# 2010 management report

WENDEL

"Investing for the long term is a rewarding enterprise"

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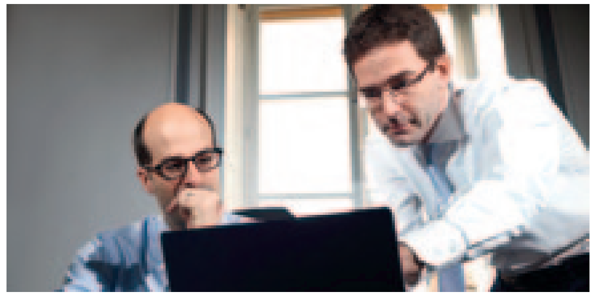
## “Investing for the long term is a rewarding enterprise”

Founded in the Lorraine region in 1704, the Wendel Group developed its business over the next 270 years in varied sectors, mainly in the steel industry, before focusing on long-term investing. As a professional investor and shareholder, Wendel actively contributes to the long-term growth and success of a diversified portfolio of leading global companies. Our teams work alongside the management of these companies and take part in defining and implementing ambitious strategies to create lasting value. “Investing for the long term is a rewarding enterprise,” is therefore a fitting motto for Wendel. It expresses our purpose, our belief and our motivation, which we are pleased to be able to share with you.

# Investing for the long term, **means being respectful**



*Wendel is represented in Saint-Gobain's three key committees and supports the management's strategy to make Saint-Gobain the world leader in sustainable habitat.*

**Torgau, Germany, June 7, 2010 —** The construction of a second manufacturing plant for high-performance photovoltaic modules is launched. The new plant has a production capacity of 100 MW, enough to meet the annual electricity needs of a city of 15,000 residents. It is the second such manufacturing facility for **Saint-Gobain** in Germany and marks another step forward in the company's strategy to develop solar power.

*In 2010, Wendel reinvested €60 million in Stahl, taking control of the world leader in leather-finishing products. With this equity injection, the Company was able to reduce its debt by €155 million and put development plans back in motion.*

**Shanghai, China, 2010, All China Leather Exhibition —** Environmental considerations are more important than ever in today's world, which is why **Stahl** launched the initiative "Bringing Life to Leather" for the manufacturing industry. For the Chinese market, Stahl developed a local production unit in Suzhou that employs the latest innovations, such as aqueous resins, in its leather finishing processes.

## Investing for the long term, **means being pragmatic**

## Investing for the long term, **means being involved**

**Witham, United Kingdom, September 9, 2010 —** The Inspectorate acquisition is finalized. This transaction made **Bureau Veritas** a global leader in commodities testing and inspection.

*Wendel's teams contributed to the success of this deal, which has helped Bureau Veritas take a major step forward in its global leadership strategy.*

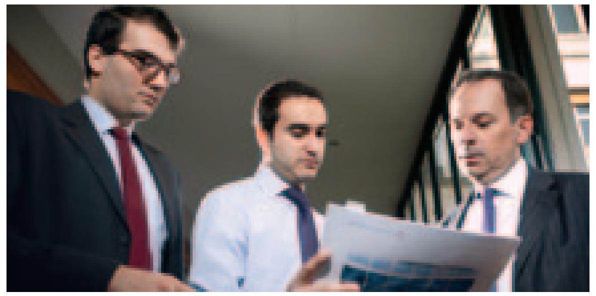
# Investing for the long term, **means being a visionary**

**Angers, France, May 2010 —** Chryso, from the **Materis** group, supplied environmentally friendly materials to create Terra Botanica – the first botanical theme park, in the Loire Valley. For 14,722 of the 19,742 square meters of concrete used in the park, a colored, fine exposed-aggregate variety was employed. The environmental impact was reduced by using a water-based rather than a solvent-based surface retardant.

*Wendel takes measures to ensure that the Group's companies stay at the forefront of major, transformational trends. Environmental protection and energy efficiency, for example, are central concerns from a human as well as an economic perspective.*

## Investing for the long term, **means being committed**

**Hong Kong, China, 2010 — Legrand** developed its presence in the electrical equipment sector in China, as well as in 14 other new economies where the company is the first or second biggest local player. The Group generated over a third of its 2010 sales in new economies.



*Wendel has a seat on the Board of Directors and has always supported Legrand's expansion in emerging markets. In 2005, 19% of sales were generated in new economies. In the next five years, this figure should reach 50%.*

*The Wendel members on the Deutsch Board of Directors led the debt renegotiation process, enabling the company to comfortably plan for its future growth amid signs of economic recovery.*

**Le Mans, France, December 2010—Deutsch,** inaugurates a new factory. The Company has been operating in the region for 40 years. 80% of the new plant's production will be used for offshore activities and 20% for its rail business.

## Investing for the long term, **means standing together**

# Message from Ernest-Antoine Seillière,

Chairman of the Supervisory Board

## “Our Group is back on track. The year’s earnings demonstrate that Wendel has once again succeeded in resolving challenges and preparing for the future.”

As we all know, our company was hit hard by the downturn, during which we endured a collapse in the value of our assets, the reorganization of our Executive Board and conflicts among shareholders. We remedied the situation in all three of these areas in 2010. Each Wendel Group companies has demonstrated resilience and a quickness to act in response to the challenges of the past years. Our earnings—those of the Group’s companies and Wendel itself—have significantly improved. Wendel is back on track.

The Supervisory Board would like to especially acknowledge the impressive job done by Executive Board, its team and the directors of Wendel’s companies. They faced down the consequences of an abrupt fall in sales and boosted operating earnings despite the adverse environment. The competitiveness of our companies translated into organic growth, even as they took advantage of acquisition opportunities. Our companies were particularly active in acquiring new positions in emerging markets, which is a strategic priority. They are expected to further increase their footprint in the new economy this year.

Wendel has increased its financial flexibility. We have pursued our debt restructuring and were able to significantly reduce our debt. Our Group companies have also diminished their debt and scaled back costs to restore their financial health.

Without going into the details of this year’s results, I would like to highlight the special significance of the turnaround performance of Saint-Gobain, where our position as the leading shareholder has been firmly established. Legrand and Bureau Veritas improved their margins and income through particularly efficient management. We gave Materis, Deutsch and Stahl, our unlisted investments, the means to regain their footing and seize opportunities brought by the recovery of their markets for a fresh start. We decided to sell Stallergenes, which achieved remarkable growth during our time together, but needed a shareholder in its sector to fuel international expansion.

Wendel was also active in the governance arena this year. The Supervisory Board worked efficiently with the Executive Board, to which it provides its full support, in a climate of mutual trust. To our regret, Grégoire Olivier was obliged to leave the Board to take over the helm of Peugeot-Citroën in Asia. Subject to the shareholders’ approval, he will be replaced by Gérard Buffière, who headed the Imerys group for a number of years. If the shareholders also agree, we will welcome a new family shareholder, Humbert de Wendel, to replace Guy de Wouters. We are deeply grateful for the valuable contributions that Guy de Wouters has made to the Board’s work during his many years of service. We are also pleased to note that two Board appointments last year have given us a head start with respect to any legal timetable for gender equality on corporate boards.

Wendel also demonstrated its commitment to society in 2010 by becoming the founding sponsor of the Centre Pompidou-Metz, an initiative supported by our shareholding family. We are happy and proud to show our attachment to our historical roots in the Lorraine region by participating in this inspiring and modern artistic project.

It is an undeniable fact that through these past few years we have achieved, albeit with some tumult, the transformation of our company, which now comprises three global leaders in which we are the principal shareholder and a portfolio of promising unlisted investments. We are ready to resume investing, although our level of debt, still high, calls for some moderation. The Executive Board is looking at new opportunities with this in mind.

As many of the shareholders of our three-century-old group know, with the support and unbroken trust of its eponymous family, Wendel has repeatedly proven its ability to overcome obstacles and move forward. This was the case in 2010: our share price rose significantly and a dividend increase was again proposed. Having undergone this year of recovery, I think we can expect more growth in 2011. ■

# Interview with Frédéric Lemoine,
Chairman of the Executive Board



## "With renewed ability to create value, Wendel chose to step up its development with calm resolve, amid a changing global economy."

