Letter to Shareholders

January 2010

Key figures
as of November 30, 2009

NAV
€52.2 per share as of November 30, 2009
up 40.3%
from August 26, 2009

Sound cash position
€2,200 million as of November 30, 2009

Last 12 months
€946 million reduction in bank and bond debt

Bank borrowings with margin calls extended more than 2 years

No debt repayment before February 2011

Net debt
€4,600 million

Value of industrial assets
€7,200 million

Dear Shareholders,

This special edition is devoted to the most recent Investor Day, held in Paris on December 3, 2009. We decided to make innovation the theme of our annual seminar this year. Innovation is always a determining factor of economic growth, and in the current environment, it is a marvelous vector for climbing out of the recession. Choosing innovation means adopting long-term strategies in terms of research, new products or services. Innovation also requires the right corporate culture. The managers of our listed and unlisted companies focused on these topics throughout the course of Investor Day. Wendel has always ascribed a great deal of value to this approach, which is perfectly in line with our role as a long-term investor. It takes time for research to turn into tangible results. Stallergenes' recent success in obtaining marketing approval for Oralair® in 23 countries was the consecration of 5-7 years of research, supported by Wendel.

Investor Day was also a time to take stock of the progress our Group has made. Thanks to the motivation of all Wendel employees, we are clearly ahead of plan. In particular, we worked tirelessly to postpone and extend the maturities of our bank borrowings and bond issues. This work is now complete. Nearly half of our bank debt now comes due between 2014 and 2015, and there is no scheduled repayment before February 2011.

We have successfully accompanied our unlisted companies in their efforts to adjust their financial situation. Specifically, we have struck a remarkable deal for Materis and an initial agreement for Deutsch that runs until March. We have also supported Stahl through a refinancing proposal supported by all lenders pending a business recovery.
This letter outlines the huge potential for value creation that our unlisted companies are set to unleash over the next 3-4 years: €1-2 billion. This justifies the priority we place on them.

We are adopting a realistic approach to 2010. The economic environment remains very uncertain, but emerging markets have clearly returned to growth, as the experiences of Saint-Gobain, Legrand and Bureau Veritas have shown.

I thank you for your loyalty and your support. I would also like to take advantage of this opportunity to wish you and yours a happy and healthy new year 2010.

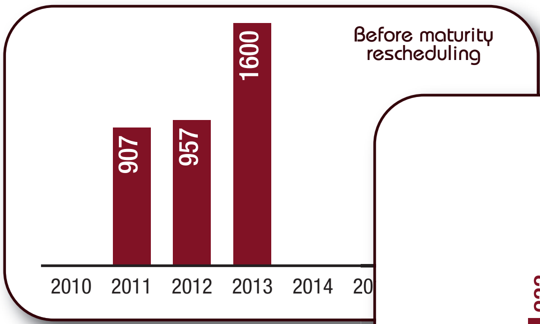
Frédéric Lemoine, Chairman of the Executive Board

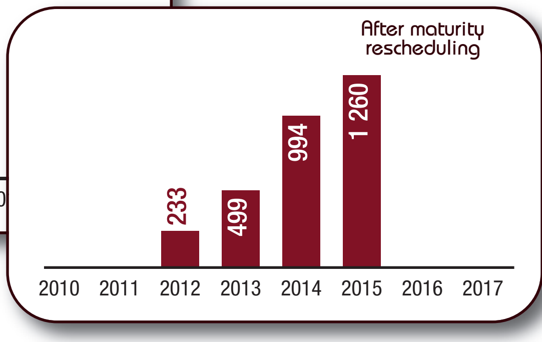
The main themes

Work on Wendel's debt has been completed

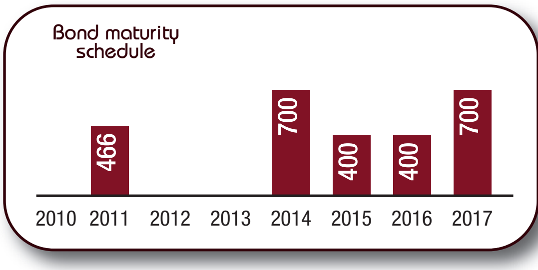
On Investor Day, Wendel announced the most recent steps it has taken as part of the strategy launched in April 2009 to increase financial flexibility:

- The work to postpone the repayment of borrowings with margin calls, contracted to finance Wendel's stake in Saint-Gobain, has been completed. During 2009, Wendel postponed the repayment on all of its bank debt with margin calls by more than two years. The average maturity on bank borrowings is now four and a half years.





