



WENDEL

LETTER TO SHAREHOLDERS



KEY FIGURES

NAV at €139.5

per share as of 11/18/2016,
up 2.3% from December 31, 2015.

**NAV at
€6,568 million**

€6,167.5 million

Consolidated sales over
nine months up 9.5% overall
and up 0.9% organically.

2017-20 investment objectives

€3 - 4 billion

to be invested in equity by 2020,

of which

**€500 million
- €1 billion**

from third parties.

Dear Shareholders,

This year, for the first time, our investor day dedicated to the unlisted companies in our portfolio took place in London and was an opportunity for the financial community to meet the executives of Wendel group companies and to better understand their value creation potential.

Having achieved the objectives of our 2009-13 strategy, then our 2013-17 strategy 18 months ahead of schedule, we unveiled our new objectives for the 2017-20 period. Bernard Gautier and I would like to use our third term together since 2009 to pursue an ambitious growth strategy in line with Wendel's unique identity, its strengths and its record of achievement.

Our first objective is to increase equity investments. Wendel intends to invest €3-4 billion—of which €500 million - €1 billion will derive from third parties—in unlisted companies offering significant potential for profitable growth. Wendel will make equity investments of €200-500 million in North America and Europe. Oranje-Nassau Développement will be active principally in Africa and Southeast Asia on investments of less than €200 million. With these investments, we will aim to ultimately have a portfolio of around 50% unlisted assets, with Wendel investing in around ten large assets and Oranje-Nassau Développement in other, smaller companies.

Furthermore, we will continue to emphasize the long-term growth of our companies, by actively encouraging them to make investments that drive organic growth and profitability and by providing support for their acquisitions.

With regard to our financial structure, we intend to maintain the strict management we initiated several years ago that returned us to investment grade status in 2014. We even plan to strengthen management by keeping Wendel's⁽¹⁾ net debt under €3 billion indefinitely and maintaining positive average cash flow over the 2017-20 period.

Finally, with regard to creating value for shareholders, we intend to continue to generate double-digit⁽²⁾ average annualized return, with dividend increases every year in accordance with our target average return to shareholders, and to pursue a strategy of making regular share repurchases, depending on opportunities, as soon as the discount exceeds 20%.

In conclusion, I can tell you that with our presence in the heart of Europe, international teams in Africa, North America and Asia, a sound financial structure and numerous undervalued enterprises with very high potential, both listed and unlisted, there has never been a better time to invest in Wendel shares.

I wish you an excellent 2017.

Frédéric Lemoine, Chairman of the Executive Board

(1) Average cash flow over the 2017-20 period = dividends received - financing costs - operating expenses + management fees

(2) Average total shareholder return over the 2017-20 period, dividends reinvested calculated on the basis of the average share price during the second half of 2016.

Stahl

Stahl has been a Wendel company for over ten years. Huub Van Beijeren, its CEO, recalled that back in 2009, when the company was navigating a very difficult period, Wendel “had the courage to put more money on the table” to support a company they believed in. Today, Stahl is the world leader in leather finishing products and is developing niche applications for high-performance chemical coatings in non-leather segments. Its expertise, the long-term relationships it maintains with its principal customers, which include major luxury and high-end car brands, its highly internationalized teams (only 10% of its staff are Dutch), as well as the very high skill levels of its “golden hands” technicians, are Stahl’s main strengths as it continues its organic and external growth (to diversify its expertise).

Since 2010, Stahl’s sales have almost doubled, totalling €652 million⁽¹⁾ and EBITDA has increased from €55 million to €152 million in six years, representing a margin increase of 660 basis points to 23.3%.

Owing to Stahl’s profitable growth, very robust operating cash flow generation and the ensuing improvements to its financial structure, at the end of March 2016, it paid its shareholders a €65 million dividend, including €48 million to Wendel, and on 30 November 2016, it entered into a debt-refinancing agreement that will enable it to pay another dividend of around €320 million, including around €235 million to Wendel.

(1) Sales and EBITDA over the previous 12 months as of end October 2016.

