, WENDEL Investissement made use of the following authorizations:

### Employee share ownership

The Shareholders' Meeting of May 31, 2005 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 2007, reserved to Group employees and directors for a maximum amount of 250,000 euros.

At the end of March 2006, after a capital increase of 108,884 euros in July 2005, the amount available under this authorization totaled 141,116 euros.

### Subscription and purchase options

The Shareholders' Meeting of June 1, 2004 authorized the Board of Directors (subsequently the Executive Board with prior approval of the Supervisory Board) to grant stock subscription or purchase options to Group directors and managers, on one or more occasions until July 2006, within the limit of 560,000 options.

At the end of March 2006, after a grant of 424,200 options by the Board of Directors on July 9, 2004 and 49,000 options by the Executive Board on July 6, 2005, the number of options that could still be granted under this authorization totaled 86,800.

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, with, if applicable, prior approval of the Supervisory 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 6 years on June 19, 2009 and offering a 2% coupon;
- bonds amounting to 500 million euros, issued on February 16, 2004, maturing in 7 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 euros 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, in the process of being issued, maturing in 10 years and offering a coupon of 4.875%.

## RENEWAL OF FINANCIAL AUTHORIZATION TO BE PROPOSED TO THE SHAREHOLDERS' MEETING OF MAY 29, 2006

Authorization	Period and expiry date	Authorized amount
<b>A. Issue of shares or other securities giving access to the capital</b>		
Bonus share issue	38 months 07.28.2009	0.5% of share capital
Group Savings Plan	26 months 07.28.2008	€250,000
<b>B. Share buybacks and share cancellations</b>		
Share buybacks	18 months 11.28.2007	10% of share capital or €647,916,360
Share cancellations	26 months 07.28.2008	10% of share capital per 24-month period

Capital increases that might result from these authorizations are subject to the overall ceiling of 1 billion euros (nominal value) stipulated in the sixth resolution of the May 31, 2005 Shareholders' Meeting.

# 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 31, 2005 (12<sup>th</sup> resolution) authorized a share buyback program limited to the number of shares representing 10% of the share capital at the time of the buyback. This program was the subject of an information memorandum filed with the AMF, the French securities regulator, on May 10, 2005 under reference number 05-367.

The Shareholders' Meeting of June 1, 2004 (16<sup>th</sup> resolution) authorized the Board of Directors (subsequently the Executive Board with prior 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 the shares repurchased in the various share buyback programs authorized by Shareholders' Meetings.

### 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 30, 2006. Under this authorization, the maximum price is 120 euros.

The Executive Board is authorized to repurchase the number of shares representing a maximum of 10% of the share capital. At the date of the information memorandum, this maximum was 5,399,303 shares.

In accordance with applicable regulations and market practices permitted by the AMF, the repurchased shares were to be used for the following objectives:

- future use as payment or means of exchange in one or more potential acquisitions;
- delivery upon the exercise of rights attached to securities giving immediate or future access to the share capital of the Company;
- by an investment services company to generate secondary market activity or the liquidity of the shares of the Company under a liquidity contract, in accordance with the code of ethics of the AMF;
- purchase, sale or transfer by an investment services company, using any and all means, in particular in the context of over-the-counter transactions;
- implementation of a stock option plan pursuant to articles L. 225-177 sqq. of the French commercial Code;
- distribution of shares to employees under an employee 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 repurchased.

### Share buybacks carried out by the Company under the buyback program approved by the Shareholders' Meeting of May 31, 2005

Under this authorization, WENDEL Investissement purchased, between May 31, 2005 and April 30, 2006, 557,912 of its own shares for a total amount of 44,020,079.41 euros and an average unit price of 78.90 euros, through direct market purchases. (These purchases were carried out with the intention of canceling the shares, although the Company cannot cancel any shares before December 3, 2006 unless a capital increase takes place).

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 October 7, 2005 and April 30, 2006, Oddo Corporate Finance purchased 976,150 of the Company's shares on its behalf under the liquidity contract for a total amount of 87,754,474.8 euros and an average unit price of 89.90 euros. Similarly, under the same contract, Oddo Corporate Finance sold 1,015,150 of the Company's shares for a total amount of 88,248,941.33 euros and an average unit price of 86.93 euros.

Thus, on balance, 39,000 shares were sold under the liquidity contract between October 7, 2005 and April 30, 2006.

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 31, 2005, WENDEL Investissement has sold 84,139 shares at an average exercise price of 33.35 euros pursuant to the exercise of stock options granted by the Board of Directors of CGIP on July 19, 2001.

As indicated above, between October 7, 2005 and April 30, 2006, Oddo Corporate Finance sold 1,015,150 of the Company's shares under the liquidity contract for a total amount of 88,248,941.33 euros and an average unit price of 86.93 euros.

### Cancellation of WENDEL Investissement shares

Pursuant to the authorization given on June 1, 2004, WENDEL Investissement's Board of Directors cancelled 3,394,440 shares on December 3, 2004 and 2,224,765 shares on January 18, 2005.

Under current regulations, given that a certain number of shares have already been cancelled and that the Company shall not cancel more than 10% of the share capital per 24-month period, WENDEL Investissement will not cancel any shares before December 3, 2006, unless a capital increase takes place.

### SITUATION AS OF APRIL 30, 2006

As of April 30, 2006, WENDEL Investissement held 5,303,263 shares, or 9.69% of its share capital. Of these shares, 146,329 were classified as "marketable securities", because they were being used to cover the stock option plans, and 41,000 were being used in the liquidity contract. The remainder, 5,115,934 shares, were classified as "fixed asset investments".

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 THE MAY 29, 2006 SHAREHOLDERS' MEETING

The ninth resolution proposed to the Shareholders' Meeting of May 29, 2006 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 regulations of the AMF and to European regulation 2273/2003 of the European Commission, dated December 22, 2003.

