



WENDEL

LETTER TO SHAREHOLDERS

OCTOBER 2015

First-half 2015 earnings

Frédéric Lemoine, Chairman of the Executive Board

KEY FIGURES

€146.3/share

NAV at more than 7 bn (up 12.9% over 12 months) as of August 31, 2015

€3,780 M

Consolidated sales, H1 2015 (up 35.6%)

€200.8 M

Net income (up 24.0%)

€142.8 M

Consolidated net income (incl. €2.2 million - Group share)

€4.3 bn

Consolidated shareholders' equity up 39%

Dear Shareholders,

During the first part of the year, our investing business was marked by large-scale acquisitions. Our most recent acquisition in the United States enabled us to reach our 2013-17 investment objective two years ahead of schedule. The announced €2 billion in shareholders' equity have been invested: in the United States, with CSP Technologies and AlliedBarton*, in Europe with Constantia Flexibles, and in Africa, where we have reinvested \$109 million as planned in IHS, which is continuing its spectacular growth.

Our principal companies—Bureau Veritas, Saint-Gobain, Constantia Flexibles, Stahl and IHS—had a very good first half. They were particularly active in terms of investments: Bureau Veritas made six acquisitions, four of which were in China; Saint-Gobain made seven acquisitions and signed an agreement for the sale of Verallia; Constantia Flexibles strengthened its positioning in Africa with the acquisition of Afripack, a company with close to 1,200 employees and sales of over €100 million; and IHS continued to progressively integrate the towers it acquired in 2014 and 2015.

Investing is only one aspect of our business; we must now convert our efforts into tangible results and create more value for our companies and shareholders. In the next few months, we will focus on integrating and developing our companies while pursuing our Group's internationalization. By reopening our office in London, we will be able to take advantage of the business activity and opportunities available there.

*The acquisition of AlliedBarton is currently being finalized.

Frédéric Lemoine, Chairman of the Executive Board

RESULTS

On September 10, 2015, Wendel published its H1 2015 earnings and most recent net asset value.

Net asset value: €146.3 per share as of August 31, 2015

Net asset value was €7,018 million or €146.3 per share as of August 31, 2015, a 12.9% rise from €129.7 per share as of August 19, 2014. The discount to NAV was 19.5% as of August 31, 2015.

(in millions of euros)			8/31/2015
Listed equity investments	Number of shares (millions)	Share ⁽¹⁾	6,414
Bureau Veritas	177.2	€20.7	3,667
Saint-Gobain	65.8	€41.7	2,747
Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles) and Oranje-Nassau Développement. ⁽²⁾			3,206
Other assets and liabilities of Wendel and holding companies ⁽³⁾			167
Cash and marketable securities ⁽⁴⁾			1,517
Gross assets, revalued			11,304
Wendel bonds and accrued interest			(4,286)
Net Asset Value			7,018
<i>Number of shares</i>			47 953,680
NAV per share			146.3
Average of 20 most recent Wendel share prices			117.8
Premium (Discount) to NAV			(19.5%)

(1) Average share price of the 20 trading days prior to August 31, 2015

(2) NOP, Saham, Mecatherm, Parcours, except, CSP Technologies, indirect investments and debt (Kerneos and Sterigenics)

(3) Includes 1,606,417 Wendel treasury shares as of August 31, 2015

(4) Cash and marketable securities owned by Wendel and holding companies. Includes €1,186 million in cash on hand and €331 million in liquid financial investments.

Foreign currency conversions are based on exchange rates as of August 31, 2015.

If the co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. See p.199 of the 2014 Registration Document

First-half 2015 earnings

Wendel's consolidated sales totaled €3,780.3 million, up 35.6% overall and up 3.3% organically (total organic growth excludes organic growth of Constantia Flexibles and CSP Technologies).

The overall contribution of the Group's companies to net income from business sectors was €333.2 million, up 15.4% from the first half of 2014. The rise resulted from changes in the scope of consolidation, both at Wendel and at the level of certain subsidiaries. At Wendel, Constantia Flexibles was consolidated from April 1, 2015. At the subsidiary level, Stahl became a much larger company with the acquisition of Clariant Leather Services. These were the principal

RESULTS

changes. Furthermore, Bureau Veritas and Saint-Gobain both performed well, offsetting the decline in their contribution to net income from business sectors owing to the sale of Saint-Gobain shares in May 2014 and Bureau Veritas shares in March 2015.

Financial expense, operating expenses and taxes totaled €132.4 million, up from €126.8 million in H1 2014. The increase in operating expenses over the first six months of 2015 resulted in particular from the very strong investment activity.