- The structure of bond debt was further improved through prepayment and rescheduling of maturities.



- Borrowings without margin calls were reduced from €2,095 million to €1,633 million.

- €2,100 million financial headroom.

Strong, long-term value creation potential in Wendel's unlisted companies

Notwithstanding the recession, Materis, Deutsch and Stahl still have the strengths and advantages that prompted Wendel to acquire them in 2006. These companies all rank among the world leaders in their respective fields, enjoy operating margins of more than 10% of sales, excluding atypical recession periods, and operate in more than 20 countries. Faced with economic uncertainty, they sprang into action to step up their action plans. All of their lenders now support the financial restructuring plans that were implemented with Wendel's active support.

Why does Wendel believe that its unlisted companies will create value in the €1-2 billion range over the next 3-4 years?

To value our unlisted companies, we take their operating results and apply the multiples of comparable listed companies to them.

The value of Wendel's unlisted companies collapsed from around €700 million in 2007 to €92 million in May 2009, for two reasons: measures of profitability dropped considerably and, to a lesser extent, valuation multiples declined. Recently, valuation multiples have recovered substantially. At the same time, operating performance appears to be strengthening.

We estimate that within 3-4 years, the valuation of these companies will rise by €1-2 billion compared with today's values, driven essentially by their improved operating performance.

A new investment phase from 2010

While confirming our long-term commitment as a shareholder of Saint-Gobain, our investment profile will change as the value of unlisted companies in the portfolio increases and sectoral diversification intensifies.

To diversify, Wendel plans to enter a new investment phase in 2010. We will target medium-sized companies that are leaders in their markets, enjoy high barriers to entry, have sound fundamentals and generate recurrent cash flow. They will be based in France, the Benelux countries and Germany, with high exposure to emerging markets. They will be drawn from sectors whose growth is based on long-term macroeconomic trends. Wendel will invest in the equity of the companies, with or without recourse to debt. We will act alone or with partners, but will seek to retain a controlling stake. ■

UNLISTED COMPANIES

You can listen to a full audio presentation at

http://www.wendelgroup.com : Home > Finance > Investor day > 2009

STAHL

Freshly arrived from India, Huub van Beijeren,
CEO of Stahl, presented the company's principal achievements and development path against a background of economic conditions that remain challenging.

He began by reiterating Stahl's intrinsic qualities: strong brands, innovative products and steadfast, long-standing customer relationships. He then mentioned the action plans the company has undertaken to deal with these market conditions and to use innovation of all kinds, whether deriving from products or management methods, as sources of future growth and profitability. The company continues to focus on innovation, R&D and the quality of its technical sales force, while attracting talented professionals. On the financial side, the company reduced costs in 2008 and made additional progress in this regard in 2009. As a result, Stahl was more resilient to the downturn than its principal rivals, and strengthened its leadership position, with a worldwide market share of more than 20% in leather-finishing products. Mr. van Beijeren concluded his presentation with an emphasis on Stahl's ability to turn the recession into a growth opportunity by focusing on product innovation, international expansion (in particular in emerging markets) and by intensifying sales efforts in the Permuthane, Picassian and Pielcolor businesses. ■

MATERIS

Olivier Legrain,
Chairman and CEO of Materis, described his company's performance as one of the sector's best worldwide, against an exceptionally weak economic environment.