**Did the global economy continue to experience major structural change in 2010?**
Yes, the shifting weight of the world's economy from Europe and the United States to Asia, South America and Africa, which began before the global economic crisis, accelerated in 2010, and in my view this period is a turning point in the history of the world's economy. The decoupling of world markets, which I have consistently emphasized in my two years at the helm of Wendel, will continue. It will bring a wealth of opportunities for our Group, which generated 27% of its business in fast-growth countries in 2010. Nevertheless, one must not underestimate the growth potential in France, Europe and North America, where the economic crisis is abating. Although significant imbalances continue to require the active supervision of regulatory authorities, high-quality companies can already find fertile ground in these regions for renewed, solid growth.

**How do these fast-growing countries create opportunities for Wendel?**
We conferred with the executive teams of our investments, one company at a time, and decided to significantly expand their presence in high-growth countries, using the entire spectrum of available tools: industrial investment, acquisitions, partnerships, development of products and services designed specifically for these markets, sales development and local recruitment. Our attention was focused on Brazil, China and India because opportunities currently exist to acquire positions in these markets.
The Group's companies will not be starting from scratch; far from it. In 2011, Bureau Veritas is expected to generate 50% of its sales in fast-growth regions. Legrand has set itself the goal to exceed 50% by 2015, while Saint-Gobain's innovative materials and construction products business in this market should be close to 40%. Stahl, smaller and with a strong presence in China, leads the pack with 63% of its sales in these countries in 2010.
The world's poorest regions are growing at breathtaking pace, an inspiring phenomenon in today's era for those of us who desire harmony and equity. But such a dramatic change will not happen without major economic, political and social turbulence, so it is essential to keep a clear head. Risk diversification remains an important goal.

**Are we to understand that Wendel will abandon the French and European markets?**
No, of course not. As a long-term investor, it is our responsibility to anticipate major trends, but also to maintain a balanced footing. Europe is the world's biggest market. It is our home base and it is in Europe—France, Benelux, Germany—that we will seek out new companies to invest in. With our strong positioning in construction, we will capture profits in highly developed economies, where the sustainable habitat concept and energy savings are important. More generally, the long-term, ongoing innovation policy that we support in all of our companies means we can take the lead on trends and market needs in Europe and the United States and stay a step ahead in new markets.

**So a long-term commitment is truly the common denominator in your investment strategy?**
Absolutely. Putting long-term interests first is one of our distinctive traits. It is also one of the most crying needs of today's global economy, which has paid the price of short-termism in financial markets. The Davos Forum published a study* showing that long-term investors—pension funds, insurance companies, banks, universities and foundations—have generally changed their policies since the downturn and are increasingly seeking short-term investments with greater liquidity. Sovereign ■■■

** The Future of Long-term Investing – World Economic Forum Report – 2011.*

wealth funds, family investors and listed investment companies can fulfill a particularly vital role in the economy by maintaining a long-term investment horizon. Thanks to a strong, long-term shareholding structure and the full support of our Supervisory Board, its Chairman, Ernest-Antoine Seillière, and the Chairman of Wendel-Participations, François de Wendel, our team can focus on value creation year after year as well as the long-term growth of our investments and our Group.

**Is this why you claim to be a "shareholder of choice"?**
In mid-2009, when I launched our ambition to be the shareholder of choice for our companies, I never imagined that so many executives and entrepreneurs would come to me and say how much they would like to join the Wendel Group and be a part of our long-term approach. With our made-to-measure investment approach that supports the company's development and our willingness to invest in people and in industrial projects, we quickly win their trust. Our track record is also reassuring: I am pleased that the 17 years we spent alongside Stallergenes culminated in such outstanding industrial performance and a smooth passing of the baton, in the best interests of the biopharmaceutical company. However, we are rigorous in our financial analyses. We are very selective and resist the temptation to engage in attractive, but probably not so profitable, deals. When the stars are aligned, so to speak—when mutual trust has been established and a growth and profit strategy in a promising sector suggests a potentially rewarding long-term investment—we can invest. We recently did so, wholeheartedly, in Parcours, which enabled us to reenter the professional service sector and structure our Oranje-Nassau Développement division.

**Besides this acquisition, what were the other highlights in 2010 for the Wendel Group?**
2010 was overwhelmingly the year of the return to organic growth. All of our companies resumed growth, surpassing and raising their growth targets during the year: Stahl, Legrand, Deutsch and Materis as of Q1; Saint-Gobain and Bureau Veritas in Q2. I would like to applaud the excellent work of all their teams. Our companies also emerged from the downturn with stronger business models and improved profitability, as shown by Legrand's exemplary earnings. Nineteen acquisitions accompanied this rebound. The most emblematic example is probably the purchase of Inspectorate by Bureau Veritas, who collaborated closely with Wendel for this transaction. The £450 million investment ranks Bureau Veritas as global co-leader in energy and agricultural commodities testing.
We also continued our in-depth work with the executives of Saint-Gobain. We staunchly support the strategy devised by Pierre-André de Chalendar in mid-November 2010 and are delighted to have increased our exposure to variations in Saint-Gobain's share price before its stock market value began to climb.

**How much of your work in 2010 involved financial stabilization?**
In 2010, we naturally carried on with the debt restructuring and cost reduction programs that were initiated when I joined the group. Early in the year, we completed the recapitalization and restructuring of our unlisted subsidiaries: their subsequent growth in value is both the consequence and justification of our efforts. For Wendel, we continued to significantly reduce our debt by transferring bank debt to bond debt, extending our repayment schedule and hedging the Group against a rise in interest rates. Thanks to these steps and the strong performances of our companies, Wendel's net asset value increased by €2.25 billion between January 1 and December 31, 2010, an 84% leap.

**Why did you decide to become the founding sponsor of Centre Pompidou-Metz this year?**
We chose Centre Pompidou-Metz as a natural outgrowth of the Group's family and industrial roots and a way to look to the future. It is a wonderful structure offering top-quality cultural programming and is a great success. Concomitantly, we reinforced our partnership with INSEAD and the Wendel International Center for Family Enterprise. This alliance with an institution of worldwide renown aptly conveys the importance of a long-term vision, shareholder commitment and an entrepreneurial spirit. I am personally involved in both projects as a member of the Board of Directors of each institution.

**How do you envision the Wendel Group's future?**
Since I took up the leadership of the Group in April 2009, the environment has improved and Bernard Gautier and I have been able to generate highly tangible results. I cannot promise that the figures will always be so spectacular, but I am convinced that we have sound fundamentals, high-quality assets, a solid team and loyal shareholders. Our five value creation drivers have all been activated. While remaining faithful to our principle of long-term, committed shareholding and prudently managing all short-term risks, we have a firm grasp on our future. Wendel therefore chose to step up its development in 2011 with calm resolve, amid a changing global economy, but one that I consider to have generally overcome the downturn.

# Corporate governance

Wendel's corporate governance is guided by the same principles as those upheld by the Group as a principal shareholder: transparent dialogue, the recognition that managers and shareholders are independent and fulfill different roles, shared responsibility, and individual engagement.

*Since 2005, Wendel has been a société anonyme with an Executive Board and a Supervisory Board.*

## The Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of the company. At December 31, 2010, the Company's Supervisory Board had 10 members serving four-year terms. Two Works Council representatives also attend board meetings in a consultative role. In 2010, women were represented in Group's Supervisory Board following the appointment of two independent directors, Guylaine Saucier and Dominique Hériard-Dubreuil. The Board also defined how it would conduct its business and adopted internal regulations of procedure setting forth the rights and obligations of Board members. Following the departure of Grégoire Olivier, who was posted to Shanghai as the first PSA Managing Board member to be based in China, and the decision made by Guy de Wouters not to seek renewal of his office, the Shareholders will be asked to approve the appointments of Humbert de Wendel and Gérard Buffière at the Annual Shareholders' Meeting on May 30, 2011. Gérard Buffière shall be considered an independent director.

