WENDEL

Letter to shareholders

September 2010

FIRST-HALF EARNING

Key figures

Consolidated sales:
€2,711.2 million
up 10.3%

Net income from business sectors
€220.3 million

Net income
€199.4 million

NAV: **€63.2** per share as of August 25, 2010

up19% since end-2009

up 15% since May 2010

Jean-Michel Ropert, Chief Financial Officer; Frédéric Lemoine, Chairman of the Executive Board; Bernard Gautier, Member of Executive Board

Dear Shareholders,

Wendel recorded a strong H1 2010. All Group companies returned or remained on the growth track at a faster and more significant pace than expected. Unlisted companies, in particular, posted performances which fully warranted the support and investment Wendel has provided as a long-term shareholder throughout the past 12 months.

For all Group companies, the rebound in business and operational changes significantly drove profitability.

As we announced, the companies under Wendel's control carried out selective high-quality acquisitions to strengthen their exposure to emerging markets (26% for the Group as a whole) and win market shares in the fastest growing business sectors.

Wendel's results reflected this good news and net asset value has grown 19% since the start of the year to €63 per share as of August 25, 2010.

Over the course of the year, we went to great lengths to put the Wendel Group back on a strong footing. We cleaned up our financial structure, reduced our volume of debt and extended our debt maturities. We are starting to see the first results of our work. Over the next few months, our Group is determined to pick up the pace by capitalizing on value-creation opportunities, progressively resuming our investments and divestments, and actively maintaining a sound financial structure.

Frédéric Lemoine, Chairman of the Executive Board

Facts and key figures

First-half 2010 earnings

Focus on …

€123.2M

in Net Income from business sectors

(in €M)	June 2009	June 2010
Bureau Veritas	141.3	152.8
Materis	10.5	14.5
Deutsch	(10.1)	31.7
Stallergenes	13.4	20.2
Stahl	0.0	9.2
Oranje-Nassau Energie	13.8	-
Saint-Gobain	41.6	102.2
Legrand	51.1	62.7
Business sector contribution	261.5	393.2
Net income from business sectors(1)	61.8	220.3
of which Group shares(1)	(10.8)	123.2
Net income(loss)	(901.3)	199.4
Including net income (loss) Group share	(959.8)	124.5

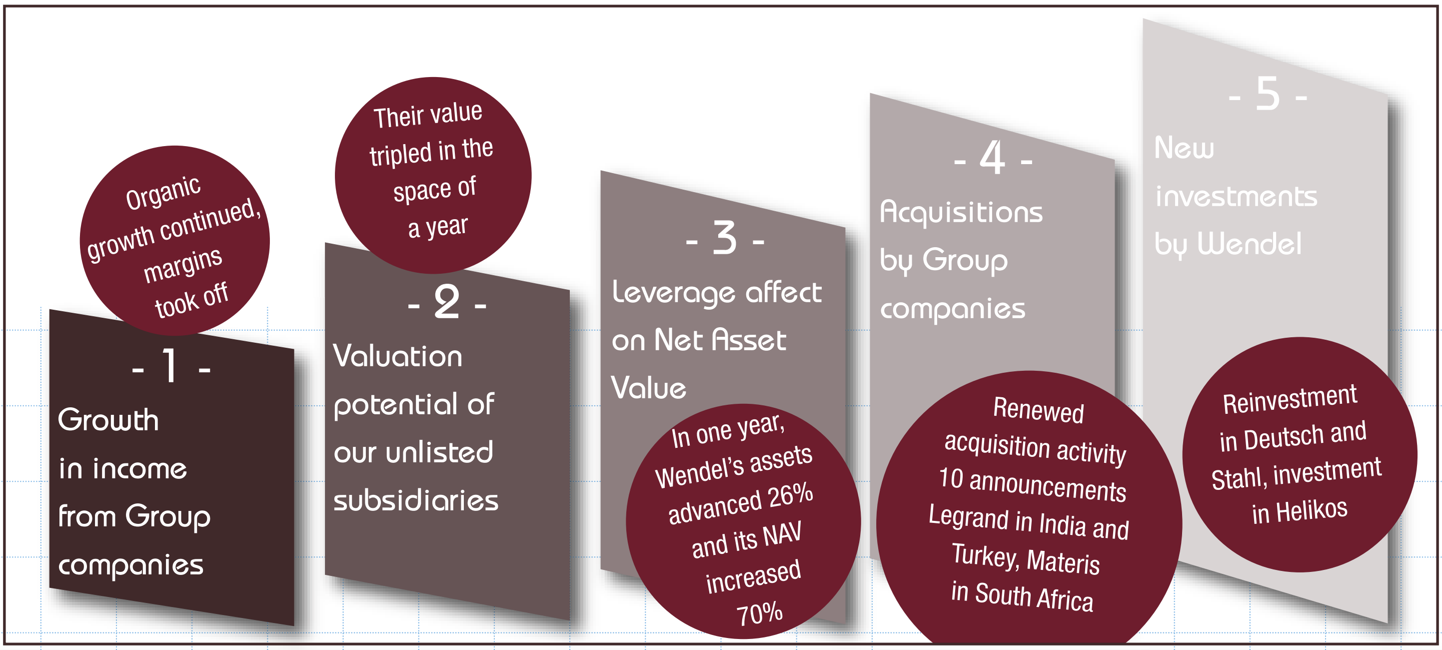
(1) Net income before goodwill allocation and non-recurring items