Non-recurring income was €-0.9 million vs. €57.1 million in H1 2014. In the first half of 2014, non-recurring items had included principally €294.0 million in gains on the sale of Materis' Aluminates and Mortars divisions. These gains were partially offset by losses of €106.7 million on the sale of Saint-Gobain shares.

In the first half of 2015, non-recurring gains and losses netted almost to zero, and included the following positive and negative items:

- a revaluation of Saint-Gobain shares at €47.20 on Wendel's balance sheet for a total of €203.4 million;
- an anticipated loss in Wendel's consolidated statements on the sale of Verallia (€96.7 million);
- a currency translation loss recognized by IHS following the devaluation of the Nigerian naira related to dollar-denominated debt (€54.7 million);
- asset impairment (€38.1 million) and other non-recurrent loss items (€14.8 million).

The €727.5 million Group share of the capital gain on the sale of Bureau Veritas shares in March 2015 was not recognized in Wendel's income statement, in line with IFRS 10 but in "changes in shareholders' equity". As a result, Wendel's shareholders' equity as of June 30, 2015 stood at €4.3 billion.

Wendel's net income, Group share, was €32.2 million in the first half of 2015, compared with €70.3 million in H1 2014.

Consolidated results, H1 2015

(in millions of euros)	H1 2014	H1 2015
Consolidated subsidiaries	288.7	333.2
Financing, operating expenses, and taxes	-126.8	-132.4
Net income from business sectors ⁽¹⁾	161.9	200.8
Net income from business sectors ⁽¹⁾, Group share	63.6	61.7
Non-recurring income	57.1	-0.9
Impact of goodwill allocation	-43.4	-57.1
Total net income	175.5	142.8
Attributable net profit	70.3	32.2

(1) Net income before goodwill allocation entries and non-recurring items.

Earnings press release >

Acquisition of AlliedBarton security services



Wendel announced on June 30, 2015 that it has agreed to acquire AlliedBarton Security Services, one of the largest security officer services companies in the United States, for approximately \$1.67 billion. As part of the proposed acquisition, Wendel has planned to make an equity investment alongside AlliedBarton's management of approximately \$670 million, for a c. 96% ownership in the company, including management team anticipated investments. The transaction is expected to close by the end of 2015, subject to customary conditions and regulatory approvals. AlliedBarton is a leader in the U.S. security services market providing physical guarding and related services to a diversified group of more than 3,300 customers in a number of markets. Certain customers hold sensitive information (7% of revenue), which attests to AlliedBarton's experience and trustworthiness. In that regard, the company will establish a governance compliant with U.S. Defense authorities' standards.

Founded in 1957 and based in Conshohocken, Pennsylvania, AlliedBarton has more than 60,000 employees and 120 regional and district offices located throughout the United States. For the 12 months ended June 30, 2015, AlliedBarton generated revenues of more than \$2.1 billion and an adjusted EBITDA of \$148 million with a free cash flow conversion rate of greater than 95% ⁽¹⁾.

(1) Conversion ratio = (EBITDA-capex)/EBITDA

AlliedBarton Key figures



For further information,
please visit:
www.alliedbarton.com >



Major acquisition in Africa for Constantia Flexibles

Constantia Flexibles has reinforced its position in the growth market of African countries south of the Sahara through the purchase of Afripack, one of Africa's largest packaging manufacturers with ca. €103 million sales in 2014. The acquisition is expected to be concluded in the second half of 2015.

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



Alexander Baumgartner

New CEO at Constantia Flexibles

On June 25, Wendel announced the appointment of Alexander Baumgartner as CEO of Constantia Flexibles. Following a handover period, he will succeed Thomas Unger. He has assumed his new functions as of October 1.

New corporate governance for Cromology

On September 10, Wendel announced a new governance for Cromology (formerly Materis Paints). Patrick Tanguy, Managing Director of Wendel, will represent Wendel as a non-executive Chairman in the governance of Cromology. Gilles Nauche, the Chief Executive Officer of Zolpan, one of the group's flagship brands, has been promoted to Chief Executive Officer of Cromology.

This change comes as Bertrand Dumazy, Cromology's current Chairman and CEO, prepares to leave the group at the end of October to take over the management of another group.

Gilles Nauche has extensive international management experience and in-depth knowledge of the sector, which will be great assets in pursuing the development of Cromology around its remarkable portfolio of paint brands and in generating further earnings growth.

[Press release](#) >



Patrick Tanguy



Gilles Nauche

COMMITMENTS

Saint-Gobain celebrates its 350th anniversary

In 2015, Saint-Gobain is celebrating its 350th anniversary. For this occasion, the oldest company in the CAC 40, the French stock exchange's flagship index, set itself a challenge: provide the general public with a sensory and artistic experience in four of the world's great cities. It therefore designed four pavilions, called «Future Sensations». The four pavilions showcase the Company's ability to innovate and its exceptional expertise in materials, especially building materials.