Under this program, shares may be repurchased for one of the following purposes:

- future use as payment or means of exchange in one or more potential acquisitions;
- delivery upon the exercise of rights attached to securities giving immediate or future access to the share capital of the Company;
- by an investment services company to generate secondary market activity or the liquidity of the shares of the Company under a liquidity contract, in accordance with the code of ethics of the AMF;
- purchase, sale or transfer by an investment services company, using any and all means, in particular in the context of over-the-counter transactions;

- implementation of a 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 an employee 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 repurchased.

The Company will 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 this case, the Company shall inform shareholders through a press release.

The authorization to be granted to the Executive Board relates to the number of shares representing a maximum of 10% of the share capital. As of March 31, 2006, this authorization represented the purchase of 5,471,354 shares, or a maximum theoretical investment of 875,416,640 euros, based on the maximum price of 160 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 April 30, 2006, the number of WENDEL Investissement shares held by the Company was 5,303,263. On the basis of the shares already held in treasury, the Company will therefore be able to repurchase 168,091 shares, or 0.31% of the share capital, for a maximum amount of 56,867,200 euros, assuming the maximum unit purchase price of 160 euros. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization will be valid for a period of 18 months from the May 29, 2006 Shareholders' Meeting, i.e. until November 28, 2007.

### SUMMARY OF TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SHARES BETWEEN APRIL 21, 2005 AND APRIL 30, 2006<sup>(1)</sup>

	Gross transaction amounts		Open positions as of May 9, 2006					
	Purchases	Sales/Transfers	Open long positions			Open short positions		
			Calls purchased	Puts written	Forward purchases	Calls written	Puts purchased	Forward sales
Number of shares	1,534,062	1,015,150						
Maximum average maturity			NA	NA	NA	NA	NA	NA
Average transaction price	€85.90	€86.93						
Average exercise price	NA	NA	NA	NA	NA	NA	NA	NA
Amounts	€131,774,554.21	€88,248,941.33						

(1) The period under consideration begins the day after the date on which the results of the previous share buyback program were established and ends at the most recent available date.

### 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 reimbursable 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

73,987 WENDEL Investissement shares held in registered form have been pledged.

## STATEMENT OF CHANGES IN SHARE CAPITAL IN THE LAST FIVE YEARS

Date of change in capital	Transaction	Change in the number of shares
<b>Situation as of June 30, 2000</b>		
<b>Situation as of June 30, 2001</b>		
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
<b>Situation as of December 31, 2002</b>		
May 2003	According to the 3 <sup>rd</sup> 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
<b>Situation as of December 31, 2003</b>		
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 by the December 3, 2004 Shareholders' Meeting	3,394,440
December 2004	Issue of shares as authorized by the December 3, 2004 Board of Directors' meeting	-3,394,440
<b>Situation as of December 31, 2004</b>		
January 2005	Cancellation of shares authorized by the January 18, 2005 Board of Directors' meeting	-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
August 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
<b>Situation as of December 31, 2005</b>		

Number of shares comprising the capital	Par value	Change in share capital (euros)	Amount of share capital (euros)	Change in share premium (euros)	Amount of share premium
<b>17,649,370</b>	<b>€8</b>		<b>141,194,960</b>		<b>-</b>
<b>17,649,370</b>	<b>€8</b>		<b>141,194,960</b>		<b>-</b>
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
<b>55,931,687</b>	<b>€4</b>		<b>223,726,748</b>		<b>226,421,567</b>
	-	-	-	-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
<b>55,981,916</b>	<b>€4</b>		<b>223,927,664</b>		<b>127,098,823</b>
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
<b>56,183,048</b>	<b>€4</b>		<b>224,732,192</b>		<b>294,285,331</b>
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
<b>54,713,540</b>	<b>€4</b>		<b>218,854,160</b>		<b>216,246,210</b>

# Information about the principal shareholders

## CURRENT SHAREHOLDER STRUCTURE AND VOTING RIGHTS

As of March 31, 2006, the share capital consisted of 54,714,638 shares, and the number of voting rights totaled 71,592,501. 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. As of the same date, 22,142,653 shares enjoyed double voting rights.

To the best of the Company's knowledge, the main shareholders as at March 31, 2006 were as follows:

	% of capital	% of voting rights
Wendel-Participations*	36.4	55.0
Arnhold & Bleichroeder	9.8	7.5
Shares held in treasury	9.6	-
Group Savings Plan	0.3	0.3
Free float	43.9	37.2

\* Pursuant to article L. 233-10 of the French commercial Code, this figure includes Wendel-Participations, SLPS and Group directors, who held 35.0%, 1.0% and 0.4% of the capital and 53.5%, 1.5% and 0.5% of the voting rights, respectively.

To the best of the Company's knowledge:

- no other shareholder owns more than 5% of the Company's capital;
- members of the Supervisory Board and the Executive Board hold or represent 0.9% and 0.7% of the voting rights. All members are individuals.

In February 2006, a study was performed, as is done every year, to identify the shareholders of WENDEL Investissement. At that date the distribution of shareholders was as follows:

	% of capital
Wendel-Participations*	36.4
Individuals	27.4
Foreign institutional investors	21.0
French institutional investors	5.3
Shares held in treasury	9.6
Employees — Group Savings Plan	0.3

\* Pursuant to article L. 233-10 of the French commercial Code, these figures include Wendel-Participations, SLPS and Group directors.

At that date, there were more than 39,000 shareholders.