The Supervisory Board members are:

**Ernest-Antoine Seillière (2013)***
Chairman

**Guy de Wouters (2011)**
Vice-Chairman

**Nicolas Celier (2014)**
**Didier Cherpitel (2011)**
Independent director

**Dominique Hériard-Dubreuil (2014)**
Independent director

**Jean-Marc Janodet (2012)**
**Édouard de l'Espée (2013)**
**François de Mitry (2012)**
**Guylaine Saucier (2014)**
Independent director

**François de Wendel (2012)**

Secretary of the Supervisory Board:
David Darmon (Managing Director)

** In parentheses: year in which term ends.*

## The Executive Board

The Supervisory Board appoints members of the Executive Board to four-year terms on the recommendation of its Chairman. The Executive Board is appointed for four-year renewable terms. The age limit for Executive Board members is 65.

The Executive Board has two members:

**Frédéric Lemoine,** Chairman since April 7, 2009

**Bernard Gautier,** member since May 31, 2005

Secretary of the Executive Board:
Bruno Fritsch (Investment Manager)

The terms of the Executive Board members will expire on April 7, 2013.

## The committees

To fulfill its mission as effectively as possible, the Supervisory Board relies on two committees: the Audit Committee and the Governance Committee. Each member of the Supervisory Board is a member of a committee.

### The Audit Committee

The Wendel Audit Committee audits the financial reporting process, ensures that internal control and risk management are effective and monitors the proper application of the accounting methods used in drawing up parent company and consolidated accounts. It verifies the independence of the statutory auditors and mandates an independent auditor to regularly appraise net asset value.

The Audit Committee has four members:

**Guylaine Saucier** (since June 4, 2010, Chairman since March 22, 2011)

**Jean-Marc Janodet** (Chairman until March 22, 2011)

**Nicolas Celier**

**Édouard de l'Espée**

**Grégoire Olivier** (until August 31, 2010)

Secretary of the Audit Committee:
Patrick Bendahan (Director)

### The Governance Committee

Among the tasks of Wendel's Governance Committee are to propose or recommend procedures for compensating Executive Board members and to express a view on any issue pertaining to Company governance or the operation of its statutory bodies and, at the Board's request, to address any ethical issues

The Governance Committee, which includes the functions of a Compensation Committee and an Appointments Committee, has five members:

**Didier Cherpitel** (Chairman)

**Dominique Hériard-Dubreuil**
(since June 4, 2010)

**François de Mitry**

**François de Wendel**

**Guy de Wouters**

Secretary of the Governance Committee:
David Darmon (Managing Director)

IN 2010, THE SUPERVISORY BOARD MET
**12 TIMES**

IN 2010, THE EXECUTIVE BOARD MET
**27 TIMES**

IN 2010, THE AUDIT COMMITTEE MET
**6 TIMES**

IN 2010, THE GOVERNANCE COMMITTEE MET
**6 TIMES**

# The management team

Led by the Executive Board, the Wendel management team is made up of men and women with diverse and complementary careers and backgrounds. To ensure that decisions are made as a team, a coordinating Operations Committee meets weekly and smooth communication within the team of about 70 people is ensured at all times.

## ■ The Investment Committee

made up of the Executive Board members and five Managing Directors meets weekly to work on the selection and preparation of the Group's investments.

## □ The Management Committee

comprising the Executive Board, the Chief Financial Officer, the General Counsel, the Managing Director in charge of operational resources and the Director of Communications meets every two weeks to make decisions about the Group's day-to-day operations.

**Frédéric Lemoine**
Chairman of the Executive Board ■ □
Frédéric Lemoine joined Wendel in 2009. He previously served as Chairman of the Areva Supervisory Board and Senior Advisor at McKinsey. Prior to that, he was Group VP in charge of Finance for Capgemini and then deputy General Secretary to French President Jacques Chirac. He began his career as a finance inspector before directing a hospital in Vietnam and participating in hospital reform in two government ministries. He is a graduate of HEC, IEP Paris and ENA (1991) and holds a law degree.

**Bernard Gautier**
Member of the Executive Board ■ □
Bernard Gautier joined Wendel in 2003. Previously, he was General Partner for the Atlas Venture funds, heading their Paris office. He began his career by creating a media company. He then spent 20 years in organization and strategy consulting, first employed as a consultant by Accenture, in the media and services sector, and then by Bain & Co., where he became a Senior Partner.
He is a graduate of the École Supérieure d'Electricité.

**Roland Lienau**
Managing Director, in charge of business development in Germany, CEO of Helikos ■
Roland Lienau has been with Wendel for three years. He acquired over 20 years of experience in primary and secondary capital markets in Germany. Previously, he was in charge of capital markets for Deutsche Bank in Frankfurt after holding positions at Enskilda Securities, Enskilda Effekten and, later, Paribas, where he was in charge of equity and bond markets. He is a graduate of ESCP Europe.

**Makoto Kawada**
Managing Director, in charge of business development in Japan, CEO of Wendel Japan
Makoto Kawada has been with Wendel for three years. He gained experience in cross-border M&A and project finance with Fuji Bank (now Mizuho) in Japan, where he began his career in 1984. After a period at the IFC, he joined Basic Capital Management in 2003, taking over as Chairman and CEO from 2005 to 2008. He holds an MBA from Wharton and a degree in Economics from Waseda University.

**Dirk-Jan Van Ommeren**
Managing Director, in charge of international development, CEO of Oranje-Nassau
After a 30-year career in Dutch banking (AMRO Bank, Westland/Utrecht Hypotheekbank, Amsterdamse Investeringsbank), Dirk-Jan Van Ommeren currently serves on the board of a large number of companies and organizations, mainly Dutch. He is the Chairman of Helikos and a member of the VGG Board of Directors.

**Patrick Tanguy**
Managing Director, in charge of operational resources ■ □
Before joining Wendel in 2007, Patrick Tanguy was a senior executive in several industrial groups, serving consecutively as Head of Sales and Marketing for Steelcase-Strafor; CEO of Airborne, a subsidiary of that group; CEO and then Chairman of DAFSA; head of Technal, Monné-Decroix and Prezioso Technilor. He began his career at Bain & Co in 1984, where he was appointed Partner in 1990. He is a graduate of HEC (1983).

**Stéphane Bacquaert**
Managing Director, Secretary of the Investment Committee ■
Stéphane Bacquaert joined Wendel in 2005. He held previous positions as a Partner of Atlas Venture, a consultant for Bain & Company and the CEO of NetsCapital, a merchant bank specializing in Technology, Media and Telecommunications. He is a graduate of École Centrale Paris and IEP Paris and holds an MBA from Harvard Business School.

**Olivier Chambriard**
Managing Director ■
Olivier Chambriard joined Wendel eight years ago. Previously, he worked in corporate finance in London with CSFB and Deutsche Morgan Grenfell, specializing in the advanced technologies sector. Prior to that, he held executive positions in two SMEs. He is a graduate of Essec and holds a postgraduate degree in tax and business law. He also obtained an MBA from Harvard Business School.

**David Darmon**
Managing Director, Secretary of the Supervisory Board ■
David Darmon joined Wendel in 2005. He was previously a Principal of Apax Partners, where he specialized in LBOs, particularly in the TMT and distribution sectors. He began his career in M&A at Goldman Sachs in London. He is a graduate of Essec and holds an MBA from Insead.

**Caroline Bertin Delacour**
General Counsel □
Before joining Wendel in 2009, Caroline Bertin Delacour practiced law for over 20 years, specializing in tax and business law at the law firms of Cleary Gottlieb and August & Debouzy. She holds a master's degree in business law from Université de Paris II Panthéon-Assas (1984), a postgraduate degree in applied tax law from Université de Paris V René Descartes (1985) and an LLM from New York University (1987).

**Anne-Lise Bapst**
Director of Communications and Sustainable Development □
Anne-Lise Bapst joined Wendel in 2008. Previously, she served as director of communications for the ABN-Amro France Group (Commercial and Merchant Banking and Neuflize OBC private bank) and for the Commission des Opérations de Bourse. She is a graduate of IEP, holds an advanced degree (DEA) in finance and also holds a SFAF degree.