For further information, please visit: <http://www.stahl.com> >



Huub Van Beijeren - CEO of Stahl



Alexander Baumgartner - CEO of Constantia Flexibles
Bernard Gautier - Member of the Wendel Executive Board

will aim to replicate its European successes in North America and export its know-how. And it has a two-pronged M&A strategy. First, Constantia Flexibles is already among the top 10 players in North America and India, but it aims to increase its market share and secure its position among the top three. Constantia Flexibles also wants to acquire new technologies, focus more on plastic packaging and diversify away from its original business line of aluminum.

Constantia Flexibles

Alexander Baumgartner, who became CEO just over a year ago, came accompanied by Stephan Kühne, the new CFO, to talk to investors about the highlights over the past 12 months as well as Constantia Flexibles’ strategy for the years ahead. Since our last Investor Day, Constantia Flexibles has been very active on the acquisitions front, with four acquisitions in Southeast Asia, Africa and Europe, and the opening of a first location in the United States for Verstraete IML, world leader in in-mold labels and a Constantia Flexibles’ company.

Regarding strategy, as the world’s fourth-largest and Europe’s second-largest company in the industry, Constantia Flexibles intends to maintain its leadership positions in certain identified sub-segments for which it has developed specific strategies (currently no.1 in lids for dairy products and self-adhesive labels for beer, soda and bottled water). There is also a geographical component, since for certain segments, Constantia Flexibles

For further information, please visit: <http://www.cfex.com> >

IHS

40,000. This is the number of towers IHS aims to reach in the medium to long term. With approximately 23,000 in five countries (Nigeria, Côte d'Ivoire, Cameroon, Zambia and Rwanda) in an African market currently numbering around 130,000, IHS is the independent largest «towerco» in the EMEA region (Europe, Middle East and Africa) and is the leader in each of its markets.

The demand for wireless services from the 250 million end-customers whose calls and data are transmitted by IHS towers will increase with the addition of around 100 million new customers over the next five years. In Nigeria, Africa's most populated country with 179 million inhabitants, IHS manages close to 15,400 towers and the number of mobile contract subscriptions is expected to increase by 62 million by 2020. IHS's market therefore continues to be buoyant.

For further information, please visit: <http://www.ihstowers.com> >



Ted Manvitz - CFO of IHS



Steve Jones - CEO of Allied Universal

Allied Universal

On August 1, 2016, Wendel announced that the merger with Universal Services of America had been finalized, thereby creating the North American leader in security services. Steve Jones, its CEO, came to give a talk about the newly merged company's business and strengths.

Allied Universal provides its customers with local and national services using state-of-the-art technology and employs over 150,000 qualified security officers. On a consolidated basis, Allied Universal is expected to generate total annual sales of around \$4.5 billion and an adjusted, pro forma EBITDA of around \$440 million, including around \$100 million in synergies.

In exchange for shares in AlliedBarton Security Services, Wendel received around 33% of the share capital of Allied Universal and around \$387 million in cash as part of the merger.

Warburg Pincus and Wendel are the principal shareholders in the merged company, with the same number of voting rights and three seats each on the Board of Directors, thereby exercising joint control. The rest of the share capital is held by the management teams of the merged companies and other investors.

Since the merger's finalization, the company has pursued its external growth strategy with the acquisition of three companies: Apollo International (United States), FJC Security (United States) and Source Security & Investigations (Canada), which together account for around \$400 million in revenues.

For further information, please visit: <http://www.aus.com> >

Tsebo



Clive Smith - CEO of Tsebo, came to London accompanied by Tim Walters, CFO and Chris Jardine, COO.

Founded in Johannesburg in 1971, Tsebo is a pan-African service provider to organizations and African and international companies operating in a diverse range of sectors.

Tsebo employs around 34,000 people in 23 countries and offers a wide array of services to its customers including facilities management, remote camp management, catering, cleaning, hygiene, protection, energy and procurement. It deploys its broad range of services at more than 7,000 customer sites, in particular in the financial services, construction, mining, leisure, energy, environment and mass retail sectors as well as at universities and public institutions. Tsebo's customers outsource the management of their operations to Tsebo's seasoned professionals, enabling them to concentrate on their core business. Tsebo's strength is that it combines African expertise and global standards, setting it apart from major international players that do not have Tsebo's local expertise.

