WENDEL: EXTREMELY SHARP RISE IN CONSOLIDATED SALES (24.9%) IN FIRST-QUARTER 2011

- The rate of organic growth accelerates: +9.9%
- Consolidated first-quarter 2011 sales: €1,443.9 million
- Increase in activity for all of the Group’s companies
- Growth recovering in mature markets and solid growth maintained in emerging markets

Frédéric Lemoine, Chairman of Wendel's Executive Board stated that:

“As we stated at our Investor Day and confirmed with the presentation of our 2010 results in March, the scenario of growth driven by both emerging regions and mature economies materialised over the first quarter of 2011. Our companies, in particular those that are most exposed to the construction industry, fully benefited from this rebound in developed economies.”

**Contribution of Group companies to sales in Q1 2011**

**Consolidated sales (excluding Stallergenes in accordance with IFRS 5)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2011</th>
<th>Q1 2010</th>
<th>Δ</th>
<th>Δ organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureau Veritas</td>
<td>775.0</td>
<td>628.9</td>
<td>23.2%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Materis</td>
<td>459.5</td>
<td>402.3</td>
<td>14.2%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Deutsch</td>
<td>126.4</td>
<td>95.9</td>
<td>31.8%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Stahl (1)</td>
<td>83.0</td>
<td>28.6</td>
<td>N/S</td>
<td>N/S</td>
</tr>
<tr>
<td><strong>Consolidated sales</strong></td>
<td>1,443.9</td>
<td>1,155.6</td>
<td>24.9%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Stahl (3-month consolidated)</td>
<td>83.0</td>
<td>74.7</td>
<td>11.2%</td>
<td>6.4%</td>
</tr>
<tr>
<td><strong>Total including Stahl 3 months 2010 et 3 months 2011</strong></td>
<td>1,443.9</td>
<td>1,201.8</td>
<td>20.2%</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

1) Full consolidation starting on 1 March 2010

**Sales of companies consolidated using the equity method**

<table>
<thead>
<tr>
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<th>Q1 2011</th>
<th>Q1 2010</th>
<th>Δ</th>
<th>Δ organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saint-Gobain</td>
<td>9,799</td>
<td>8,737</td>
<td>12.2%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Legrand</td>
<td>1,036</td>
<td>912</td>
<td>13.7%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>
Bureau Veritas – Organic growth on the rise

Bureau Veritas’ Q1 2011 revenue rose by 23.2% to €775.0 million, including organic growth of 6.5%, a 13.9% positive impact from changes in the scope of consolidation, primarily stemming from the consolidation of Inspectorate, and a positive impact from exchange rates of 2.8%.

Bureau Veritas benefited from the economic recovery in most sectors of the global economy and all the more so in that Bureau Veritas have increased its exposure to fast growing geographies even further. Since the beginning of the year, three new acquisitions have been made in South-East Asia and Brazil. Industry, commodities and international trade activities (44% of total revenue) benefited from extremely robust trends, posting growth of almost 70% thanks to the consolidation of Inspectorate and double-digit organic growth. Revenue at the Inspection and In-Service Verification business (14% of revenue) increased by 3.6% and continues to benefit from positive trends in terms of the extended scope of mandatory inspections. The Consumer Products business (10% of revenue) posted organic growth of 1.6%. Revenue growth was slowed during Q1 in particular by the disadvantageous calendar effect caused by the Chinese New Year. The Construction business (13% of revenue) showed signs of improvement, posting 2.9% organic growth. The Marine business (10% of revenue) suffered on the new constructions segment, but the trend is improving (1.6% organic decline compared to -2.8% in the fourth quarter of 2010). The Certification business (9% of revenue) declined 4.9% at constant exchange rates. The halt to the GSAC contract in control and verification of civil aviation safety in France took a sharp toll on revenue.

Bureau Veritas confirmed its 2011 targets: strong growth in revenues and adjusted operating profit, specifying that organic growth will be higher that of last year and consistent with H2 2010.

Materis – Sharp organic growth

Materis, a global leader in specialty construction materials, recorded a 14.2% increase in sales to €459.5 million in the first quarter of 2011, including 10.7% organic growth (volume impact and product mix effects of +7.5% and price effect of +3.2%).

The impact of changes in scope amounted to +2.1% and mainly correspond to the integration of a.b.e., a South African company acquired in September 2010, and independent paint retailers in France and Italy. Exchange rate fluctuations had a positive impact of +1.4%.

Materis benefited from continued robust performances in emerging markets (12% organic growth) and the rebound in mature countries (10% organic growth) associated with a recovery in underlying markets (France in particular) and particularly mild weather conditions.