**Jean-Michel Ropert**
Chief Financial Officer □
Jean Michel Ropert has been with Wendel for over 20 years. He holds a degree in finance and accounting. Previously in charge of accounting and the production of consolidated financial statements, Jean-Michel Ropert took over as CFO in 2002, when Marine Wendel merged with CGIP. He is currently a member of several audit committees and boards in Wendel Group subsidiaries and associates.

# CREATING MEDIUM- AND LONG-TERM VALUE

Wendel's know-how consists in selecting leaders, making a long-term investment and helping to define ambitious strategies, while upholding clear, explicit shareholder values.

**Investment model**
The Wendel Group invests for the long term as the majority or leading shareholder in listed or unlisted companies that are leaders in their markets, in order to boost their growth and development. Its investment model chiefly focuses on companies with a majority of the following characteristics:
- Based mainly in France, Germany or the Benelux countries ;
- International exposure ;
- A high-quality managerial team ;
- First or second in its market ;
- In a sector with high barriers to entry ;
- Solid fundamentals ;
- Predictable, recurrent cash flow ;
- High potential for profitable growth: through organic growth, accretive acquisitions and significant exposure to markets undergoing rapid growth and/or major, long-term economic trends (in health, retail and distribution, business services, the green economy, etc.).

As a long-term shareholder, Wendel particularly favors certain circumstances, such as:
- Control or joint control immediately or in phases ;
- A need for a long-term, principal shareholder ;
- Opportunities for further reinvestment over time to accompany organic or external growth.

Wendel's individual investments in 2011 ranged from €100 to €300 million, with moderate use of debt. The smaller investment amounts being made through Oranje-Nassau Développement (*see page 25*).

**An active presence in its investments**
Wendel's investment and business development strategy is based on close communications with the managers of the companies it invests in. This partnership is at the heart of the value-creation process. Wendel provides constant and active support, shares risks and contributes its experience and financial and technical expertise.
The Wendel Group is represented in the Boards of Directors and key committees—audit, governance, and strategy—of its investments, in proportion to its stake. It can therefore take part in the strategic decisions made by each company without taking the place of its management.

**Shareholder's charter**
Wendel upholds the shareholder's charter it established in 2009, which has five major principles.
- Active involvement in designing and implementing company strategies through our participation on the boards of directors and key committees of the companies in which we have invested.
- Solid, long-term commitment to our partner companies by supporting their development, fostering their exposure to strong-growth regions, and allocating time and resources to the innovation cycle.
- A constructive, transparent and stimulating dialogue with management while constantly questioning ingrained habits and rethinking models against the yardstick of global best practices.
- Everyday loyalty through relationships built on trust that recognize the respective roles of shareholders and managers.
- A guarantee of shareholder stability and the common cause of a long-term partner who is willing to make a financial commitment during tough times.

"Only through trust and mutual respect can that essential bond be created between a company's managers and its principal shareholder. This is another reason why investing for the long term is a rewarding enterprise."

**Bernard Gautier**, member of the Executive Board

# MAKING A MARK AS A SUSTAINABLE VALUE CREATOR

As the heir to three centuries of entrepreneurial and family history, Wendel has been implementing an environmentally and socially responsible (ESR) approach for many years. Today, Wendel crystallizes its commitment by being a responsible employer, by encouraging the companies that make up the Group to do the same and by giving back to the community.

**Wendel: a responsible principal shareholder**
The Wendel Group considers sustainable development to be an intrinsic component of its business as a long-term investor. When analyzing investment opportunities in companies, Wendel systematically conducts in-depth environmental and social due diligence audits. In each of the companies in which Wendel is a shareholder, the management teams bear the full responsibility for its sustainable development policies. However, Wendel is aware that it can multiply the impact of its social responsibility via the companies in which it invests; it therefore ensures that they adopt a sustainable development approach and supports their initiatives in this area.
All of the companies in the Group engage in activities whose social and environmental impact significantly exceeds that of Wendel's own business. Each company defines goals and action plans that are appropriate, taking into account the maturity of their ESR policy and other specific characteristics.
Our listed companies, Saint-Gobain, Legrand and Bureau Veritas, publish exhaustive ESR data in their annual activity or sustainable development reports. For Bureau Veritas, Deutsch, Materis and Stahl, of which Wendel is the majority shareholder, highlights of their sustainable development policies are presented in the Group's reference document. All of the Group's companies incorporate environmental considerations into the design of their products or services. Its industrial companies have all taken steps in the past few years to develop innovative, energy-efficient and environmentally friendly products. In 2010, Wendel signed a charter produced by AFIC, the French association of private equity firms. It is a public commitment to support sustainable development in a number of ways and serves as a set of guidelines for Wendel in its business.

**Wendel: a responsible company**
Wendel's commitment to the community is reflected in its support of projects in the higher education and cultural spheres. In addition to multiyear financing, Wendel works actively alongside partner institutions on development projects. Frédéric Lemoine represents the Group on the board of directors of INSEAD and the board of directors of Centre Pompidou-Metz.

*For more detailed information on this topic, see the Wendel 2010 Reference Document, chapter 2.2 Sustainable Development.*

***A partner of INSEAD since 1996***
*In 1996, INSEAD created a teaching chair for family-owned businesses; Wendel has been a partner from the start. In 2005, INSEAD inaugurated its International Center for Family Enterprise, which organizes events and teaching programs for family businesses around the world.*

***www.insead.edu/facultyresearch/centres/wicfe/index.cfm***

***The Henri Cartier-Bresson Foundation***
*Since 2007, Wendel has been a sponsor of the Henri Cartier-Bresson Foundation and the Grand Prix International Henri Cartier-Bresson, awarded every two years to support the creation and promotion of contemporary photographic works. David Goldblatt won the HCB award in 2009 for his project entitled "TJ," a study of Transvaal Johannesburg.*

***www.henricartierbresson.org***

***Founding sponsor of Centre Pompidou-Metz***
*Wendel is writing a new chapter in its long history with the Lorraine region, where the Group was founded in 1704, in Hayange. Through this renewable five-year commitment to work side by side with Centre Pompidou-Metz, Wendel wished to support an emblem of the region's long-lasting cultural influence and economic rebirth.*

***www.centrepompidou-metz.fr***

***ParisTech Review***
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***www.paristechreview.com***

"We firmly believe that we can create lasting value that accompanies and surpasses mere economic value. We are determined to set this in motion by adopting a proactive sustainable development strategy for the Wendel Group, its subsidiaries and its associates."

**Anne-Lise Bapst**, Director of Communications and Sustainable Development

# PULLING ALL VALUE CREATION LEVERS

Quality teams and quality assets are critical drivers of value creation. One particularity of Wendel's business model is that it relies on permanent financing to enable the Group to perform its job as a long-term shareholder. This ability was weakened by the financial crisis. Today, Wendel's financial structure once again enables it to use all of its available value creation levers.

**Five value creation levers**

**- Higher net income from subsidiaries and associates:** Ongoing cost control programs began to pay off as of the end of 2009 and drive higher net income from subsidiaries and associates. All Group companies returned to organic growth in 2010.

Combined with operating leverage and efforts to raise productivity, this renewed business growth is expected to give a further boost to the bottom line.

**- Potential growth in value of unlisted subsidiaries:** The Group's privately-owned companies were the hardest hit by the downturn. Thanks to financial restructuring, following Wendel's €160 million injection into its subsidiaries, and the optimization of operating units, a potential €1 to €2 billion in value may be gained from end-2009 to end-2013.

Between November 2009 and March 2011, the value of unlisted assets grew from €299 million to €963 million. The value creation potential of unlisted subsidiaries is therefore still high.

**- Leverage effect on net asset value:** Wendel's leverage, while being gradually reduced, magnifies the impact on net asset value of the growth in value of our subsidiaries. Wendel has gradually diminished its gross debt by about €2.5 billion since the beginning of 2009. As a result, the Group has benefited from a leverage effect related to the market recovery on the one hand, while reducing the risk attached to its debt on the other. Wendel will continue to use leverage, but to a lesser extent than in the past.