As the pan-African leader of corporate services, Tsebo currently has the largest geographical coverage of the entire African market and intends to take advantage of a

still highly fragmented market to seize opportunities to make acquisitions and gain market share. In FY 2016 (FYE March 31), Tsebo generated sales of ZAR 6,333 million (ca. €400 million) and EBITDA of ZAR 507 million (ca. €35 million).

For further information, please visit: <http://www.tsebo.com> >

On September 19, 2016, Wendel signed an agreement with Rockwood Private Equity and minority shareholders to acquire Tsebo Solutions Group, the leading pan-African facilities services provider for an enterprise value of ZAR 5.25 billion (ca. €331 million).

On December 20, 2016, Wendel signed an agreement with Capital Group Private Markets, a Capital Group company specializing in private equity investments in emerging market countries, pertaining to a minority stake in its investment in Tsebo. Subsequent to this agreement, Capital Group Private Markets will hold a 35%⁽¹⁾ minority stake in Tsebo.

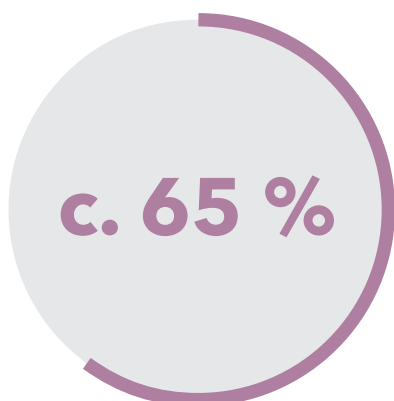
Following this transaction, Wendel will remain Tsebo's controlling shareholder with around 65%⁽¹⁾ of its share capital for a total equity investment of around €150 million, provided the transaction is finalized⁽²⁾.

(1) % stake of the controlling holding company in Tsebo before dilution resulting from the shares acquired by the company managers.

(2) The transaction is expected to close in early 2017, subject to customary conditions and regulatory approvals.

Key Figures

Capital held by Wendel



2016 sales

ZAR 6,3 Mds⁽¹⁾

Present in

23 African and Middle East countries

Equity to be invested

c. 150 M€⁽²⁾

Employees

c. 34 000 across 7,000 sites

(1) Or ~ €400M. Year-end: March.

(2) Final amounts to be announced upon closing of the transaction.

COMMITMENTS



AMREF
Flying Doctors



On November 28, Wendel joined Africa Angels, a circle of major donors to AMREF Flying Doctors France. Helping 12 million people each year, AMREF Flying Doctors is today's leading public healthcare NGO in Africa. Its primary role is to train healthcare professionals and implement innovative programs for providing isolated communities with healthcare. Wendel is proud to support this organization, which runs over 150 programs in around 30 African countries, covering the remotest environments, and prioritizing women and children so as to promote sustainable change in healthcare.

For more information: <http://www.amref.fr> >

Centre Pompidou-Metz - Fernand Léger. The Beautiful is everywhere

Open from May 20 - October 30, 2017

As part of the Centre Pompidou's 40-year anniversary celebration in 2017, the Centre Pompidou-Metz will propose an exceptional exhibition paying tribute to Fernand Léger. A man of many talents, a painter of cities and modern life, Fernand Léger depicted the profound changes that took place during his time.

The retrospective *Fernand Léger. The Beautiful is everywhere!* will portray the artist's curiosity and fascination with his era and his interest in other disciplines. The exhibit, displaying a collection of around 100 major works, will explore the connections his paintings had throughout his career with poetry, cinema, architecture, the circus and live shows and which resulted from his many artistic collaborations. Thanks to exceptional loans from the **national museum of modern art, the Centre Pompidou** and other leading institutions, this themed exhibition will shed light onto the artist's determination to reinvent painting by making it extend out of the frame.