The overall contribution of the Group's companies totalled €393.2 million, reflecting a substantial 50% increase compared to H1 2009. All of the companies contributed positively to Wendel's net income. Wendel's operating expenses fell 18% and financial expenses were cut by 12.9% over the first half. As a result, net income rose sharply by 256.4% to €220.3 million. There were a few non-recurring items in H1 2010 and a non-recurring loss of €20.9 million against a loss of €963.1 million in H1 2009.

The Group's net income was largely positive at €199.4 million (€124.5 million, Group share) for the second half year in a row, after the significant loss in H1 2009 (€901.3 million, or €959.8 million, Group share) following the dilution loss and impairment charge on Saint-Gobain holdings. Consolidated shareholders' equity advanced to €2,020 million at June 30, 2010, from €1,581 million at December 31, 2009.

A strengthened value-creation model

Wendel actively pursued its five sources of value creation in H1 2010



Grand slam in H1 2010

All of the Group's companies returned to or stepped up growth.
We recount their successes:

Bureau Veritas

Return to positive organic growth in H1 2010
Step-up in growth expected in H2 2010

Bureau Veritas recorded sales up 1.5% to €1,349 million compared to H1 2009. Bureau Veritas returned to positive organic growth of 2.5% in Q2. All businesses reported positive organic growth in H1, with the exception of the Marine and Construction businesses.

In H1 2010, Bureau Veritas resumed its acquisition policy by acquiring three companies representing cumulative annual sales of more than €300 million.

The highlight was clearly the strategic acquisition of Inspectorate, which has enabled Bureau Veritas to become one of the global leaders in the buoyant commodities testing and inspection market. With this acquisition, Bureau Veritas achieved a key step in its expansion and now includes over 47,000 employees in 140 countries and generates annual sales of over €3 billion.

The adjusted operating margin increased 60 basis points to 16.7% (expressed as a percentage of sales) or €225.6 million.

The adjusted net income of Bureau Veritas grew 9% to €149.5 million vs. H1 2009. ■

Materis

Solid growth in business in H1 2010
Expectations for full-year 2010 are upgraded

Materis, a leader in building construction specialty chemicals, recorded a 7.5% increase in sales compared to H1 2009 to €925.3 million and organic growth of 5.1%, on the back of volume effects (up 3.7%) and positive price and product mix effects (up 1.4%). Overall in the first half of the year, despite depressed markets in the US, Spain and France and adverse weather conditions since the start of the year, business benefited from the momentum in emerging markets (up 21%) and the upswing in the steel industry, which is driving growth in the Aluminates business (up 24%).

Adjusted operating income came in at €101.5 million, or 11% of sales, with no change to gross margin as a percentage. Net debt increased slightly by 0.7% to €1,832 million.