**- Acquisitions made by Group companies to boost their growth potential, especially in emerging market countries:** Acquisitions are an integral component of the business development model of Group companies. Our companies made 19 acquisitions in 2010, and all of them plan to achieve a non-negligible share of their growth through acquisitions, focusing on small or medium purchases, which are the most accretive.

**- New investments by Wendel:** Wendel will make new investments ranging in value from €100 to €300 million with the aim to take advantage of opportunities created by the crisis, diversify the sectors to which it is exposed and pave the way for value creation in 2015-2025.

> "By staying true to Wendel's founding values, we will develop companies with the potential to deliver long-term growth in value."

**Frédéric Lemoine**, Chairman of the Executive Board

**Wendel has resumed new investment and created Oranje-Nassau Développement**

Wendel has resumed its activity as a long-term investor. It began by focusing on its unlisted subsidiaries, in which it injected €160 million.

**- Investments via Oranje-Nassau Développement:** Wendel created Oranje-Nassau Développement in early 2011 to seize opportunities in growth, innovation or diversification. The individual amounts invested through this structure will be small. Oranje-Nassau Développement made Wendel's first new investment in an unlisted company since 2006 with the acquisition of 95% of Parcours, the independent French operational leasing specialist, for €107 million at the end of March 2011.

**- Traditional investment by Wendel:** Initially, Wendel will concentrate its new acquisitions on medium-sized, primarily unlisted companies. The size of its investments will also depend on the balance of financial fundamentals. Wendel initiated a turnaround in early 2009, notably through portfolio turnover.

Wendel's goal is to refocus on the investment model that has given rise to its high-quality portfolio concentrating on unlisted assets and to improve its sector diversification.

# 2010 FIGURES

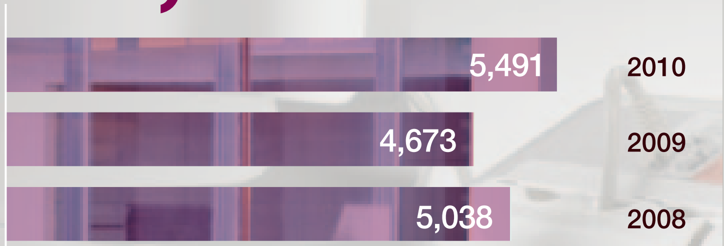
In 2010, the Wendel Group got back on track notably by improving its financial structure, reducing debt and extending its debt maturities. The initial outcomes of its efforts and the return to growth of the Group's companies are reflected in these financial indicators.

"We are gradually returning to the investment trail. We also intend to actively and rigorously monitor our financial structure."

**Frédéric Lemoine**, Chairman of the Executive Board

## Consolidated net sales (in millions of euros)*

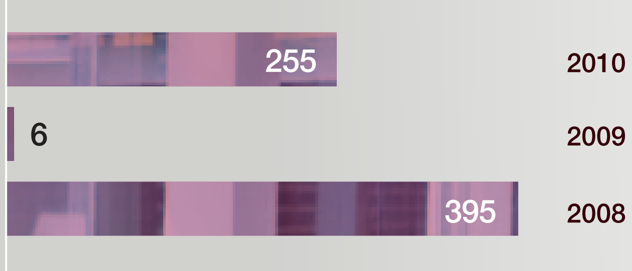
5,491




* Excluding divested activities innaccordance with IFRSS (Editis, Oil and gas assets of Oranje-Nassau, Stallergenes).

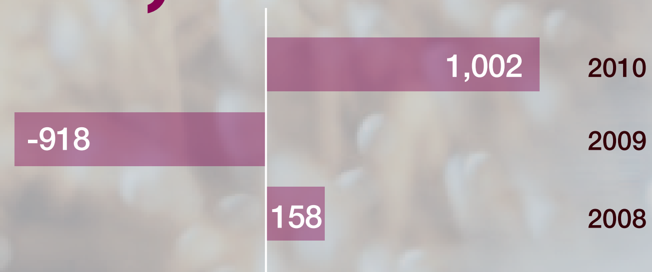
## Net income from business sectors Group share (in millions of euros)

255




## Net income, Group share (in millions of euros)

1,002




## Net asset value (in euros per share)

| | |
|---|---|
| 12.31.2010 | €97.4 |
| 12.31.2009 | €52.9 |
| 12.31.2008 | €28 |

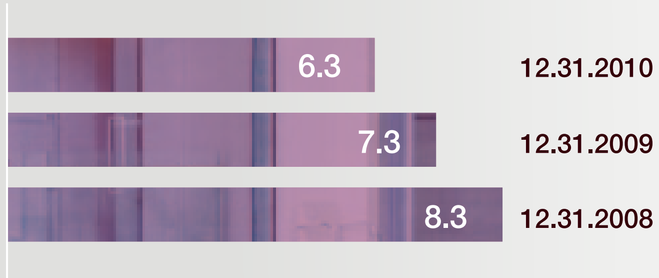
## Total gross assets under management (in millions of euros)

| | |
|---|---|
| 12.31.2010 | 11,138 |
| 12.31.2009 | 9,496 |

## Number of Wendel employees

70

## Change in Wendel's gross debt* (in billions of euros)




* Wendel's debt is the sum of its bond debt and the debt incurred to finance the Saint-Gobain acquisition, including accrued interest.

7

main investments.

Standard & Poor's rating: Long term BB-, stable outlook - Short term B since July 19, 2010.

# A BALANCED, DIVERSIFIED PORTFOLIO

The companies under the Wendel Group umbrella have three strengths in common: they are leaders in their industry; they use innovation as the cornerstone of their development; and they overcame the downturn, while seizing new opportunities for growth.

## Bureau Veritas

**51.5%**

Business
**Compliance and certification services**

Capital invested
**€446 million**

Date of first investment
**January 1995**

## Legrand

**11.1%**

Business
**Equipment and services for low-voltage installations**

Capital invested
**€219 million**

Date of first investment
**December 2002**

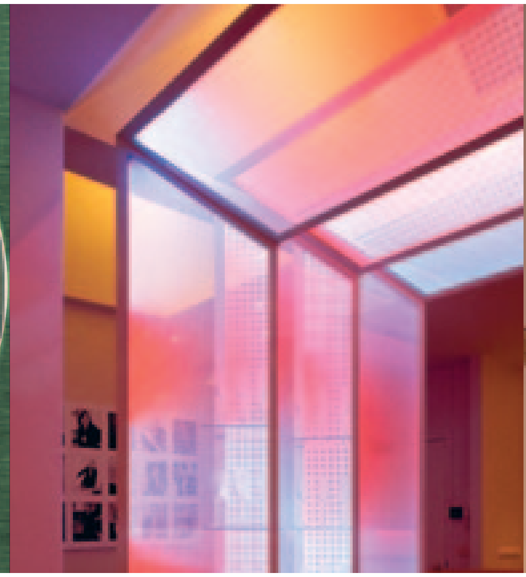
## Saint-Gobain

**17.5%**

Business
**Production, transformation and distribution of materials**

Capital invested
**€2.3 billion**

Date of first investment
**September 2007**



## Deutsch

**89%**

Business
**High-performance connector solutions**

Capital invested
**$470 million**

Date of first investment
**April 2006**

## Materis

**76%**

Business
**Specialty chemicals for construction**

Capital invested
**€341 million**

Date of first investment
**February 2006**

## Stahl

**92%**

Business
**High-performance coatings and leather-finishing products**

Capital invested
**€137 million**

Date of first investment
**June 2006**

*Share of equity owned by the Wendel Group at December 31, 2010. For Legrand, share of equity as of March 4, 2011.*

# BUREAU VERITAS REINFORCES ITS GLOBAL LEADERSHIP STRATEGY

Bureau Veritas is the world's second-largest provider of compliance and certification services in the areas of quality, health, safety, environment and social responsibility (QHSE-SR). The acquisition of Inspectorate positions the Group among the top three global leaders in commodities inspection.

