



W E N D E L

PRESS RELEASE – MAY 3, 2016

Wendel pursues its shift towards unlisted assets and expresses its confidence in Saint-Gobain

- **Sale of 30 million Saint-Gobain shares, i.e. 5.3% of Saint-Gobain's share capital**
- **10 million share buyback by Saint-Gobain in the placement**
- **Simultaneous issue of a ca. €500 million zero coupon bond exchangeable into Saint-Gobain shares at a premium of 35% to 40% above the sale price for the simultaneous sale of Saint-Gobain shares**
- **Full confidence in Saint-Gobain's strategy reiterated by Wendel**

Wendel, owning 11.7% of Saint-Gobain's share capital and 19.3% of its voting rights, announces its intention to sell approximately 5.3% of Saint-Gobain's share capital and simultaneously issue a bond exchangeable into Saint-Gobain shares.

Sale of 5.3% of Saint-Gobain's share capital

The sale of 30 million Saint-Gobain shares (the "**Shares**") will be sold through a private placement to be executed through an accelerated bookbuilding process (the "**Placement**"). As part of its share buyback program, Saint-Gobain will participate in the Placement with a 10 million share irreducible order at the Placement price. This represents one third of the Placement.

Following this transaction and the subsequent cancellation of the shares bought back by Saint-Gobain, Wendel will retain a stake of approximately 6.4% in Saint-Gobain's share capital and approximately 11.1% of its voting rights. This level of ownership will enable Wendel to remain a significant long-term shareholder of Saint-Gobain within the framework of the existing governance agreements between the two companies.

The definitive terms of the Placement will be determined following the completion of the bookbuilding process. Settlement and delivery of the Shares is expected to take place on May 6, 2016.

The Placement will target institutional investors in France and in certain countries outside of France.

Issue of a ca. €500 million bond exchangeable into Saint-Gobain shares

Confident in the upside potential of Saint-Gobain's share price, Wendel has elected to maintain a significant exposure to Saint-Gobain and to simultaneously issue a ca. €500 million bond exchangeable into Saint-Gobain shares (the "**Bonds**").

This zero coupon exchangeable bond will enable Wendel to continue reducing its average cost of debt to less than 3.7% (after the repayment of the bond maturing on May 26, 2016), vs. 4.3% at the end of March 2016.

The Bonds will be offered only by way of a private placement in France and outside France (except in the United States of America, Canada, Australia and Japan) to persons referred to in article L. 411-2-II of the French monetary and financial code (Code monétaire et financier), without public offering in any country (including France).

The sale and the issue are part of Wendel's strategy to increase its exposure to unlisted assets. Wendel plans to use the proceeds from these transactions to invest in unlisted companies in Europe, North America and Africa, as well as to support the development of Group companies. These transactions will also enable Wendel to strengthen its financial structure. Other things being equal, the sale will improve its loan-to-value ratio by approximately 9 percentage points.

The sale of Saint-Gobain Shares announced today will result in an accounting loss of approximately €220 million for Wendel.

Given its long-term perspective in Saint-Gobain, Wendel has agreed with the bookrunners to a particularly long lock-up commitment not to carry out a similar transaction in the market for the next 12 months, subject to certain usual exceptions.

Frédéric Lemoine, Chairman of Wendel's Executive Board, commented:

"After having achieved all of our investment objectives 18 months ahead of schedule, this transaction significantly increases our flexibility to seize high potential investment opportunities identified by our teams, while significantly improving our financial structure. Within the framework of our governance agreement, Wendel remains a very significant shareholder of Saint-Gobain and thereby intends to benefit from the strong prospects offered by the group. The considerable work of business portfolio optimization carried out under the leadership of Pierre-André de Chalendar, the prospect of a rebound in construction markets as well as the strategic plan to acquire a controlling interest in Sika should enhance the group's value creation potential in the future."

Pierre-André de Chalendar, Chairman and Chief Executive Officer of Saint-Gobain, commented:

"The transaction launched by Wendel allows us to buy back shares at attractive terms and to move significantly toward our medium-term objective of decreasing the number of shares to 531 million. I welcome the reiterated confidence of Wendel in the group's growth prospects and our continued partnership. In parallel with this transaction, Saint-Gobain will continue its investment and acquisition program with notably the acquisition of a controlling interest in Sika."

Key characteristics of the bond exchangeable into Saint-Gobain shares

Total amount of the issue	€500 million
Maturity ¹	3.2 years / July 31, 2019
Issue price	100 % - 103 %
Exchange premium ²	35 – 40%
Yield to maturity per annum	(0.90) – 0.00 %
Coupon	0 %
Exchange period ³	From the Issue Date until the 30 th business day preceding maturity
Exchange ratio ⁴	1 Saint-Gobain share per Bond
Settlement date	Expected May 12, 2016
Listing	<i>Marché Libre</i> of Euronext Paris

The Share Placement and Bond offering will be led by BNP Paribas and Goldman Sachs International acting as joint bookrunners. Goldman Sachs International is the Sole global coordinator of the transactions.