Against a mixed and uncertain backdrop-mixed based on the country and uncertain in terms of construction markets in Europe and the US-Materis is maintaining its focus on organic growth, by relying on its innovation efforts and expansion into emerging markets. Moreover, while maintaining strict cost control, Materis intends to pursue its development through acquisitions in fast-growing markets. Accordingly, through its Admixtures division, the company finalized its takeover bid on a.b.e. (Construction Chemicals Limited), a company listed in South Africa with sales of around €25 million. The company manufactures and sells waterproofing and concrete repair products in emerging markets. Approved by 99% of a.b.e.'s shareholders, this transaction should be finalized in late September, subject to obtaining the required regulatory authorizations. ■

Deutsch

A significantly faster pace in sales growth in Q2
Operating profit more than doubled in H1 2010

Deutsch, a world leader in high-performance connectors, posted sales of $269.9 million, up 19.2% compared with H1 2009, and organic growth of 19%. Growth stepped up significantly in Q2 2010, with organic growth of 34.1% vs. 6.7% in Q1 2010.

Growth was driven by LADD (organic growth of 51.5%) and the industrial division (organic growth of 104.6%), attributable to strong demand across all high-performance connector end markets, in particular heavy vehicles and construction machines. The coming on stream of the factory opened earlier in the year in Shanghai also contributed. The Aerospace division fell back 13.1%, but its order book rose 13.6% in H1 2010 and has been on a significant uptrend since autumn 2009.

Drastic cost-cutting in 2009 produced its full effect this half of the year. Accordingly, operating profit more than doubled to $56.0 million (up 103.4%), from $27.5 million. Operating margin stood at 20.7% of sales, vs. 12.1% in H1 2009.

The debt renegotiation transaction, finalized on April 30, reduced net debt by 14.2% to $598 million. ■

Stallergenes

Excellent sales and profit growth
Upward revision of annual targets

Sales for the first half, up 13% compared to the first half of 2009, amounted to €110.6 million, thanks to the continued advancement of sublingual treatments and buoyant Oralair® sales in Germany. Other highlights of the first half include the positive clinical results for Oralair® in the United States, Staloral® mites in China and Actair®.

A substantial increase in earnings was achieved in the first half. R&D expenditure fell very significantly by 22% in the first half due to a timing difference between the end of the clinical studies in progress and the start of new studies. Thus, operating profit rose by 51% to €29.5 million. Net income (Stallergenes share) also rose by 51% to €20.2 million, representing 18.2% of sales. These results are particularly encouraging in Stallergenes' drive to enter into strategic partnerships.

With a temporary 26% dip in investments and stable working capital requirements, free cash flow recorded an unprecedented 90% increase to €27.6 million. Net cash resources grew from €1.3 million to €25.0 million.

A priority for its expansion, the international deployment of Stallergenes will continue with, for example, the anticipated autumn market entry of Oralair® in the Netherlands, the Czech Republic, Slovakia and Austria. The market access process is ongoing in Southern European countries. In France more specifically talks have been initiated with the "Commission de Transparence" which should issue a public opinion by the end of the year. ■

NEWSFLASH

On September 6, Stallergenes S.A. announced the signing of exclusive partnership agreements with Shionogi & Co., Ltd. concerning its two flagship projects: Actair® house dust mite tablets and Japanese cedar pollen tablets.
House dust mites and Japanese cedar pollen are the two main causes of respiratory allergies, and the Japanese cedar allergy is a major public health concern in the country.
The agreement covers the development, registration, promotion and distribution of Actair® in Japan and Taiwan, and of the Japanese cedar pollen tablet in Japan. The clinical development of Actair® will be launched in 2011 in order to prepare the license application.
For the Japanese cedar pollen tablet, the two partners will work closely together to implement a specific development plan, since the product is exclusively aimed at the Japanese market. Stallergenes will receive an immediate upfront payment of €24 million, plus up to €46 million in development and regulatory milestone payments, as well as royalty payments on net sales of the products realized by Shionogi & Co., Ltd.
Wendel's Japanese office played a decisive role in the signing of this partnership, acting as Stallergenes' local representative. Stallergenes was very grateful for our joint collaboration.

Stahl

Strong recovery in sales with an all-time high in the second quarter
Solid outlook for full-year 2010
(Full consolidation starting from February 26, 2010)

Stahl, of which Wendel took control early in the year and in which the Group now holds a 92% stake, posted sales of €168.5 million in the first half of 2010, a 52.1% increase on the same period last year. Organic growth increased by 48%. The second quarter, which recorded an all-time high for sales (€93.8 million), saw strong organic growth at 42.7%, despite a less favorable base effect.