## 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 12.31.2003			Situation as of 12.31.2004			Situation as of 12.31.2005		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Registered shares	21,715,271	38.8	56.1	25,252,368	45.0	61.8	30,397,444	55.6	73.3
Registered shares held in treasury	349,725	0.6	0.0	2,161,076	3.8	0.0	5,265,562	9.6	0.0
Bearer shares	33,916,920	60.6	43.9	28,769,604	51.2	38.2	19,050,534	34.8	26.7
<b>Total</b>	<b>55,981,916</b>	<b>100.0</b>	<b>100.0</b>	<b>56,183,048</b>	<b>100.0</b>	<b>100.0</b>	<b>54,713,450</b>	<b>100.0</b>	<b>100.0</b>

## SIGNIFICANT CHANGES IN THE SHAREHOLDER STRUCTURE OVER THE LAST TWO YEARS

	Situation as of 12.31.2003		Situation as of 01.31.2005***		Situation as of 12.31.2005	
	% of capital	% of voting rights	% of voting rights	% of voting rights	% of capital	% of voting rights
Wendel-Participations*	35.0	50.5	36.4	55.5	36.5	55.5
Arnhold & Bleichroeder	10.0	7.3	10.1	7.7	9.9	7.6
UBS Warburg**	15.0	11.0	-	-	-	-
Shares held in treasury	0.6	-	9.0	-	9.6	-
Employees - Group Savings Plan	0.2	0.2	0.2	0.2	0.3	0.3
Free float (institutional shareholders and individuals)	39.2	31.0	44.3	36.6	43.7	36.6

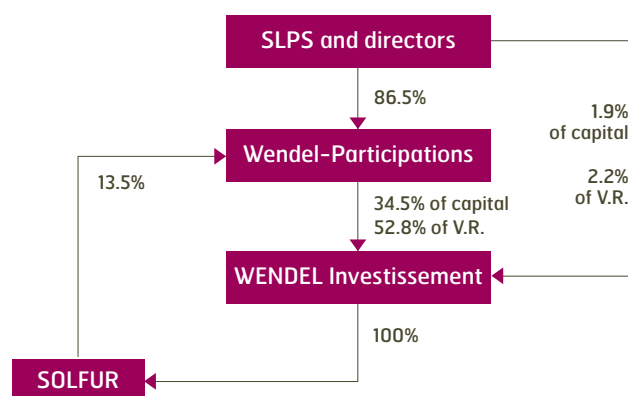
\* Figures include Wendel-Participations, SLPS and Group directors.

\*\* Percentages are included in free float from January 31, 2005.

\*\*\* Analysis performed after the simplified purchase offer in December-January 2005.

To the best of the Company's knowledge, no other shareholder controlled more than 2% of the capital or voting rights as of December 31, 2005.

## ORGANIZATION CHART AS OF MARCH 31, 2006



## 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-Participation 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 all French and foreign listed and unlisted securities, rights to intangible and tangible property rights, and engage in any type of short-, medium- and long-term capital transactions;
- participate in all guarantees, placements or other syndicates;

- create new companies;
- preserve the estate and other interests of the Wendel family;
- and generally, in France, French overseas territories and all other countries, undertake all commercial, industrial, financial, investment and 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 all 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, and generally, all operations related to these activities.

## ECONOMIC AND FINANCIAL TIES WITH WENDEL INVESTISSEMENT

There are no financial and 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, and which take the form of dividends.

There is an agreement involving a brand license (exclusive license to use the brand WENDEL Investissement) that is mentioned in the auditors' special report.

There also exist agreements with SLPS and Wendel-Participations that are mentioned in the auditors' special report.

## OTHER SHAREHOLDERS

## ARNHOLD &amp; BLEICHROEDER ADVISERS

By letter dated December 16, 2002, Arnhold & Bleichroeder Advisers 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 Advisers 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 Advisers 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 WENDEL Investissement;
- we do not intend to seek a seat on the Board of Directors of WENDEL Investissement;
- we support all initiatives that contribute to recognition of WENDEL Investissement's intrinsic value.

By letter dated March 16, 2004, Arnhold & Bleichroeder Advisers informed the Company that it had re-crossed 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 declarations to its threshold disclosure that were identical 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 identical 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.



# 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. The first three agreements involve 12.5 million and the last agreement 19.4 million WENDEL Investissement shares held by the above three companies. They are summarized as follows:

- an obligation to hold shares for a period of six years pursuant to article 885 I bis of the French tax Code ("Code général des Impôts"), dated December 23, 2003 and relating to shares representing 24.95% of the capital at that date;
- an obligation to hold shares for a period of six years pursuant to article 885 I bis of the French tax Code, dated December 17, 2004 and relating to shares representing 26.21% of the capital at that date;
- obligation to hold shares for a period of two years pursuant to article 787 B of the French tax Code, dated December 17, 2004 and relating to shares representing 23.27% of the capital at that date;
- an obligation to hold shares for a period of six years pursuant to article 885 I bis of the French tax Code, dated December 21, 2005 and relating to shares representing 36.67% of the capital at that date.

In addition to the obligation to hold shares for a defined period, these agreements stipulate that pre-emptive rights have been assigned to Wendel-Participations, SLPS, and SPIM in respect of shares representing 7.5% 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 ("Code de commerce"), 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 ASSOCIATED COMPANIES OF WENDEL INVESTISSEMENT

WENDEL Investissement is party to several shareholders' agreements under which it has given or received certain rights enabling it to protect its rights as a shareholder in various companies, such as Legrand and Neuf Telecom.

Similarly, in connection with the parallel investment of the senior managers of certain companies in the Group, WENDEL Investissement has concluded various agreements with standard clauses including liquidity clauses, pre-emption rights, inalienability, tag-along rights and drag-along rights.

## AGREEMENT DECLARED TO THE MARKET REGULATOR: LEGRAND

Legrand's return to the stock market 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 corporate 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 filed in preparation for the public offering on February 21, 2006 (no. I 06-0009) and the information memorandum approved by the AMF on March 22, 2006 (no. 06-0082). These documents are available on Legrand's website ([www.legrandelectric.com](http://www.legrandelectric.com)) and on that of the AMF ([www.amf-france.org](http://www.amf-france.org)).