### BUREAU VERITAS IN BRIEF

| | | | |
|---|---|---|---|
| Present in 140 countries | 1,260 offices and laboratories | 48,000 employees | 400,000 clients |
| 2010 revenue €2.93 billion | Adjusted net income €315.2 million | Stake held by Wendel 51.5% | Amount invested by Wendel €446 million since 1995 |

**Why did we invest in Bureau Veritas?**
Bureau Veritas is ideally positioned in markets driven by long-term, structural trends, such as the proliferation and toughening of QHSE regulations and standards, the privatization of certification and inspection activities, increasingly stringent health and environmental protection standards, and the globalization of trade. The market that Bureau Veritas addresses has numerous barriers to entry, including mandatory operating certification and approval in each country, as well as the need to offer dense geographical coverage both locally and internationally, a wide range of inspection services (in particular for major clients), high-value solutions through first-rate technical expertise and a reputation of independence and integrity.

**What were the highlights of 2010?**
Amid the general economic recovery following a global crisis of unprecedented proportions in the post-war period, Bureau Veritas continued to demonstrate its operational quality and ability to pursue growth. Despite a slight decline early in the year, full-year revenue grew 10.6% (2.8% in organic terms) to €2.9 billion. Organic growth became positive again in the first half of 2010 and then rose more significantly in the second half. Attributable adjusted net income increased by 15.2%.
In this environment, Bureau Veritas' businesses performed well overall, supported by recurring revenue and continued expansion in high-growth economies, where the group now generates 45% of its sales.
Its operating margin, which has risen steadily for 16 years, reached a record 16.7%. Thanks to high cash flow generation, net debt totaled less than two years of EBITDA, despite the £450 million Inspectorate acquisition.

In June 2010, Bureau Veritas announced the purchase of Inspectorate, a major step forward in its leadership strategy.
This transformative deal positions Bureau Veritas among the top three global leaders of commodities inspection and testing, an estimated potential market of over €5 billion offering solid growth opportunities. The acquisition, accretive the first year, offers promising potential for growth and margin improvement. It is an excellent complementary fit, in terms of businesses and geographical coverage, and steps up the group's presence in high-growth regions.

**What is the outlook for development?**
For 2011, Bureau Veritas expects the trends observed in the majority of its markets to improve. The group should benefit from its increased exposure in high-growth regions and from the incorporation of Inspectorate.
The group's strategy is to invest in high-potential market segments, such as commodities testing, nuclear energy, offshore energy and building efficiency, and to keep operational performance high. In 2011, the Group expects strong growth in its revenue and adjusted operating income, thanks to the impact of the full-year consolidation of the acquisitions made year-to-date and organic growth exceeding that of 2010 and consistent with H2 2010.

| in millions of euros | 2009 | 2010 | △ |
|---|---|---|---|
| Revenue | 2,647.8 | **2,929.7** | +10.6% |
| Adjusted operating income | 433.2 | **490.5** | +13.2% |
| *as a % of revenue* | *16.4%* | ***16.7%*** | *+30 bps* |
| Attributable adjusted net income | 273.5 | **315.2** | +15.2% |
| Adjusted net financial debt | 693.0 | **1,051.8** | +51.8% |

Interview with

FRANK PIEDELIÈVRE,
Chairman and CEO of Bureau Veritas

# "Trust and commitment"

Wendel has been our partner for 16 years and has always supported the management team of Bureau Veritas in its initiatives to make the company an industry leader. Wendel has consistently chosen to pursue long-term industrial growth and continues to be our principal shareholder for our company.

**How has Wendel's presence in the capital structure of your company been an asset for its growth?**
Wendel's stable presence as our principal shareholder has been a valuable asset to the company's development during our 16-year partnership. It has enabled us to build a market leader in compliance and certification services. In the last 14 years, we increased our revenue more than sixfold and multiplied our adjusted operating income more than 13 times over. Since 2001, with Wendel's full support, we have made over 80 acquisitions, expanding our range of services and geographical coverage. To fuel the group's development, Wendel took Bureau Veritas public in October 2007.
The IPO raised the group's public profile and its ability to attract and retain the best talent.
This impressive journey would not have been possible without the backing of a long-term shareholder with the ambition to help its companies become leaders in their respective markets.

**What is your assessment of the Inspectorate acquisition and integration?**
We had been considering a combination with Inspectorate for many years as the best way to diversify our business portfolio and immediately achieve global leadership in commodities. From Inspectorate's viewpoint, Bureau Veritas was also an ideal partner, with a network and technical skills to complement its own and accelerate its growth. Post-acquisition integration was carried out admirably and smoothly: Inspectorate now spearheads our platform, with its chief executive in the driver's seat. Our new global Commodities division encompasses all the mineral testing and oil inspection activities of Inspectorate and Bureau Veritas. It is already the group's second biggest business, generating about 15% of its revenue. Integration should be completed by the end of 2011.

**How do you think your businesses will evolve?**
Our clients increasingly recognize the importance of certification, tests and inspections in their value chain, where the risks and rewards from a human, environmental and financial viewpoint can be significant. What we actually do is help to prevent risks, ensure that industrial facilities are reliable, verify product quality and security, reduce adverse environmental impact and protect people. Our businesses are therefore of central concern for communities and businesses, who expect high value-added services. This means heightened exposure for the group but also very exciting growth potential. We are confident in the continued development of Bureau Veritas in the next few years.

## WENDEL'S INVOLVEMENT

| Board of Directors | Strategic Committee | Appointments and Compensation Committee | Audit and Risk Committee |
|---|---|---|---|
| Frédéric Lemoine (Vice-Chairman)<br>Ernest-Antoine Seillière<br>Jean-Michel Ropert<br>Stéphane Bacquaert | Frédéric Lemoine (Chairman) | Frédéric Lemoine | Jean-Michel Ropert<br>Stéphane Bacquaert |

"With the support of Wendel's teams, Bureau Veritas has become an industry leader."

For more information:
bureauveritas.fr

# LEGRAND STRENGTHENS ITS PROFITABLE GROWTH PROFILE

Legrand is a global specialist in electrical and digital building infrastructures. It derives its growth from innovation, regularly introducing new high-value-added products to the market and acquiring promising companies in its industry. As the world leader in electrical devices and cable routers, Legrand enjoys a number of local leadership positions that provide it with a solid footing.

### LEGRAND IN BRIEF

| | | | |
|---|---|---|---|
| Present in over **70** countries | Sales in close to **180** countries | **34,400 employees,** including 1,860 in R&D | Over **4,000** active patents |
| 2010 sales **€3.89 billion** | Net income (Group share) **€418 million** | Stake held by Wendel **11%** | Amount invested by Wendel **€219 million** since 2002 |

**Why did we invest in Legrand?**
As a world leader in products and systems for electrical installations, with 20% market share, Legrand offers 178,000 product references and a portfolio of nationally and globally known brands. Driven by its strong capacity for innovation, with more than 60% of its investments dedicated to new products in 2010, Legrand covers both the mass-market and the high-value segments. Whether in its sophisticated systems for digital connection and transmission, safety, design, user-comfort or environmental protection, Legrand stays one step ahead of market trends while developing innovative solutions for home systems and for managing lighting and energy efficiency. Legrand operates on a highly fragmented market with high barriers to entry, which means that it must offer a full range of multi-feature products and systems meeting various national electrical standards. Local standards and regulations raise the initial investment cost for any market entrant. The nature of the market also requires establishing relationships of trust with distributors, electrical installers and end-users.

**What were the highlights of 2010?**
Legrand's 2010 sales saw growth of 8.7% to €3,890.5 million, up 3.6% on 2009 at constant scope of consolidation and exchange rates. Adjusted operating income rose 35.5% from 2009, to €784.1 million. Adjusted operating margin was boosted by operating leverage from sales growth and the full impact of reorganization programs already deployed. Despite the seasonality of fourth-quarter margins and the gradual rise in raw-material costs, Legrand reached its new 2010 target for adjusted operating margin of 20.2% versus 16.2% in 2009, setting a new profitability record.
This business and profitability rebound illustrates the positive trend in Legrand's growth profile with:
- 1/3 of sales now in new economies, where the group saw a 24% rise in 2010 ;
- nearly 20% of revenues now in new business segments (digital infrastructures ; energy efficiency, residential systems, etc.), where Group sales increased by 13% in 2010.