Materis began 15 years ago as a strictly French company; today 50% of its sales derive from outside its country of origin. As the company is present in the US market, it saw the impact of the economic downturn on the end users of its products right from the autumn of 2007. As a result, Materis implemented appropriate action plans, which enabled it to maintain high profitability in the first half of 2009, with an adjusted operating margin of 10.9%. Organic growth will be a major avenue for development over the next five years. Innovation in terms of products and services, such as exterior thermal insulation and energy efficiency, thereby addressing today's environmental concerns, or in terms of distribution channels, such as the new "Mise en Teinte" stores dedicated to premium paints, as well as many other initiatives, should generate additional EBITDA of €15-20 million by 2013-2014.

Mr. Legrain also reiterated that certain end-user markets should continue to be affected in 2010, but that measures have been put in place to soften their impact. Separately, the company is still able to carry out accretive acquisitions, owing to the financing obtained in the summer of 2009. ■

DEUTSCH

Jean-Marie Painvin,
Chairman and CEO of Deutsch, described 2009 as very difficult in terms of sales. But he reported that Deutsch was also able to implement action plans in 2009 that led to $54 million in cost reductions.

As a result, the company believes it will be even stronger when it emerges from the worldwide recession. Innovation is central to Deutsch's business activity. In fact, customers often think of the company as a veritable design office. This positioning, combined with Deutsch's expertise and the quality of its products, gives the company strong intrinsic value, comfortable margins (12.1% in H1 2009) and high growth potential.

During Investor Day, Mr. Painvin announced that Deutsch had signed a contract with Exxon to supply offshore sites. In all likelihood, 2010 will be a difficult year, but Deutsch has embarked on numerous programs to cut costs and improve cash flow generation without reducing R&D expenditures. In the long term, new products and new markets - principally India and China - will help boost sales. The company also continues to invest in new aircraft platforms (A380, A350, Dreamliner, etc.) which will generate significant additional sales in the medium term. ■

Innovation, a springboard for recovery

As a long-term shareholder, Wendel supports the R&D expenditures and innovation strategies of its subsidiaries and affiliates. These are two very important vectors for benefiting from the future economic recovery. In the course of a discussion moderated by the journalist Stéphane Soumier, the representatives of Wendel's listed companies - Bureau Veritas, Legrand, Saint-Gobain and Stallergenes - presented their various initiatives in the realm of sustainable innovation. Their projects are intended to respond to the needs of tomorrow's world in fields as varied as housing, respiratory allergies, electrical installations, certification and risk management. For all of these companies, an innovation strategy involves much more than just R&D expenditures. Rather, it should reflect a specific vision and state of mind. In addition to technological inventions, such a strategy should lead to sustainable and socially responsible, value-creating innovation: in consumption patterns, in production processes, even in management. These trends are a central priority of our modern societies. ■

Interview with **Albert Saporta**, Chairman and CEO of Stallergenes

Albert SAPORTA,
"Innovation is inseparable from Stallergenes' business in many areas: products, production processes, services for patients and healthcare providers".

Stallergenes won the prize for best financial performance at the "BFM Awards" on November 16, 2009. Putting aside its stock market performance, what is the secret to Stallergenes' winning strategy?

For us, innovation is a state of mind that must be cultivated. It plays a role not only in the administration routes and utilization protocols related to our medication, but also in the production of our raw materials. In the development of allergic immunotherapy treatment (also called desensitization) for dust mite allergies, Stallergenes has innovated by producing its own raw material for the past 15 years, replicating the conditions under which dust mites grow in a synthetic environment. As such, we are the world's leading producer of dust mites! Also 15 years ago, we were the first to use the sublingual administration route (drops placed under the tongue). We are now developing a new therapeutic class: sublingual tablets. In this regard, we have recently received approval from the EU authorities to market Oralair®, the first sublingual immunotherapy tablet for grass pollen allergies. The allergen in our immunotherapy tablet for birch pollen, currently in clinical trials, has a special feature: it is produced using recombinant, genetic engineering techniques. This has never been done before! To improve the effectiveness of our therapies over time, our "Enhanced Stallergenes" program aims to replace natural allergens or pollens with recombinant products and to optimize the formulation and use of additives appropriate to the active substance. This innovative combination helps the immune system recognize the allergen and improves the treatment's effectiveness.