# Market for WENDEL Investissement shares, dividends

## WENDEL INVESTISSEMENT SHARE PRICE AND VOLUMES TRADED SINCE JANUARY 2004

Months	High (euros)	Low (euros)	Average (euros)	Number of shares traded (average per session)	Amount traded in thousands of euros (average per session)
January 2004	37.97	33.70	36.38	33,272	1,210
February 2004	39.89	37.10	38.20	45,624	1,743
March 2004	39.85	36.13	38.23	35,025	1,339
April 2004	39.90	38.10	39.11	37,151	1,453
May 2004	39.90	36.30	38.51	37,692	1,451
June 2004	42.40	38.31	40.01	47,947	1,918
July 2004	39.85	37.85	38.72	29,993	1,161
August 2004	40.90	38.10	39.08	15,341	600
September 2004	44.20	40.00	42.63	52,638	2,244
October 2004	46.05	43.20	44.73	35,539	1,590
November 2004	48.19	43.60	46.65	37,631	1,755
December 2004	54.10	47.81	51.16	67,013	3,429
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

**DIVIDENDS** (adjusted and in euros)

The following table presents the adjusted series of dividends for the last five years:

Years	Ordinary dividend (euros)	Exceptional dividend (euros)	Total dividend distributed (millions of euros)
2000-2001	1.10	-	38.83
2001-2002	2.10	-	90.93
2003	1.05	-	58.78
2004	1.15	-	56.48
2005	1.40	0.60	98.90

Until 2001, the financial year began on July 1 and ended on June 30 of the following year.

The 2001-2002 financial 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 Company directors, officers and employees

## A. COMPENSATION OF THE CHAIRMAN AND EXECUTIVE BOARD

In 2005, the following compensation was paid to the Chairman and Executive Board members, including compensation received from companies controlled within the meaning of article L. 233-16 and from the company controlling WENDEL Investissement:

Euros	Gross compensation		2005 Board fees	Benefits	Total compensation	2004 Total compensation
	Fixed compensation	Variable part				
J.-B. Lafonta	866,948	–	89,379	5,141	961,468	1,068,674
E.-A. Seillière	594,325	–	168,453	2,096	764,874	1,566,567
B. Gautier	347,500	–	–	–	347,500	–

## COMPENSATION OF THE FIVE MOST HIGHLY PAID INDIVIDUALS

In 2005, compensation paid to the five most highly paid individuals, including directors and officers in the case of WENDEL Investissement and its subsidiaries, and executive managers in the case of the parent company, amounted to:

Compensation	€2,733,545
Board fees	€300,024
<b>Total</b>	<b>€3,033,569</b>

## OTHER DIRECTORS AND OFFICERS

Compensation paid by the Company and the companies falling within the consolidation scope of the WENDEL Group consisted mainly of board fees totaling 378,853 euros, with the following breakdown:

Jean-Pierre Berghmans	€31,000
Didier Cherpitel	€33,500
Jean-Marc Janodet	€118,853
Edouard de l'Espée	€33,500
François de Mitry	€33,500
Grégoire Olivier	€33,500
Didier Pineau-Valencienne	€15,000
François de Wendel	€33,500
Guy de Wouters	€46,500
	<b>€378,853</b>

## B. SUBSCRIPTION AND PURCHASE OPTIONS FOR WENDEL INVESTISSEMENT SHARES

As of December 31, 2005, options entitling the directors, officers and managers of WENDEL Investissement to subscribe to or purchase shares concerned exclusively WENDEL Investissement shares.

### Stock option policy

Subscription or purchase options for WENDEL Investissement shares are granted as incentives to motivate, compensate and ensure the loyalty of Group managers.

### 1) Outstanding options as of December 31, 2005 and changes in 2005

Changes in 2005:

Outstanding options as of December 31, 2004	1,926,940
Adjustment for January 2005 simplified share buyback	18,275
Options exercised in 2005	808,876
Options granted in 2005	49,000
Outstanding options as of December 31, 2005	<b>1,185,339</b>

## Options exercised in 2005

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
Exercise price	€35.04	€37.10	€37.10	€44.23

Type	Subscription	Subscription	Subscription	Subscription
Options exercised by:				
• <b>directors and officers:</b>	87,845	24,080	24,080	42,247
In office as of December 31, 2005:				
Mr. Seillière	65,067			
Mr. Lafonta				
Mr. Janodet				22,484
Mr. de Wouters	9,762	9,762	9,762	10,650
Board members (until May 31, 2005):				
Mr. Leclerc de Hauteclocque	6,508	7,159	7,159	9,113
Mr. de Moustier	6,508	7,159	7,159	
• <b>the ten employees with the highest number of options</b>	42,302	17,429	18,717	25,566
• <b>other employees</b>	858	4,557	4,557	5,327
<b>TOTAL</b>	<b>131,005</b>	<b>46,066</b>	<b>47,354</b>	<b>73,140</b>

CGIP 5-2	CGIP 5-3	WI 1-1	WI 2-1	WI 3-1	TOTAL
07/19/2001 €33.35	09/25/2001 €28.50	07/17/2002 €24.59	07/16/2003 €25.96	07/09/2004 €39.98	
Purchase	Subscription	Subscription	Subscription	Subscription	
47,376	82,643	69,654	83,686	111,043	<b>572,654</b>
					65,067
	82,643	60,569	83,686	111,043	337,941
27,544					50,028
9,916					49,852
9,916		9,085			48,940
					20,826
28,386		22,177	35,849	12,369	<b>202,795</b>
5,078		4,989	4,543	3,518	<b>33,427</b>
<b>80,840</b>	<b>82,643</b>	<b>96,820</b>	<b>124,078</b>	<b>126,930</b>	<b>808,876</b>