After Shanghai in January, São Paulo in April and Philadelphia in May, the pavilions will be in Paris from October 15 to 31 at the Place de la Concorde. They will be open to the general public free of charge every day from 10:00 AM to 6 PM (Saturdays until 10 PM / Sundays until 8 PM).

For further information, please visit: www.saint-gobain.com >



Cromology Italia, «Green supplier of the year»

Cromology Italia received the "Green Supplier of the Year" award from Leroy Merlin Italia. The jury unanimously agreed to reward Cromology Italia's initiatives in favor of its employees' health and safety as well as the quality of the environmental control processes of its raw material and final products.

For further information, please visit: www.cromology.com >



Well done to our Paris Ladies

On Sunday September 13, a team of 13 women from Wendel took part in the famous "La Parisienne" corporate challenge women's race in Paris. La Parisienne is a women's 6.7km running race. It is classed as France's second major running race and the largest all-female race in Europe, with funds raised donated toward combating breast cancer.

Wendel's Parisian women, along with more than 39,200 other women, braved the pouring rain to finish in a very honorable 206th place out of more than 700 participating teams.



80,000

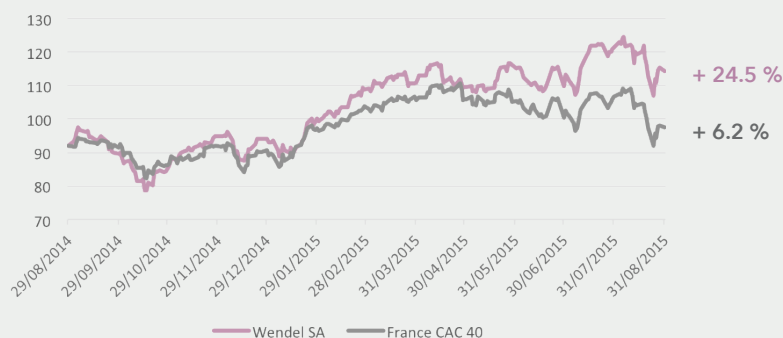
Visitors

have been to the Warhol Underground exhibition at the Centre Pompidou-Metz, of which Wendel is the founding sponsor. The exhibition highlights the influence of the New York musical scene and choreographic vanguard in Andy Warhol's work (1928-1987). The exhibition will run until November 23.

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

Change in Wendel share price and CAC 40

rebased to compare with the Wendel share price on August 29, 2015.

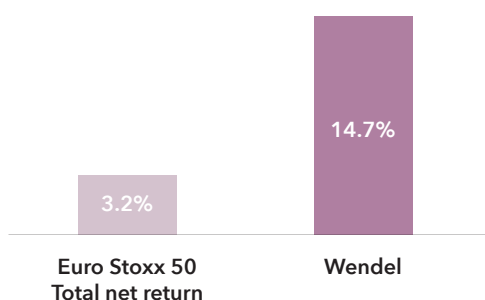


Source: Factset.
(from 8/29/2014 to 8/29/2015)

Total return of Wendel shares vs. the Euro Stoxx 50 as of August 31, 2015 (source: Factset)

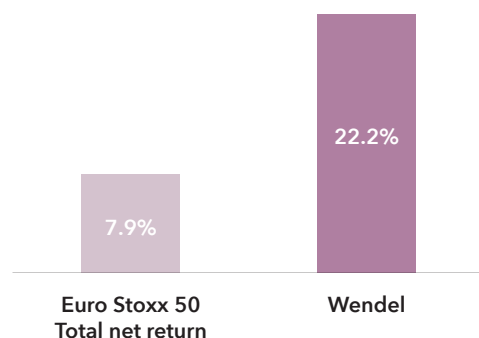
Total annualized return

since June 13, 2002



Total annualized return

since January 1, 2009



Next on the agenda

Thursday December 3, 2015

2015 Investor Day / publication of NAV and trading update (pre-market release)

Thursday March 31, 2016

2015 full-year results / Publication of NAV (pre-market release)

Wednesday June 1, 2016

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

Thursday September 8, 2016

H1 2016 earnings / Publication of NAV (pre-market release)

Wendel will be present au Salon Actionaria

Come and join us on November 20-21 at the Salon Actionaria, Palais des Congrès, Porte Maillot, Paris. We will be pleased to welcome you at our booth (E27, level 2), where you can talk with the financial communications and individual investor relations teams. Frédéric Lemoine will take part in an interview on Friday November 20 at 3:00 p.m. (CET) as part of «L'Agora des Présidents».

Call us
Toll-free no. :
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or write to communication@wendelgroup.com, we will provide you invitations for this salon.



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