In addition to product innovation, what other changes have you made?

We innovate in several areas above and beyond R&D. In our production processes, we have greatly expanded the use robots to optimize production cycle traceability. Our innovation strategy is also reflected in the services we provide to allergists, the doctors who prescribe our medicines, and to patients. We offer allergists a range of specific services, such as the software that records each patient's prescriptions and sends them to us. Stallergenes also offers patients the direct settlement option provided for under the French national health insurance program. The vast majority of patients take advantage of this system, as 80% of prescriptions are now paid through this option.

Are research and innovation part of Stallergenes' DNA?

Allergies are the pathology of our modern world. Stallergenes offers solutions for combating respiratory allergies; more than 20% of our sales are devoted to R&D. In this way, part of our earnings are reinvested in new installations and new laboratories oriented towards the future. Eighty percent of the products Stallergenes will market in the next five years are not yet available on today's market. Our research teams are constantly attuned to potential innovations. ■

Representatives of listed companies

Frank PIEDELIÈVRE,
Chairman and Chief Executive Officer of Bureau Veritas
"We accompany innovation"
Bureau Veritas accompanies its customers in their innovation strategies (new mining and petroleum exploration technologies, intelligent buildings, shipping containers) using a dual approach of risk management and operating rights. The company also innovates through its networked modus operandi (expert communities).

Didier ROUX,
Director of R&D and Innovation at Saint-Gobain
"Housing and the challenges of energy efficiency"
Saint-Gobain is implementing programs involving major strategic innovation in housing (solar panels, intelligent window panes, insulation and green chemistry) to respond to energy and environmental challenges.

Gilles SCHNEPP,
Chairman and CEO of Legrand
"Innovation goes hand-in-hand with societal trends"
The most important avenues of innovation at Legrand are defined on the basis of the major shifts taking place in the world: the aging of the population, the green revolution, the digital revolution and the development of emerging markets.

Presentation of unlisted companies, followed by a discussion on sustainable innovation, Thursday December 3, 2009 at the Pavillon Cambon

Lunch in the Mewes Grand Salon in the Pavillon Cambon

Presentation by Pascal Morand, Dean of ESCP Europe

Presentation by Delphine Manceau, Professor at ESCP Europe

Round table discussion entitled, "Sustainable innovation: entrepreneurial initiatives, shareholder responsibility" Gilles Schnepp (Legrand), Didier Roux (Saint-Gobain), Frank Piedelièvre (Bureau Veritas), Albert Saporta (Stallergenes)

Ernest-Antoine Seillière, Frédéric Lemoine, Jean-Michel Ropert, Wendel's Chief Financial Officer

Presentation by Frédéric Lemoine

Round table discussion moderated by journalist Stéphane Soumier

Presentation of unlisted companies, chaired by Bernard Gautier and Dirk-Jan van Ommeren (CEO of Oranje-Nassau), with Huub van Beijeren (Stahl), Olivier Legrain (Materis) and Jean-Marie Painvin (Deutsch) also present.

An audience of around 200 people in the Rossini Auditorium

François Rachline, Director of the Institut Montaigne and professor at the Institut des Etudes Politiques de Paris