For further information, please visit: <http://www.centrepompidou-metz.fr> >



Constantia Flexibles

Constantia Flexibles, one of the world's largest manufacturers of flexible packaging and labels, was recognized by the non-financial credit rating agency Carbon Disclosure Project (CDP) for the transparency of its climate reports and its climate protection efforts, obtaining an excellent B grade (on a scale of A to E). "We are very proud to have been awarded a B for our performance. Compared to the global average, we are among the top 12.1% of assessed companies and therefore above the global average", explained Alexander Baumgartner, CEO of Constantia Flexibles. "It shows that we are on the right track with our strategy of aiming to sustainably reduce emissions and to apply the most exacting reporting transparency standards."

The grade is awarded annually, based on CDP's assessment of the company's strategy, objectives and actual emission reductions, as well as on transparency and verification of disclosed data. This is Constantia Flexibles' third ranking by CDP.

For further information, please visit: <http://www.cflex.com> >



NAV as of November 18, 2016: €139.5 per share

Net asset value (NAV) as of November 18, 2016: €6,568 million, or €139.5 per share, up 2.3% from December 31, 2015

(in millions of euros)			11/18/2016
Listed equity investments	<u>Number of shares (millions)</u>	<u>Share price</u> ⁽¹⁾	4,521
Bureau Veritas	179.4 ⁽²⁾	€17.2	3,083
Saint-Gobain	35.8	€40,1	1,438
Unlisted investments and Oranje-Nassau Développement ⁽³⁾⁽⁴⁾			4,046
Other assets and liabilities of Wendel and holding companies ⁽⁵⁾			121
Cash and marketable securities ⁽⁶⁾			1,336
Gross assets, revalued			10,024
Wendel bond debt and accrued interest			-3,456
Net Asset Value			6,568
<i>of which net debt</i>			-2,121
<i>Number of shares</i>			47,082,979
Net Asset Value per share			€139.5
Average of 20 most recent Wendel share prices			€104.2
Premium (discount) on NAV			-25.3%

(1) Average of 20 most recent share prices, calculated as of November 18, 2016.

(2) Bureau Veritas shares held on November 18, 2016 (as of November 28, 2016, the number of shares held was 179,949,585, of which 2,776,225 had been acquired in November 2016).

(3) Unlisted investments (Cromology, Stahl, IHS, Constantia Flexibles and Allied Universal) and Oranje-Nassau Développement (Nippon Oil Pump, Saham Group, Mecatherm, exceet, CSP Technologies, SGI Africa, indirect investments and debt (Kerneos and Sterigenics)).

(4) As an exception to the NAV calculation methodology and to reflect the fast-growing nature of IHS's business, only the 2016 and 2017 EBITDA have been used in the calculation. In addition, in light of the significant investments expected in the second half, the net debt estimate used was that of December 31, 2016 rather than that of June 30, 2016. As of November 18, 2016 and in accordance with the NAV calculation methodology, Constantia was valued for the first time based on the multiples of comparable, listed companies. Allied Universal remains valued on the basis of AlliedBarton's acquisition price of \$300 million. Allied Universal will be valued on the basis of peer-group multiples in the NAV of December 31, 2016, which will be published on March 23, 2017.

(5) Includes 1,472,302 Wendel shares held in treasury as of November 18, 2016.

(6) Cash and marketable securities of Wendel and holding companies, composed of €1,031 million in cash on hand and €305 million in liquid financial investments.

Assets and liabilities denominated in currencies other than the euro have been converted at exchange rates prevailing on November 18, 2016.