The world leader in leather finishing products and high-performance coatings gained market share, notably in the Permuthane division (high-performance surface coating) and by extending its range of products in the Leather division. Stahl also achieved robust growth in emerging markets (which account for over 50% of its sales).

Adjusted operating income of €27.6 million represented a 288% increase compared to the first half of 2009. Stahl's operating margin was up sharply, at 16.4%, thanks to the two-fold impact of volumes, prices and the fixed cost reduction plan.

Stahl's net financial debt amounted to €205 million at the end of June 2010, compared to €195 million following the financial restructuring in February 2010. This was due to a slight deterioration in the working capital requirement (WCR) associated with the sharp recovery in activity. ■

Saint-Gobain

Half-year results rebound strongly
(Equity method)

Saint-Gobain's consolidated sales increased by 4.3% to €19,529 million. Organic sales rose 1.0%, including a positive 0.9% volume impact and a positive 0.1% price effect.
Thanks largely to the cost savings achieved, Saint-Gobain's operating income increased sharply by 55% compared to first-half 2009 and 12.4% sequentially. This fueled a steep rise in the operating margin, which climbed to 7.4% of sales, compared to 5.0% and 6.7% in the first and second halves of 2009 respectively. Each major geographic region made a positive contribution.
Net income grew significantly, up 291.4% year-on-year to €501 million.

On the back of the action plans implemented (prices, cost cutting, optimization of cash flow generation) coupled with the payment of 72% of the 2009 dividend in stock, Saint-Gobain paid down €1.8 billion in net debt over one year.

Wendel chose to fully exercise the 2009 Saint-Gobain stock dividend payment option and, as such, received 3.1 million shares. As of August 25, 2010, Wendel held close to 93 million Saint-Gobain shares, representing 17.5% of the capital and 26% of the voting rights.

In the first half of the year, Saint-Gobain dedicated 2.2% of its sales to capital expenditure, which totaled €432 million. Most of these investments related to energy efficiency projects and initiatives in emerging market countries. Saint-Gobain will intensify its selective investment policy in the second half of 2010 to leverage any growth opportunities that arise in its markets. ■

Legrand

Legrand, strong growth in emerging markets and continuing acquisitions
Target for 2010 adjusted operating margin raised again, to over 19%
(Equity method)

Legrand's first-half sales were up 5.4% to €1,910 million, while the rise at constant scope of consolidation and exchange rates was 3.1% on H1 2009. Firm sales trends mainly reflected vigorous growth in emerging markets, where the first-half rise was 17.4%, combined with the success of new products and sustained expansion in fast-growing business segments, in particular energy efficiency.

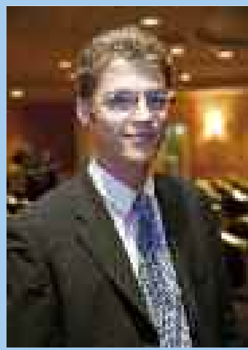
Adjusted operating income totaled €400 million, a 44.3% increase on the first half of 2009. Representing 20.9% of sales, Legrand's adjusted operating margin was underpinned in particular by good operating leverage from sales growth and the full impact of reorganization programs already deployed.

On this basis, and despite the seasonality of fourth-quarter margins and the impact of rises in raw-material costs, Legrand has raised its full-year 2010 target for adjusted operating margin again, to over 19% from over 18% previously.
Net income soared 78.5% to €192.6 million vs. €107.9 million in the first half of 2009.

Free cash flow totaled €283.7 million in the first six months of the year, fueled by outstanding operating performance and a gradual increase in the working capital requirement, which Legrand aims to limit to 11% of sales.

With net debt declining by €482 million year on year, Legrand has the flexibility it needs to finance its development and continued its acquisition policy in emerging market countries. Accordingly, Legrand acquired Inform, Turkey's number-one contender in UPS that reported 2009 sales of $70 million and has 360 employees, and Indo Asian Switchgear*, a key player in the Indian market for electrical protection devices whose 2010 sales should exceed €35 million. Both companies generate double-digit operating margins.
Taking into account these acquisitions, the portion of sales generated in emerging markets will represent one-third of Legrand's full-year sales. ■

Roadshows : the tour kicks off



Traditionally, the publication of half-year and full-year results constitutes the beginning of a vast marketing campaign within the financial community.
Laurent Marie, Wendel's financial communications manager, talks us through these events.