## 2) History of stock 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 allocation 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					
	PLAN No. 3			PLAN No. 4		
Date of Shareholders' Meeting	June 04, 96			June 02, 99		
Total number of options authorized	602,685			393,022		
Options not granted – plans closed	0			0		
Options to be granted – plans in existence	-			-		
<b>Number of shares that may be subscribed</b>	<b>602,685</b>			<b>393,022</b>		
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	
Expiry date of the options	12/04/2004	06/02/2006	06/01/2007	06/01/2009	05/29/2010	
<b>Subscription price per share (euros)</b>	<b>€12.32</b>	<b>€35.04</b>	<b>€37.10</b>	<b>€37.10</b>	<b>€44.23</b>	
Discount	20%	5%	0%	0%	0%	
<b>Options granted</b>	<b>278,664</b>	<b>154,348</b>	<b>169,673</b>	<b>179,997</b>	<b>213,025</b>	
<i>of which:</i>						
<i>Subscription options</i>	<i>278,664</i>	<i>154,348</i>	<i>169,673</i>	<i>179,997</i>	<i>213,025</i>	
<i>Purchase options</i>	-	-	-	-	-	
<b>Number of shares subscribed at 12.31.2005</b>	<b>278,664</b>	<b>153,250</b>	<b>65,407</b>	<b>75,720</b>	<b>73,140</b>	
Number of shares that may be subscribed or purchased:						
• by directors and officers	-	-	65,070	65,070	100,234	
• by the ten employees with the most options	-	-	33,336	33,345	28,997	
• by other employees	-	1,098	5,860	5,862	10,654	
<b>Number of options remaining to be subscribed or purchased at 12.31.2005</b>	<b>0</b>	<b>1,098</b>	<b>104,266</b>	<b>104,277</b>	<b>139,885</b>	

### Number of shares that may be subscribed or purchased by directors and officers:

<i>In office as of December 31, 2005:</i>					
Mr. Seillière	-	-	65,070	65,070	91,121
Mr. Gautier	-	-	-	-	-
Mr. Janodet	-	-	-	-	-
<i>Board member (until May 31, 2005):</i>					
Mr. de Moustier	-	-	-	-	9,113



ET DE PARTICIPATIONS				PLANS WENDEL Investissement				TOTAL
PLAN No. 5				PLAN No. 1	PLAN No. 2	PLAN No. 3		
May 30, 00				June 13, 02	May 27, 03	June 10, 04		
313,111				562,410	562,821	564,023		
0				278,900	239,000	-		
-				-	-	86,800		
<b>313,111</b>				<b>283,510</b>	<b>323,821</b>	<b>477,223</b>		
07/20/2000	07/19/2001	09/25/2001		07/17/2002	07/16/2003	07/09/2004	07/06/2005	
CGIP 5-1	CGIP 5-2	CGIP 5-3		WI 1-1	WI 2-1	WI 3-1	WI 3-2	
07/20/2000	07/19/2002	09/25/2002		07/17/2003	07/16/2004	07/09/2005	07/06/2006	
07/19/2010	07/18/2011	09/24/2011		07/16/2012	07/15/2013	07/08/2014	07/05/2015	
<b>€44.23</b>	<b>€33.35</b>	<b>€28.50</b>		<b>€24.59</b>	<b>€25.96</b>	<b>€39.98</b>	<b>€65.28</b>	
0%	0%	0%		0%	0%	0%	0%	
<b>5,919</b>	<b>224,549</b>	<b>82,643</b>		<b>283,510</b>	<b>323,821</b>	<b>428,223</b>	<b>49,000</b>	<b>2,393,372</b>
-	-	82,643		283,510	323,821	428,223	49,000	2,162,904
5,919	224,549	-		-	-	-	-	230,468
<b>0</b>	<b>80,840</b>	<b>82,643</b>		<b>123,801</b>	<b>147,638</b>	<b>126,930</b>	<b>0</b>	<b>1,208,033</b>
-	109,073	-		116,091	141,328	191,802	-	788,668
5,919	24,505	-		31,293	27,284	76,469	45,000	306,148
-	10,131	-		12,325	7,571	33,022	4,000	90,523
<b>5,919</b>	<b>143,709</b>	<b>0</b>		<b>159,709</b>	<b>176,183</b>	<b>301,293</b>	<b>49,000</b>	<b>1,185,339</b>
-	99,157	-		90,854	141,328	171,612	0	724,212
-	-	-		-	-	20,190	-	20,190
-	-	-		16,152	-	-	-	16,152
-	9,916	-		9,085	-	-	-	28,114

## C. RETIREMENT AND SEVERANCE PAY

The retirement plan instituted in 1947 by “Les Petits-fils de François de Wendel et Cie”, which has since changed its name to WENDEL Investissement, is a defined benefit plan that was closed on December 31, 1998. All employees of the Company – executive 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 directors and officers of WENDEL Investissement do not benefit from any other specific retirement plan.

No director or officer of WENDEL Investissement is contractually entitled to severance pay upon leaving the Company at the request of the Supervisory Board.

## D. ASSOCIATION OF MANAGEMENT IN THE INVESTMENTS MADE BY THE COMPANY

### 1. INVESTMENT BY THE MANAGEMENT OF THE SUBSIDIARIES

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

- Executive managers are invited to personally invest significant amounts, alongside WENDEL Investissement.
- Stock options are reserved for the other managers.

Investments made by executive managers 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 executive managers in as much as the amounts invested are lost if the return on investment is below these levels. In return for accepting this high level of risk, executive managers share in the out performance, in variable proportions, when the threshold is crossed.

As of December 31, 2005, such arrangements were in place at Legrand, Editis and Bureau Veritas.

### 2. INVESTMENT BY THE MANAGEMENT OF WENDEL INVESTISSEMENT

In an effort to ensure there are no conflicts of interest, the investments of WENDEL Investissement managers are systematically submitted for approval to the Supervisory Board, supported by an opinion of the Governance Committee, which has expertise in corporate ethics.

#### a) Investment in subsidiaries and affiliates

The executive managers of WENDEL Investissement have also been invited to make personal investments of a significant amount in newly acquired companies of the Group, at terms similar to those proposed to the managers of those companies.

These investments present a high level of risk for the executive managers of WENDEL Investissement in as much 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, executive managers share in the out performance, in variable proportions, when the threshold is crossed.