All businesses continued to exercise strict price management against an inflationary backdrop for commodities:
- the Aluminates division posted sharp growth (12%, including 9% organic growth), which was driven by the recovery of the building chemistry segment in France, Germany and China, and sharp growth in the steel industry in Germany, Russia and Asia;
- the Admixtures division also grew significantly (30%, including organic growth of 16%), notably due to the integration of a.b.e., robust end markets (France, India, Eastern Europe, United States), dynamic sales and continued innovation efforts;
- the Mortars division (+21%, including 17% organic growth) benefited from the rebound in the French market (partly due to favourable weather conditions) and buoyant sales in emerging markets (growth ranged between 20% and 30%, including organic growth of 10% to 20%), which more than offset the decline in Spain and, to a much lesser extent, the United States, associated with the drop in the number of building starts in 2010;
- the Paints division also enjoyed sustained growth of 6% (including 5% organic), driven by solid performances in France, Italy and Argentina, excellent resilience in Portugal and Spain and targeted acquisitions, which offset a slight decline in Morocco.

For 2011, Materis continues to anticipate total full-year revenue growth of over 5%, benefiting from a gradual recovery in certain construction markets in Europe and continued robust growth in new economies. The company will continue to strictly manage its costs in a more difficult than expected climate of rising commodity prices, and intends to carry out selective and targeted external growth transactions.
Deutsch – Organic growth in industrial activity remains solid and recovery confirmed within the aerospace and defence businesses

A global specialist in high-performance connectors, Deutsch posted sales of $172.7 million for the first quarter of 2011, an increase of 30.2% on the same period last year. Foreign exchange and scope of consolidation has no impact over the period.

This sharp growth was mainly generated within the Industrial Division (ID) and primarily driven by a recovery in truck sales. Sales growth within the ID in the United States came out to 31.7%, in light of continued growth in all underlying sectors. ID Distribution in Europe posted a 79.6% increase in sales. LADD, Deutsch’s ID retailer in the United States set a new record with quarterly growth of 21.5%. LADD recorded extremely sharp growth of its activity in the agriculture sector and began to develop business in Canada, which progressed strongly.

The aerospace and defence division increased its sales by 18.8% compared to the first quarter of 2010, notably thanks to growth in activity in the United States. In Europe, the first quarter was characterised by sharp order book growth of some 20%.

Against this backdrop, Deutsch reiterates its expectation for between 5% and 10% growth in sales in 2011. Deutsch confirms its target for a stable or higher operating margin and continued debt reduction.

Stahl – Sales up sharply in all divisions
(Fully consolidated since March 2010)

Stahl, the world leader in leather finishing products and high-performance coatings, recorded first-quarter 2011 sales of €83.0 million, an increase of more than 11% compared to the same period last year. Organic growth was also strong, coming in at 6.4%. All of Stahl's businesses grew sharply compared to last year, particularly high-performance coatings. These solid performances occurred in both mature countries (Europe and North America) and emerging markets, India in particular. The growth outlook for the second quarter and the rest of 2011 looks promising.

Furthermore, Stahl is continuing its policy of selective sales price increases in order to limit the impact on its gross margin of the 12% increase in commodity prices since the first quarter of 2010.

Stahl reiterates its forecast for a return to organic growth of around 5% in 2011, driven by emerging markets and the priority given to increasing market share. Stahl confirms further improvement in operating income.

Saint-Gobain – Sharp rise in first-quarter 2011 sales, confirming the recovery in sales volumes observed in 2010
(Equity method)

Saint-Gobain posted a strong rise in its consolidated sales for first-quarter 2011, up 12.2% to €9,799 million from €8,737 million in first-quarter 2010. Exchange rates accounted for a 2.6% increase in sales. Sales trends at comparable Group structure and exchange rates\(^{(1)}\) posted a sharp 9.6% rise. Volumes climbed 7.6% while sales prices moved up 2.0% (versus a rise of 1.4% in second-half 2010).

Overall, Saint-Gobain benefited in the first quarter of 2011 from a combination of favourable trends on most of its main markets:
- emerging countries and Asia continued to enjoy vigorous trading, bolstered by a clear return to growth across Eastern European countries;
- industrial markets remained vibrant, with further double-digit growth;
- residential construction and renovation markets in Western Europe continued the recovery begun in 2010, helped by much better weather conditions than last year. Saint-Gobain’s growth on these markets was driven chiefly by high value-added solutions, and particularly businesses related to energy efficiency in the Habitat market, which delivered double-digit growth over the quarter;
- sharp organic growth in the Packaging division – Verallia: +7.2%.

In contrast, construction markets in North America are not yet showing any tangible signs of improvement.

After a very encouraging first quarter, Saint-Gobain expects the underlying trends observed in the past three months to continue, although the basis for comparison will be much tougher than for the three months to 31 March. Saint-Gobain is confirming its target of double-digit growth in operating income (at constant exchange rates\(^{(2)}\)).