Presentation by Bernard Gautier, member of the Executive Board of Wendel

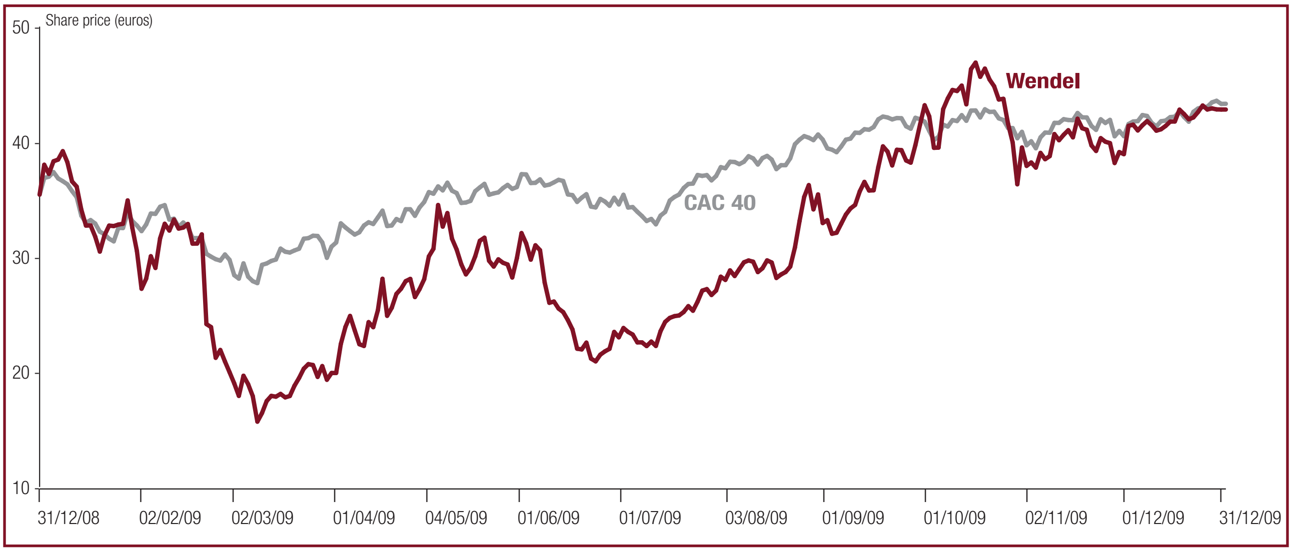
Shareholder information

Net asset value (NAV) as of November 30, 2009

(in millions of euros)			11/30/09	08/26/09
Listed investments by company	Number of shares	Share price[1]	6,895	6,243
• Saint-Gobain	89.8 million	€37.19	3,341	2,679
• Bureau Veritas	56.3 million	€34.09	1,919	1,867
• Legrand	65.6m (11/09) / 80.6m (08/09)	€19.29	1,265	1,395
• Stallergenes	6.1 million	€60.80	370	302
Unlisted investments and other[2]			336	180
Cash[3 - 5]			2,248	2,562
Gross assets, revalued			9,479	8,985
Wendel bond debt			(2,692)	(2,531)
Bank debt related to Saint-Gobain financing[5]			(4,645)	(5,418)
Net value of protection related to Saint-Gobain financing[4 - 5]			492	839
Net asset value[5]			2,633	1,875
Number of shares			*50,436,175*	*50,436,175*
Net asset value per share[5]			€52.20	€37.20
Average of 20 most recent Wendel share prices			€39.81	€29.89
Premium or discount on NAV			-23.8%	-19.6%

[1] Average of 20 most recent Wendel share prices as of November 30, 2009
[2] Of which 590,005 Wendel shares held in treasury as of November 30, 2009
[3] Cash of Wendel and the Saint-Gobain acquisition holding company, including €1.5 billion unpledged as of December 2, 2009
[4] Protection (purchases and sales of puts) covered 27% of the Saint-Gobain shares held as of December 2, 2009
[5] Takes into account the sale of puts and repayment of debt on December 1 and 2, 2009

Share price over the last 12 months



2010 Calendar

March 30, 2010
2009 sales and annual results

May 6, 2010
First-quarter 2010 sales

June 4, 2010
Annual shareholders' meeting

August 31, 2010
2010 sales and semi-annual results

November 9, 2010
Third-quarter 2010 sales

December 2, 2010
Publication of net asset value to coincide with "Investor Day"

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Toll-free number (in France): 0800 897 067
(This number provides shareholders with practical information about managing their shares and voting rights, as well as information about Group events.)

WENDEL