#### b) Investment in the shares of the Wendel-Participations partnership

Furthermore, in 2004 the executive managers of WENDEL Investissement acquired options to purchase shares in the Wendel-Participations partnership (backed by shares reported on the consolidated balance sheet of WENDEL Investissement). These options, which mature in October 2010, have a strike price corresponding to a price of 40 euros 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 to be paid by the executive managers to acquire these options was valued by an independent expert at 4 million euros.

This arrangement, which was the subject of a press release dated December 3, 2004, is intended for executive managers willing to assume an investment risk on the Group and on its future value. It has the advantage of reducing the magnitude of the stock option program, thereby limiting dilution of existing WENDEL Investissement shareholders. It also ensures that the interests of executive managers are aligned with those of the shareholders regarding dividend policy, as dividends are taken into account in the option strike price. Finally, it makes it possible ultimately to remove the Wendel-Participations shares from WENDEL Investissement's balance sheet. Because the shares are illiquid and tied to individuals, their only possible purchasers are family shareholders or managers of WENDEL Investissement.

#### c) Investment in Legrand options

Pursuant to information published in documents related to the public offering of Legrand shares, certain executive managers of WENDEL Investissement have purchased options on Legrand shares. These executives made a group purchase 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.

## 3. IMPACT ON WENDEL INVESTISSEMENT

Legrand: given the valuation of Legrand at the time of the public offering of shares, the potential dilution deriving from the investment mechanisms of the managers of Legrand and WENDEL Investissement reduce the stake held by WENDEL Investissement from 37% to 34%.

For Editis and Bureau Veritas, the total dilutive effect should lie between 5% and 10%, assuming the business plans envisioned by WENDEL Investissement at the time of the acquisition are realized.

## E. INFORMATION ON THE NATURE OF THE TRANSACTIONS BETWEEN THE COMPANY AND ITS DIRECTORS AND OFFICERS

The Company has not entered into any agreement with its directors or officers or with companies having common executive managers, apart from ordinary transactions, other than those mentioned in the auditors' special report on regulated agreements.

## F. LOANS TO MEMBERS OF THE COMPANY'S GOVERNING BODIES

None.

# Information on the activities of WENDEL Investissement

## HISTORY AND DEVELOPMENT OF THE COMPANY

Marine-Wendel was created in 1975 when the WENDEL group took over the holding company Marine-Firminy. The predominance of the Group's steel industry assets (Sacilor, Forges et Aciéries de Dilling, etc.), next to its diversified activities (Carnaud, Forges de Gueugnon, Oranje-Nassau, Cimenteries de l'Est, 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 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. A summary of key dates and events can be found on pages 8 and 9 in the chapter entitled, "Recent events and highlights of 2006".

The main changes in the Group in 2005 are discussed in the consolidated financial statements in the section dealing with the consolidation scope.

## HISTORICAL FINANCIAL INFORMATION

**Supplementary information regarding the consolidated financial statements for the years ended December 31, 2003 and 2004**

**Auditors' report on the consolidated financial statements for the year ended December 31, 2004**

The auditors' report on the consolidated financial statements for the year ended December 31, 2004 can be found in the reference document filed by WENDEL Investissement with the AMF on June 2, 2005 under the number D.05-0818.

**Notes to the consolidated financial statements for the year ended December 31, 2004**

The notes to the consolidated financial statements for the year ended December 31, 2004 can be found in the reference document filed by WENDEL Investissement with the AMF on June 2, 2005 under the number D.05-0818.

**Auditors' report on the consolidated financial statements for the year ended December 31, 2003**

The auditors' report on the consolidated financial statements for the year ended December 31, 2003 can be found in the reference document filed by WENDEL Investissement with the AMF on May 17, 2004 under the number D.04-0743.

**Notes to the consolidated financial statements for the year ended December 31, 2003**

The notes to the consolidated financial statements for the year ended December 31, 2003 can be found in the reference document filed by WENDEL Investissement with the AMF on May 17, 2004 under the number D.04-0743.

## COMPETITIVE POSITION

WENDEL Investissement's competitors are European or Anglo-Saxon investment firms, investment funds and listed or unlisted holding companies.

Unlike investment funds, WENDEL Investissement pursues long-term development objectives. Its strategy is 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 increasing their productivity. WENDEL Investissement is an active partner supporting entrepreneurial teams and working with them over time to achieve ambitious objectives in terms of growth and value creation for its shareholders.

## DEPENDENCE ON PATENTS, LICENSES, OR INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS

The WENDEL Investissement 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 ASSOCIATED COMPANIES

There are no industrial, commercial or management agreements between WENDEL Investissement and its subsidiary or associated 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):

	2005	2004	2003
Wheelabrator Allevard	2,007	2,559	2,114
Stallergènes	80	80	97
Bureau Veritas	2,000	-	-
Editis	-	4,600	-
Other subsidiaries	534	97	82

## NET ASSET VALUE

### METHODOLOGY

Net asset value at December 31, 2005 was calculated on the basis of the financial statements for the year then ended.

Shares in **unlisted companies** are valued by applying stock market multiples of similar companies in the same reference period to the principal measures of earnings. These measures are earnings before interest, tax, depreciation and amortization (EBITDA) and earnings before interest, tax and amortization (EBITA), i.e. before amortization of goodwill. These are recurrent measures of operating income restated to exclude exceptional items, if any.

The peer group does not vary over time. It generates average sector multiples which are then used to determine the enterprise value of a given company. The companies in the sample have a significant free float percentage, and the changes in their share prices reflect changes in enterprise value. Moreover, these companies are covered by several analysts who regularly publish research on the sector. The estimates of these analysts are used to calculate prospective multiples, which reflect the outlook for growth of the companies and their sector. All borrowings are deducted from enterprise value to obtain the net asset value of WENDEL Investissement's holding in the company, assuming an interest of 100%.

**New investments** are valued at cost in the months immediately following their acquisition, until such time as the Company publishes interim or year-end consolidated financial statements and updates earnings forecasts for the current year.