\(^{(1)}\) Conversion based on average exchange rates for first-quarter 2010
\(^{(2)}\) Average exchange rates for 2010
Legrand – Fully in line with 2011 targets. Firm growth in sales, up 13.7%, and adjusted operating income, up 15.4%. Targeted acquisitions and innovation.
( Equity method)

Reported figures show a 13.7% year-on-year rise in sales to €1,036 million, while the rise at constant scope of consolidation and exchange rates was 9.0%. Changes in the scope of consolidation made a 2.6% growth contribution, while exchange rates had a positive impact of 1.6%.
This level of activity is the result of both vigorous growth in new economies (nearly 16% at constant scope of consolidation and exchange rates) and firm expansion in new business segments, including in particular digital infrastructures, energy performance and home systems (close to 17% growth in sales at constant scope of consolidation and exchange rates).
The strong rise in first-quarter sales at constant scope of consolidation and exchange rates reflects, among other things, a particularly favourable base for year-on-year comparisons in France and Italy. This positive effect of more than three percentage points will be reversed by stages over the year. Corrected for the impact of the base for comparison, first-quarter 2011 organic growth is fully in line with Legrand’s full-year target of 5%.
Against a backdrop of steep rises in prices for raw materials and components, adjusted operating income was up 15.4% to represent 21.1% of sales. Allowing for the usual seasonality, this result is fully in line with the 2011 full-year target which calls for adjusted operating margin equalling or exceeding 20%, including the impact of acquisitions. It also confirms the structural nature of the level of profitability achieved in 2010 (20.5% in 2010 FY compared to an average of 16% in the years from 2003 to 2009).
With R&D investments representing close to 5% of sales, Legrand is actively pursuing a strategy of innovation and new product launches. Legrand is also stepping up the pace of its development through bolt-on acquisitions of small to medium-size businesses with strong market positions. Following the acquisitions during the second half of 2010 (Inform, Indo Asian Switchgear, Meta System Energy), Legrand recently acquired SMS, number one in Brazil for UPS, Electrorack, a US company specialised in VDI (Voice-Data-Image) cabinets, and Intervox, the market leader in connected security systems in France.

Continued active management of Wendel’s financial structure

Sale on 4 March of 8.3% of Legrand’s capital for €627 million: capital gain of around €430 million
With around an 11.1% in Legrand’s capital and around 17.8% of its voting rights following this transaction, Wendel is fully supporting Legrand’s growth strategy, based on ongoing innovation, rapid development in high-growth countries through innovation and targeted acquisitions. Moreover, KKR and Wendel announced, on 22 March, that a new shareholders’ agreement had been signed governing their stake in Legrand. In light of this, KKR and Wendel decided to continue their cooperation in the management of their stake in, and the governance of, Legrand.

Completion of a €300 million bond issue on 11 April, maturing in April 2018
The net income from this issue will be used to repay bank debt with much shorter maturities. This transaction forms part of the financial strategy to which Wendel committed itself in 2010, reducing its recourse to bank debt in favour of bond debt.

Early repayment of €430 million in debts with margin calls
Half of Wendel’s €800 million in debt with margin calls maturing in 2015 will be repaid early over the coming days, i.e. €400 million. This repayment will not impact available cash as the repayment will be made using cash set aside as a guarantee. This transaction will enable Wendel to reduce its financial debt load accounted for by bank debt. Furthermore, €30 million of Wendel’s €455 million in debt with margin calls maturing in 2014/2015 was repaid early, leaving the remaining debt at €425 million.

Sale of puts and early repayment of debt without margin calls
Confiming its confidence in Saint-Gobain’s 2015 objectives, Wendel continued to sell its puts on Saint-Gobain securities. From 23 March to 4 May 2011, 8.3 million puts have been sold for €96 million. Income from these sales was allocated to the repayment of debt without margin calls, which has been reduced by €451 million since this date, and now amounts to €124 million, maturing in March 2012. This transaction brings the number of puts sold in 2011 to 11.1 million, for a collected premium of €144 million and €606 million in repayment of debt without margin calls.
The number of puts held by Wendel is now 2.3 million. And the number of puts issued by Wendel remains at 6.1 million.

[1] Subject to the approval of competent authorities in Brazil
**First-quarter activity at Parcours**

Wendel’s investment on 15 April amounted to €107 million and was wholly financed through equity, with no additional debt. Parcours will be consolidated as of April 2011.

The independent specialist in operational vehicle leasing in France continued its development in the first quarter of 2011, posting estimated consolidated sales of €65.0 million, a 14% increase on the first quarter of 2010. This growth is entirely organic.

Operational leasing and vehicle repair accounted for €47.3 million, compared to €42.1 million during the same period last year, an increase of 12%.

These activities were underpinned by an 11% year-on-year increase in the number of vehicles leased and the rapid development of business at Parcours’ five vehicle repair sites (sales from this activity amounted to €1.1 million in Q1 2011, an increase of 38%).

The development of the used vehicle sales business was also solid, with 20% sales growth to €17.7 million in Q1 2011, notably thanks to stellar performances at sites dedicated to used vehicle sales and a more buoyant market.

Parcours believes that this trend will continue in 2011.

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**About Wendel**

Wendel is one of Europe’s leading listed investment firms. The Group invests in France and abroad, in companies that are leaders in their businesses: Bureau Veritas, Legrand, Saint-Gobain, Materis, Deutsch and Stahl. Wendel plays an active role as industry shareholder. 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 gathers growth, diversification and innovative investment opportunities, Wendel is also invested in VGG in the Netherlands, Helikos in Germany and Parcours in France.

Wendel is listed on Eurolist by Euronext Paris.


Wendel is the Founding Sponsor of the Centre Pompidou-Metz, which has hosted nearly 700,000 visitors since its opening in May 2010.

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