With R&D spending equaling between 4% and 5% of the group's sales each year, innovation and new product launches continue to be essential growth drivers. These innovations meet strong market expectations in terms of optimizing electricity consumption or expanding access to electricity in new economies.
Growth is also fueled by acquiring promising companies in order to access new markets or widen the product range. As of the second half of 2010, the group seized three opportunities, acquiring Inform, the leader for UPS* in Turkey, the switchgear unit of Indo Asian Fusegear, a major Indian electrical protection player, and Meta System Energy, an Italian company specialized in modular UPS.

**What is the outlook for development?**
Legrand's targets for 2011 are:
- 5% organic growth rounded out with acquisitions[1] ;
- adjusted operating margin equaling or exceeding 20%, including the impact of acquisitions[1].

The Group has set itself the following medium-term objectives:
- 10% total annual average growth in sales[2], driven by increasing exposure to new economies, which are expected to account for 50% of consolidated sales five years from now compared with one third today; expansion on new business segments that already account for nearly 20% of sales; and pursuit of targeted, self-financed acquisitions ;
- 20% average adjusted operating margin, including acquisitions[1].

** Uninterruptible Power Supply.*

*(1) Small to mid-size "bolt-on" acquisitions.*
*(2) Including like-for-like and acquisition-driven growth, excluding exchange-rate effects or major economic downturns.*

| in millions of euros | 2009 | 2010 | △ |
|---|---|---|---|
| Sales | 3,578 | **3,891** | +8.7% |
| Operating income[1] | 579 | **784** | +35.5% |
| *as a % of sales* | *16.2%* | ***20.2%*** | – |
| Net income excluding minorities | 290 | **418** | +44.3% |
| Net financial debt | 1,340 | **1,198** | -10.6% |

*(1) Figures restated for accounting entries relating to the acquisition of Legrand France in 2002, which consisted of additional depreciation of revalued assets, with no cash impact, of €26.5 million and €38.1 million for 2010 and 2009, respectively, and amortization of goodwill of €16.6 million for 2009.*

"The transformations our Group has carried out in recent years have improved our growth profile."

For more information
legrandgroup.com

Interview with

GILLES SCHNEPP,
Chairman and CEO of Legrand

# "Become the leader in smart electrical systems and services"

Legrand's transformations in recent years have improved its growth profile. Legrand's operational and technological performance has made it one of the most attractive companies in its sector and in European industry in general.

**Wendel has been your principal shareholder, along with KKR, since 2002. What major changes has the Group undergone in recent years?**
Legrand has significantly increased its exposure to new economies, where we generated one third of our sales in 2010 compared with 16% in 2000. In five years, we expect these markets to account for 50% of our business. The Group now has leading positions in Brazil, Russia, India and China as well as Turkey, Mexico, Chile and Peru.
The Group is also stepping up its development in digital infrastructures, energy efficiency, residential systems and other promising new business segments, where we achieved close to 20% of our sales in 2010. In a more prospective manner, Legrand is positioning itself in new markets with significant medium- or long-term potential, including assisted living and charging stations for electric vehicles.
These positive changes to our growth profile have been accompanied by a structural improvement to our economic model, boosting our profitability and our ability to generate cash flow and at the same time increasing our available resources to self-finance our two growth drivers: innovation and acquisitions.

**Is this high-growth business model compatible with today's new challenges?**
Legrand intends to ensure the long-lasting, sustainable and responsible growth of its businesses. To achieve this, the Group actively pursues a sustainable development agenda and implements concrete, value-creating initiatives that form an integral part of our strategy. All of the group's employees support and participate in these initiatives.
Our sustainable development policy shapes our decision-making and supports our economic performance targets.
It of course is translated into ambitious, tangible goals in the areas of social responsibility, environmental protection and governance.

**What do you predict for the future?**
To conclude, due to our increased pace of growth in new economies, the opportunities available in new market segments and the effectiveness and strength of our business model, today Legrand is poised to accelerate its profitable growth. We are therefore confident and enthusiastic about our business for the years to come.

## WENDEL'S INVOLVEMENT

| Board of Directors | Appointments and Compensation Committee | Audit Committee | Strategic Committee |
|---|---|---|---|
| Frédéric Lemoine<br>Ernest-Antoine Seillière<br>Patrick Tanguy | Frédéric Lemoine (Chairman)<br>Patrick Tanguy | Patrick Tanguy | Frédéric Lemoine |

# SAINT-GOBAIN IS BUILDING OUR FUTURE

Saint-Gobain is the European or global leader in each of its businesses. It designs, manufactures and distributes construction materials with the ambition of offering innovative solutions to the basic challenges of our time—growth, energy savings and environmental protection.

## SAINT-GOBAIN IN BRIEF

| | | | |
|---|---|---|---|
| Present in 64 countries | 190,000 employees | No.1 worldwide in high-performance materials and insulation | No.2 worldwide in flat glass and packaging |
| 2010 sales €40.1 billion | Net income €1.33 billion | Stake held by Wendel 17.5% | Amount invested by Wendel €2.3 billion since 2007 |

**Why did we invest in Saint-Gobain?**
Saint-Gobain focuses on the housing market and aims to be the world leader through high-performance solutions and materials that meet the industrial challenges of tomorrow. As the European or global leader in all its activities, with very strong local positions, Saint-Gobain boasts a strong capacity for innovation in developing high-value building materials. The Group bases its development on three pillars: building products, innovative materials and specialized distribution. Each of these segments has specific growth drivers with their common denominators being energy efficiency and expansion in emerging markets.

| in millions of euros | 2009 | 2010 | △ |
|---|---|---|---|
| Sales | 37,786 | **40,119** | +6.2% |
| Operating income | 2,216 | **3,117** | +40.7% |
| *as a % of sales* | *5.9%* | ***7.8%*** | - |
| Net income[1] | 617 | **1,335** | +116.4% |
| Net financial debt | 8,554 | **7,168** | -16.2% |

*(1) Excluding capital gains and losses on disposals, asset write-downs and material non-recurring provisions.*

**What were the highlights of 2010?**
Saint-Gobain's consolidated sales for 2010 came in at €40,119 million, versus €37,786 million for 2009, representing a 6.2% rise on a reported basis and 1.9% like-for-like. Second-half performance, based on a constant number of working days, confirmed the upswing in sales volumes observed in the second quarter. The upward trend in prices, which also began in the second quarter, continued, reflecting the price increases implemented in all of Saint-Gobain's sectors and divisions over the past few months.
Saint-Gobain continued to pursue its action plan priorities in 2010, amid a broadly improving but still fragile economic climate with persistently strong disparities from one country to the next.
The Innovative Materials business sector delivered the group's best organic growth performance, surging 12.3% from 2009. In general, the sector continued to benefit from robust momentum in emerging market countries and Asia, where 37.6% of the year's sales were made, and vigorous trading in industrial markets in both North America and Western Europe.
Like-for-like sales for Construction Products remained stable over the year as a whole and in the second half, with improved second-half trading conditions in Western and Eastern Europe offset by the fall in sales in the United States (due to inventory run-downs by distributors in the third quarter). However, Construction Products sales improved further in the fourth quarter (up 3.7%) across all regions, and particularly Eastern Europe.
Building Distribution saw a 1.5% decline in year-on-year trading, but got back on the growth track in the second half of 2010 (up 1.0%). This upbeat trend was chiefly fueled by a gradual recovery in Germany, the UK and Scandinavia as from March. Packaging continued to report robust trading conditions and virtually stable earnings. Volumes and prices maintained their healthy 2009 levels.
Operating income also rose sharply to €3,117 million, a margin of 7.8% versus 5.9% in 2009.This marked improvement in profitability enabled the group to generate free cash flow[1] of €1.5 billion, despite the increase in its capital expenditure.