What is the purpose of the roadshows?
When do they take place?

Like most listed companies, Wendel organizes two roadshows a year. The first takes place in April, when the full-year results are published. The second is in the first half of September, following publication of the half-year results. On both occasions, the Executive Board members travel around the world meeting our principal investors and fund managers, who follow our Group with interest and are potential future shareholders. This is our way of bringing our message to the global financial community.

What is discussed at these meetings?

Besides the crucial speech we give explaining our results, investors question us on the deployment of the Group's strategy and methods for creating future value. To them it is clear that unlisted companies represent a real source of value alongside the large companies such as Saint-Gobain, Bureau Veritas and Legrand, about whose future stock market performance they have strong convictions. It is also important to the financial community that our Group has returned to its core business as an investor. They view this as proof that financial leeway is being restored following the considerable work done on debt in 2009.

Where are the key destinations?

Paris, and naturally the UK and US financial centers: London, New York, Boston and the West Coast of the US are all frequent destinations. There is also an important investor base in Europe -Switzerland, Germany and the Netherlands- whom we meet during the roadshow. A sign of the times, the Executive Board members will be in China in October, and will meet Asian investors during a visit to Hong Kong.
Starting last year, we organized special roadshows in Paris and London for bond investors, and our financial director, Jean-Michel Ropert, will meet these investors during the first few days of September.

The main dates in the calendar for September are:

Paris	> September 2-3
London	> September 2-3
Munich-Frankfurt	> September 6-7
Zurich-Geneva	> September 6-7
US East Coast & West Coast	> September 15-21

** Subject to corporate approval.*

Under Wendel's guidance, all of the Group's companies have spent the last two years implementing drastic operational adjustment plans. They have introduced cost saving measures, adjusted their production capacity, and optimized their production lifecycle management and working capital requirements. The companies are now starting to reap the rewards of their work, and are able to take full advantage of the recovery. Company profitability has taken off, with companies posting a positive outlook for the current year and revising their annual targets upwards.

Operating margins took off in H1 2010 and full-year targets have been raised

Company	H1 2010 Operating Margin	Change H1 2010/H1 2009	2010 outlook
Saint-Gobain	7.4%	+240 bps*	Strong growth in operating income (at constant exchange rates) with operating income in H2 slightly higher than in H1
Legrand	20.9%	+560 bps*	Operating margin target for 2010 raised to more than 19% (compared to more than 18%)
Bureau Veritas	16.7%	+60 bps*	Bureau Veritas expects slight growth in adjusted operating margin (% of sales) on an organic basis
Stallergenes	26.7%	+660 bps*	High operating margin growth target, due in part to stable R&D expenditure in monetary terms
Materis	11.0%	+10 bps*	Materis expects 2010 to be above expectations and not to show the initially expected decrease in activity in its business plan
Deutsch	20.7%	+860 bps*	Adjusted operating margin expected to remain higher than 20%
Stahl	16.4%	+1000 bps*	Growth of 2010 results stronger than expected