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 satisfactory, no discount is applied to the average share price as calculated. Should there be any restrictions, due to a commitment given, 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 Investissement.

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 the following hypotheses to develop potential scenarios:

- reserves and annual extraction rate for each field;
- various scenarios for future trends in crude oil prices;
- extraction costs for each field;
- changes in the euro/US dollar exchange rate;
- discount rate.

This analysis results in estimates of revenues and earnings for the coming years. The net present value of future cash flows indicates 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. Similarly, financial instruments, including currency options, are included at their market value.

Net asset value is given before taking into account future tax on unrealized capital gains.

### THIRD-PARTY VALIDATION AND COMMUNICATION

At the request of the Audit Committee, an independent expert regularly performs a valuation so as to confirm WENDEL Investissement's valuation of unlisted investments in the determination of net asset value.

Net asset value is disclosed to the financial community four times a year: when annual and half-year 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.

### NET ASSET VALUE OVER THE 2002-2005 PERIOD AND THE FIRST QUARTER OF 2006

In December 2005, net asset value stood at 4,480 million euros, vs. 3,430 million in December 2004, 2,520 million euros in December 2003 and 2,090 million in December 2002. In three years, net asset value has more than doubled, before taking into account dividends distributed to shareholders in June of each year. Net assets rose significantly over the period and the breakdown between listed and unlisted assets changed, highlighting how the Group has created value since it starting implementing its new strategy at the end of 2002.

The breakdown of gross assets and changes over the period are shown in the table above:

In millions of euros	March 06	%	Dec. 05	%	Dec. 04*	%	Dec. 03	%	Dec. 02	%
Unlisted assets	5,130	87%	4,530	86%	3,840	85%	2,640	78%	2,230	73%
Listed assets	310	5%	300	6%	450	10%	760	22%	820	27%
WENDEL shares	490	8%	430	8%	240	5%	-	-	-	-
<b>Gross asset value</b>	<b>5,930</b>	<b>100%</b>	<b>5,260</b>	<b>100%</b>	<b>4,530</b>	<b>100%</b>	<b>3,400</b>	<b>100%</b>	<b>3,050</b>	<b>100%</b>
Cash and cash equivalents	820		820		570		90		270	
Debt	(1,600)		(1,600)		(1,670)		(970)		(1,230)	
<b>Net asset value</b>	<b>5,150</b>		<b>4,480</b>		<b>3,430</b>		<b>2,520</b>		<b>2,090</b>	
<b>Net asset value per share</b>	<b>€94</b>		<b>€82</b>		<b>€61</b>		<b>€45</b>		<b>€38</b>	

\* 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.

**Unlisted assets** represent the largest part of the gross asset value. Their proportion increased from 73% in December 2002 to 86% in December 2005. In absolute terms, the value of unlisted assets doubled over the three years, rising from 2,230 million euros to 4,530 million euros. The increase in value in 2003 resulted largely from revaluation of Legrand, acquired at the end of 2002. The increase in value in 2004 was linked to further revaluation of Legrand and Bureau Veritas. The December 2004 net asset value figure reflected the increase in the Company's interest in Bureau Veritas from 34% to 99% at the end of 2004. In 2005, the valuation advanced by 690 million euros, reflecting two factors. Firstly, valuations of Legrand, Bureau Veritas and Editis continued to rise; secondly, Wheelabrator Allevard was sold in the middle of the year. At comparable structure, the value of unlisted asset increased by 26% in 2005.

At December 31, 2005, listed assets totaled 730 million euros, split between WENDEL Investissement shares held in treasury and other listed companies (Stallergènes, Capgemini, Valeo and bioMérieux). Excluding the WENDEL Investissement shares held in treasury, listed assets, which represented slightly more than a quarter of the total in December 2002, amounted to only 6% in December 2004.

This reduction came about because the Company gradually scaled back its investment in Capgemini in 2003 and withdrew from Trader Classified Media in 2004. Finally, the Company sold most of its stake in bioMérieux at the time of the latter's IPO in 2004. During 2005, WENDEL Investissement pursued its divestments, selling shares in bioMérieux, Valeo and Capgemini.

Net debt, which represents gross debt less cash and cash equivalents, declined from 960 million euros at end-2002 to 780 million euros at end-2005. In absolute terms, the change in debt is not particularly meaningful. A much more informative indicator is the ratio of net debt to gross assets. This measures WENDEL Investissement's capacity to repay or take on new debt. From 31% at end-2002, net debt to gross assets declined to 26% at end-2003, 24% at end-2004 and 15% at end-2005.

At March 31, 2006, net asset value stood at 5,150 million euros, or 94 euros per share. At that date, WENDEL Investissement's gross assets totaled 5,930 million euros. Unlisted assets accounted for 87% of this amount, WENDEL Investissement shares 8% and listed assets 5%. Excluding Stallergènes, non-strategic listed assets had a value in the region of 60 million euros.

# Risk factors

## LIQUIDITY RISK, INTEREST RATE RISK, CURRENCY RISK

(See section on risk management in the notes to the consolidated statements.)

## EQUITY RISK

WENDEL Investissement's assets are essentially equity interests in unlisted companies and, to a much lesser extent, in listed companies. These assets are actively managed, through constant monitoring of the performance of each company. Growth in the net asset value of WENDEL Investissement depends on the Company's ability to identify, purchase, manage and then sell companies that can become leaders in their sector and significantly increase in value with the support of a professional, long-term investor.

Operational and financial performance of the subsidiaries is monitored and analyzed at monthly meetings 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 anticipate developments in each subsidiary and associated company and to make appropriate decisions. Nevertheless, there is a risk that the economic results of the subsidiary will not be in line with management's expectations.

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.

The value of unlisted assets is linked to the performance of the stock markets. This is because the method used to value shares in unlisted companies, as explained above, is based on multiples for comparable listed companies.