This press release does not constitute or form a part of any offer to subscribe nor a solicitation to buy or subscribe any financial instrument of Compagnie de Saint-Gobain or Wendel, and the placement of the shares of Compagnie de Saint-Gobain as well as the placement of the bonds of Wendel do not constitute, in any circumstances, a public offering in any country, including France.

¹ The Bonds will be redeemed at par on July 31, 2019, subject to Wendel's option to deliver existing shares of Saint-Gobain and, as the case may be, an additional amount in cash. The Bonds may be redeemed earlier at Wendel's option under certain conditions. In addition, the holders of Bonds may demand early redemption of the Bonds in the event of a change in control of Wendel or of Saint-Gobain, subject to certain conditions.

² Exchange premium above the sale price for the simultaneous sale of the Shares as part of the Placement.

³ Bondholders may exercise of their exchange right at any time from the Issue Date until the 30th trading day (non-inclusive) before the maturity date of the Bonds or the relevant redemption date, if applicable.

⁴ Subject to any subsequent adjustments. In the event that Bondholders exercise their exchange rights, they will be entitled to receive, at the option of Wendel, either an amount in cash, or an amount in cash plus a number of existing Saint-Gobain shares or existing Saint-Gobain shares only.

Important notice

The distribution of this announcement and the offer and sale of the shares and the bonds in certain jurisdictions may be restricted by law and persons into whose possession this document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The shares and the bonds were not and are not being offered to the public in any jurisdiction and may not be offered to the public in any jurisdiction in circumstances which would require the preparation or registration of any prospectus or offering document relating to the shares or the bonds in such jurisdiction. This announcement is not an offer of securities for sale in any jurisdiction, including the United States of America, Canada, Australia or Japan. No action has been taken to permit a public offering of the shares or the bonds or possession or distribution of this announcement in any jurisdiction where action for that purpose is required. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or purchase whatsoever in any jurisdiction and shall not constitute or form part of an offer to sell or the solicitation of an offer to buy any securities in the United States of America or in any other jurisdiction.

European Economic Area

With respect to member states of the European Economic Area ("EEA") which have implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken and will be undertaken to make an offer to the public of the shares and/or the bonds requiring a publication of a prospectus in any Member State. As a result, the shares and/or the bonds may only be offered in Member States:

- a) to "qualified investors" within the meaning of the Prospectus Directive ("Qualified Investors") or
- b) in circumstances falling within Article 3(2) of the Prospectus Directive.

and provided that no such offer of bonds referred to in (a) to (b) above shall require Wendel or the Joint Bookrunners to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For these purposes, as defined in the Prospectus Directive, (i) the expression an "offer to the public of the shares and/or the bonds" in a relevant Member State, which has implemented the Prospectus Directive (as defined below), means any communication in any form and by any means of sufficient information on the terms of the offer of the shares and/or the bonds to be offered, so as to enable an investor to decide, as the case may be, to purchase the shares or to purchase or subscribe the bonds, as the same may be varied in that Member State, (ii) the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto), and includes any relevant implementing measure in the Relevant Member State.

France

The shares and the bonds have not been and will not be offered or sold, directly or indirectly, to the public in France. The shares and the bonds will be offered or sold in France only to (x) persons providing investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers), and/or (y) qualified investors (investisseurs qualifiés) acting for their own account, with the meanings ascribed to them in, and in accordance with, Articles L. 411-1, L. 411-2 and D. 411-1 of the French Code monétaire et financier and applicable regulations thereunder.

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In the United Kingdom this announcement is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated. This announcement is not an offer of securities or investments for sale nor a solicitation of an offer to buy securities or investments in any jurisdiction where such offer or solicitation would be unlawful. No action has been taken that would permit an offering of the securities or possession or distribution of this announcement in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

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Each of BNP Paribas and Goldman Sachs International is acting on behalf of Wendel and no one else in connection with any offering of the shares and the bonds and will not be responsible to any other person for providing the protections afforded to any of its clients or for providing advice in relation to any offering of the shares and the bonds.

Financial calendar

6/1/2016

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

In Paris

9/8/2016

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

By conference call

12/1/2016

2016 Investor Day / publication of NAV and trading update (pre-market release)

In London

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests internationally, in companies that are leaders in their field, such as Bureau Veritas, Saint-Gobain, Cromology, Stahl, IHS, Constantia Flexibles and AlliedBarton Security Services. Wendel plays an active role as industry shareholder in these companies. It implements long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel is also a shareholder of exceed in Germany, Mecatherm in France, Nippon Oil Pump in Japan, Saham Group in Africa and CSP Technologies in the United States.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long-term: Long-term: BBB-, stable outlook – Short-term: A-3 since July 7, 2014. Wendel is the Founding Sponsor of Centre Pompidou-Metz. In recognition of its long-term patronage of the arts, Wendel received the distinction of "Grand Mécène de la Culture" in 2012.

For more information: www.wendelgroup.com

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