** bps = basis points - 100 bps = 1%*

The Pompidou Center in Metz: record-high visitor numbers, a great success

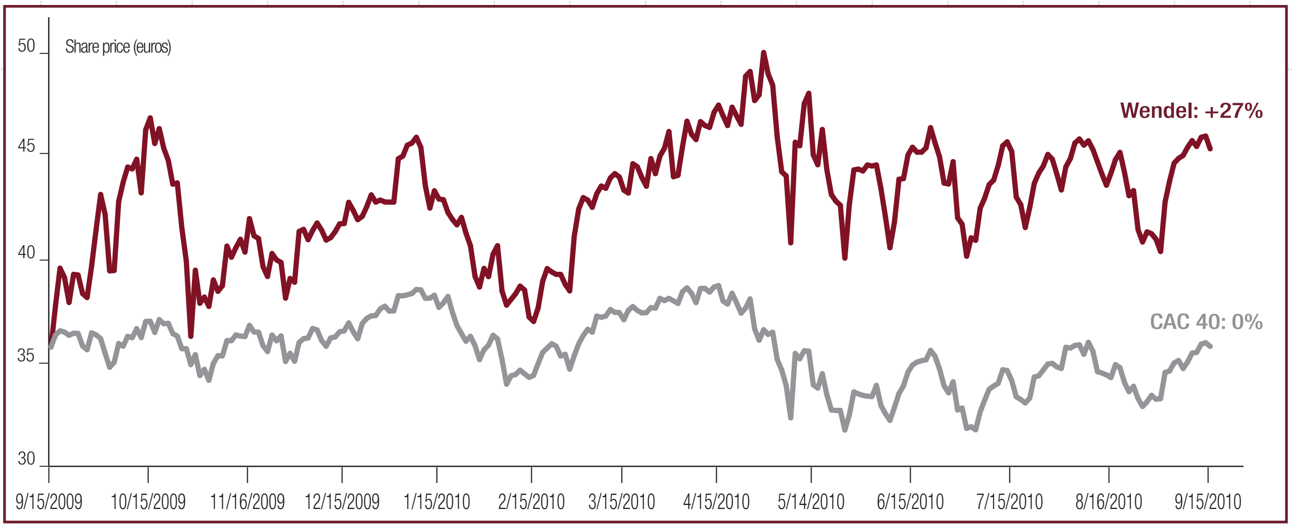
Since the Pompidou Center in Metz opened in May 2010, it has welcomed over 400,000 visitors.

No less than 3,000 visitors per day have come to see its inaugural exhibition "Chefs d'Oeuvre", in which 780 masterpieces are displayed.

Wendel is particularly proud to be the founding sponsor of this cultural adventure, which has played a part in injecting economic and cultural revival into Metz and the Lorraine region, in the heart of Europe.

Shareholder's notebook

Share price over the last 12 months



NAV at August 25, 2010: €63.2 per share

(in €M)			8/25/10	5/31/10
Listed investments by company	Number of shares	Price(1)	7,586	7,211
• Saint-Gobain*	93.0 million	32.0 €	2,972	2,957
• Bureau Veritas	56.3 million	46.8 €	2,632	2,344
• Legrand	65.6 million	25.2 €	1,654	1,570
• Stallergenes	6.1 million	53.9 €	328	340
Unlisted investments (Deutsch, Materis, Stahl and VGG/AVR)			501	418
Other assets and liabilities owned by Wendel and holding companies(2)			39	42
Cash and cash equivalents(3)			1,611	1,705
Gross Asset Value			9,737	9,375
Wendel bond debt			(2,639)	(2,641)
Bank debt related to Saint-Gobain financing			(4,285)	(4,398)
Net value of hedging related to Saint-Gobain financing(4)			377	441
Net Asset Value			3,190	2,777
Number of shares			50,501,779	50,453,893
Net Asset Value per share			63.2 €	55.0 €
Wendel share price: average of 20 most recent closing prices			44.3 €	44.3 €
Premium (Discount) to NAV			(29.9%)	(19.4%)

*At May31, 2010 (before the payment of Saint-Gobain dividends in shares), the Group held 89.8 million Saint-Gobain shares
(1) Average of 20 most recent closing share prices calculated as of August 25, 2010
(2) Including 906, 246 Wendel treasury shares as of August 25, 2010
(3) Cash and cash equivalents of Wendel and Saint-Gobain acquisition holding company, including €0.9 billion in unpledged cash as of August 25, 2010 (€0.5 billion in short term cash position and €0.4 bn in liquid financial investments).
(4) The hedges (purchases and sales of puts) covered close to 19% of Saint-Gobain shares held as of August 25, 2010.

Agenda 2010

November 15, 2010
Q3 2010 sales
(after market close)

November 19-20, 2010
Actionaria trade fair

A first for Wendel:

actionaria
LE SALON DE LA BOURSE
& DES PRODUITS FINANCIERS
19|20 NOV. 2010 PALAIS DES CONGRÈS DE PARIS

For the first time, Wendel will meet its individual shareholders at "Actionaria", the annual stock market and financial products trade fair at the Palais des Congrès in Paris on November 19-20, 2010. At Wendel's stand, you will be able to meet the financial communications and investor relations teams. Frédéric Lemoine will be interviewed on Friday evening as part of the Chairman's forum.

To receive an invitation for this trade fair, call **0800 897 067** (toll-free in France) or send an e-mail to: **communication@wendelgroup.com**

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