WENDEL Investissement holds a 48.2% stake in Stallergènes, a listed company. In WENDEL Investissement's consolidated balance sheet, this investment is valued at 21 million euros. The market value, based on the share price at the end of December 2005, was 180 million euros. WENDEL Investissement's portfolio of investments also bears the risk of the value of its non-strategic assets, essentially shares in bioMérieux, Capgemini and Valeo. This portfolio of shares is constantly monitored. In the consolidated financial statements, these investments are valued at their market value, which was 161 million euros at end-December 2005.

In thousands of euros	Value at December 31, 2005	10% change in share price
Capgemini	70,143	7,014
Valeo	38,071	3,807
bioMérieux	16,014	1,601
Other listed shares	36,688	3,669
<b>Total</b>	<b>160,916</b>	<b>16,091</b>

## LEGAL RISKS AND LITIGATION

### SPECIFIC REGULATIONS APPLICABLE TO THE GROUP AND DEPENDENCE

Given the geographic and business diversity of the activities of WENDEL Investissement 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. 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.

Each company ensures that it complies with the requirements specific to its activity. For the conduct of its business, Bureau Veritas benefits from numerous authorizations, approvals and accreditations from governments and international organizations, which are renewed periodically. 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. In connection with its book publishing and distribution activities, Editis is subject to regulations relating to uniform sales prices, and to the applicable libel and privacy legislation.

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 legal proceedings and are regularly subject to tax, labor or administrative inspections.

A provision is set aside every time a risk is determined and the cost associated with this risk can be estimated. The methods for determining 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 litigation based on available information.

Provisions for disputes included on the consolidated balance sheet amounted to 81.7 million euros, of which 67.1 million related to Bureau Veritas. In the normal course of business, Bureau Veritas is party to several thousand disputes and legal proceedings intended to bring into play its professional liability. Editis is party to a number of disputes in the normal course of its business, mainly involving labor and copyright issues.

At the present time, the most significant litigation concerns the discovery of pollution at a site near Rouen, allegedly caused by the steelmaking activities of Hauts Fourneaux de Rouen (HFR), a company that ceased operations in 1967. The Prefect of the Seine-Maritime, alleging an ownership connection between HFR and Sofiservice (a Group subsidiary), issued a prefectoral decree in 1998, ordering Sofiservice to conduct an environmental study and

rehabilitate the site. On appeal, this decree 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 Group.

## 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, in particular, physical damage to property;
- third-party operating liability (approximately 7 million euros in coverage). This policy covers, in particular, bodily injury, physical damage and other losses to third parties;

- automotive fleet and travel insurance covering Company employees;

- liability insurance for executives, directors and officers. This policy covers the Company's directors and officers, its representatives on the governing bodies of subsidiary and associated companies, and persons considered executive managers in fact or in law, who might be held responsible for a professional error in connection with their 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.

## SIGNIFICANT CHANGES IN THE COMMERCIAL OR FINANCIAL CONDITION OF THE COMPANY

To the best of the Company's knowledge, there has been no major event so far in 2006 that could cause a significant change in the Company's commercial or financial condition.

## UNAVAILABLE ASSETS

(See note 37 to the consolidated financial statements)

## FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND TO MEMBERS OF THEIR NETWORK

In thousands of euros	2005 financial year				2004 financial year			
	Ernst & Young Amount	Audit %	PricewaterhouseCoopers Amount	Coopers %	Ernst & Young Amount	Audit %	PricewaterhouseCoopers Amount	Coopers %
<b>Audit</b>								
Audit, audit report, examination of the parent company and consolidated financial statements	1,170	44%	2,504	50%	926	84%	189	39%
Ancillary assignments	640	24%	2,268	46%	156	14%	73	15%
<b>Sub-total</b>	<b>1,810</b>	<b>68%</b>	<b>4,772</b>	<b>96%</b>	<b>1,082</b>	<b>98%</b>	<b>262</b>	<b>54%</b>
<b>Other services</b>								
Legal, tax and labor	539	20%	195	4%	25	2%	43	9%
Other	322	12%	-		-		180	37%
<b>Sub-total</b>	<b>861</b>	<b>32%</b>	<b>195</b>	<b>4%</b>	<b>25</b>	<b>2%</b>	<b>223</b>	<b>46%</b>
<b>Total</b>	<b>2,671</b>	<b>100%</b>	<b>4,967</b>	<b>100%</b>	<b>1,107</b>	<b>100%</b>	<b>485</b>	<b>100%</b>



# 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, where in the auditors 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 of the Executive Board

## PERSONS RESPONSIBLE FOR THE AUDIT OF THE ACCOUNTS

### STATUTORY AUDITORS

#### Ernst & Young Audit

represented by François Carrega

Tour Ernst & Young - 92037 Paris-La Défense

- First appointed: ordinary and extraordinary Shareholders' Meeting of November 15, 1988 (formerly 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

represented by Olivier Thibault

63, rue de Villiers - 92208 Neuilly-sur-Seine cedex

- First appointed: ordinary and extraordinary Shareholders' Meeting of November 24, 1994 (formerly Befec-Mulquin et Associés and 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

- First appointed: 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.

#### Jean-François Servat

114, rue Marius Aulan - 92300 Levallois-Perret

- First appointed: ordinary and extraordinary 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 IN CHARGE OF WENDEL INVESTISSEMENT'S CORPORATE COMMUNICATION

Gérard Lamy, Director of financial communication

Tel: +33 (0)1 42 85 30 00

e-mail : [g.lamy@wendel-investissement.com](mailto:g.lamy@wendel-investissement.com)

### Documents available to shareholders and the public

The Company's bylaws, 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 market authorities ("Autorité des Marchés Financiers" – AMF) on May 24, 2006, pursuant to article 212-13 of the AMF general regulations.

It may be used as support for a financial transaction if it is accompanied by an information notice ("note d'information") approved by the AMF.



Société anonyme with capital of 218,854,160 euros  
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**W E N D E L**  
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