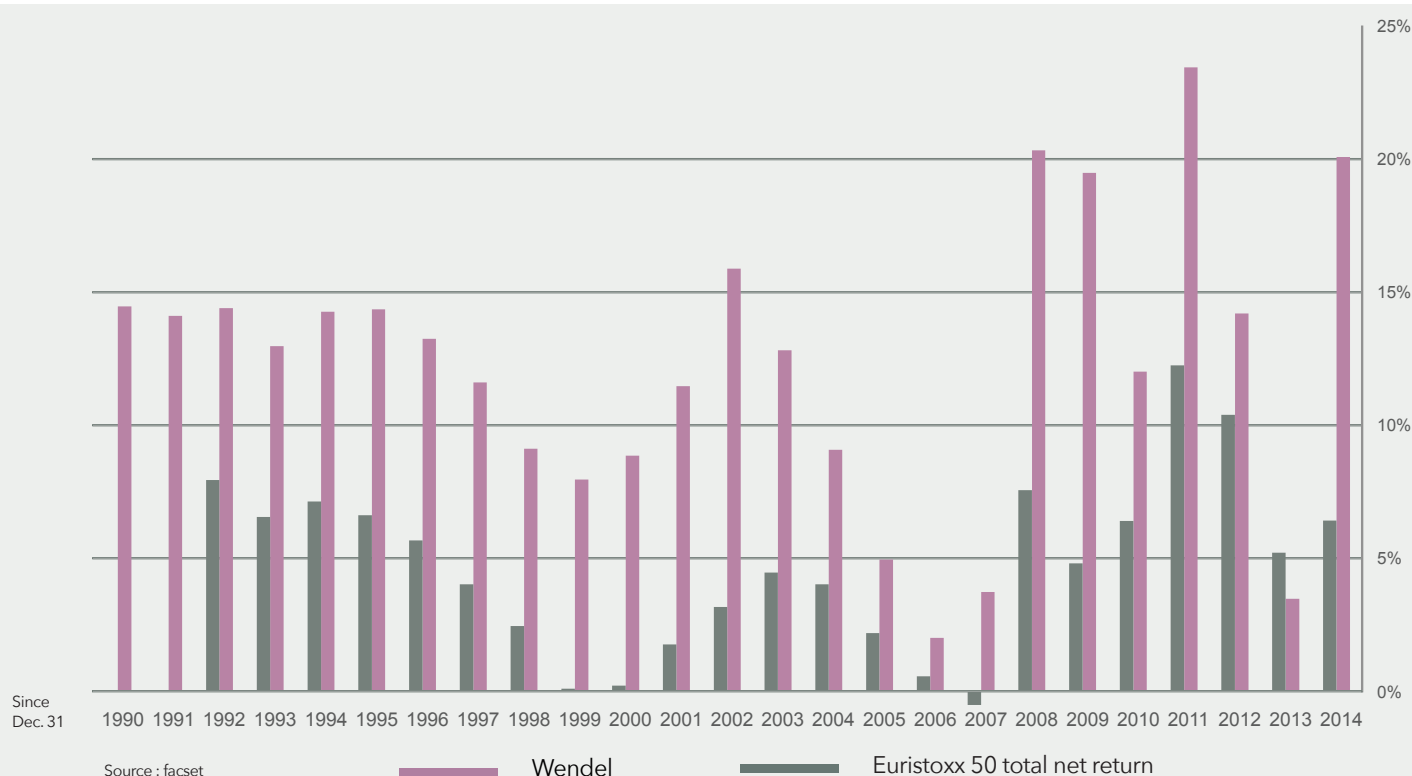
If co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. These items have been taken into account when calculating NAV. See page 247 of the 2015 Registration Document.

For more information:

<http://www.wendelgroup.com/en/content/results> >

Double-digit average return to shareholders

Wendel's annualized Total Shareholder Return (TSR) is consistently higher than that of the market.



13.0%

WENDEL'S MEDIAN
TSR OVER 25 YEARS

12.3%

WENDEL'S AVERAGE
TSR OVER 25 YEARS

Next on the agenda

3/23/2017

Publication of 2016 full-year results in Paris and NAV (pre-market release)

5/18/2017

Shareholders' Meeting in Paris / publication of NAV and trading update (before Shareholders' Meeting)

9/7/2017

Publication of first-half 2017 earnings and NAV (pre-market release) (by conference call)

11/30/2017

Investor Day, publication of NAV and trading update (pre-market release)

Wendel at the Actionaria trade show




For the seventh year in a row, Frédéric Lemoine, Chairman of the Executive Board, accompanied by the financial communications, shareholder relations and investment teams, welcomed visitors at the Actionaria trade show in the Paris Convention Center on November 18 and 19, 2016. Once again, these two days constituted a special opportunity to speak with you and answer your questions in a personalized manner, giving you the chance to learn about Wendel or get to know us better.


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