**What is the outlook for development?**
2010 saw the Group emerge from the downturn and gradually return to growth. Overall in 2011, the Group expects more upbeat trading conditions in its main markets. However, trends will continue to vary widely from one region to the next.
The Group's targets for 2011 are:
- robust organic growth, with a bullish first quarter thanks chiefly to very weak comparative figures;
- double-digit growth in operating income (at constant exchange rates[2]), despite the rise in energy and raw material costs;
- free cash flow of €1.3 billion, after the €500 million increase in capex;
- a persistently solid financial structure.
Leveraging its very robust financial structure and significantly leaner cost base, the group intends to pursue a profitable growth and expansion strategy over the next few years, with the aim of becoming the reference in Sustainable Habitat. By 2015, the group expects sales to reach €55 billion and anticipates operating income of €5.5 billion.

*(1) Excluding the tax effect of capital gains and losses on disposals, asset write-downs and material non-recurring provisions.*
*(2) Based on average exchange rates for 2010.*

Interview with

PIERRE-ANDRÉ DE CHALENDAR,
Chairman and CEO of Saint-Gobain

# “Make Saint-Gobain the world leader in sustainable habitat”

Saint-Gobain is ideally positioned, thanks to the quality and diversity of its products and services, to meet the major trends that are reshaping our world. The Group is prepared to meet the shifting balance of economic power and adapt to the general demand for high energy efficient construction products by strengthening its presence in emerging markets and stepping up innovation.

**How would you describe 2010?**
After navigating an exceptionally difficult economic environment, the Saint-Gobain group emerged stronger, as shown by its excellent performance in 2010. As the global economy continued to recover, the group firmly set its priorities and acted accordingly, eventually surpassing all of the targets it had set itself. Our sales volumes took a turn for the better, while we benefited from the priority given to prices.

**What are the Group’s main strategic directions and your goals?**
Last year, I presented a strategic vision: to make Saint-Gobain the reference in sustainable habitat. We have begun to implement this strategy of expansion and sustainable growth. Our strategic positioning gives us prospects for growth in both fast-growing countries, where we will step up our profitable growth, and more mature economies, where our markets are lifted by energy performance requirements. As a result, our goals for the group for the next five years are ambitious. We are targeting average annual organic growth of 6% for the Group by 2015. An increased focus on innovation and research and development will bring the percentage of the group’s sales from new products up to 25% in 2015, and Saint-Gobain will solidify its position in high value added habitat solutions, aiming to expand its share in group sales from today’s 51% to 60% in 2015.

**In light of performance at the end of 2010, what do you predict for 2011?**
We will keep growing in 2011. Thanks to our continued emphasis on prices and tight rein on costs, in addition to our disciplined financial management, we will resume an active industrial and financial investment policy. Saint-Gobain is a robust Group that is ready to benefit in full from the return to growth. It showed remarkable agility during the downturn. Its financial situation now makes it possible to implement a development policy with determination and seize growth opportunities. I would like to take this opportunity to pay tribute to the group’s teams, whose outstanding work is to thank for this. ■

**WENDEL’S INVOLVEMENT**

| Board of Directors | Strategic Committee | Financial Statements Committee | Appointments and Compensation Committee |
|---|---|---|---|
| Frédéric Lemoine<br>Bernard Gautier<br>Gilles Schnepp (Chairman and CEO of Legrand) | Frédéric Lemoine | Frédéric Lemoine | Bernard Gautier |



“We want to step up our growth in Asia and emerging markets.”

For more information
saint-gobain.com

# DEUTSCH CUSTOM MAKES CLOSE TO 80% OF ITS CONNECTORS

Deutsch is the global specialist in high-performance connectors, with leadership positions in aerospace, construction equipment and heavy vehicles. Approximately 80% of its connectors are custom-made, in order to meet its clients' unique quality standards.

## DEUTSCH IN BRIEF

Present in over **25** countries

**9** factories worldwide

**3,334** employees

**No.1** worldwide in industrial vehicles

2010 net sales **$559.7** million

Net income from business sectors **$63.1** million

Stake held by Wendel **89%**

Amount invested by Wendel **$470** million since 2006

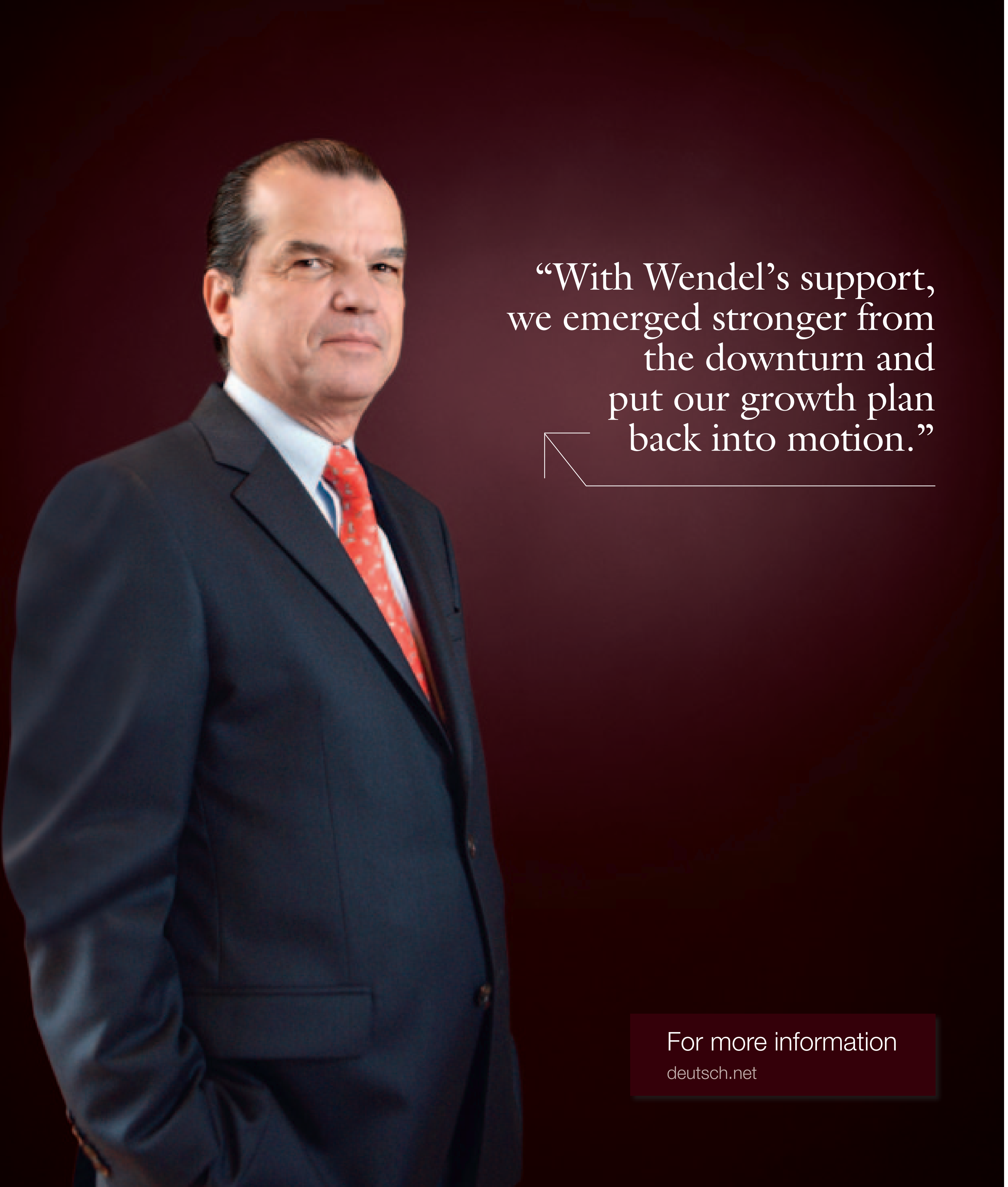
**Why did we invest in Deutsch?**
Deutsch designs and manufactures innovative connector solutions in close tandem with its clients' R&D departments. Its products are highly innovative and perform exceptionally well while standing up to very harsh operating environments. All its products meet the most stringent quality standards. Deutsch is among the world leaders on its markets and benefits from high barriers to entry, such as the long client-accreditation procedures, the long life-cycle of platforms, notably in aerospace and industrial equipment, as well as the high level of skills and experience it has gained in research and development. Deutsch has also developed numerous original solutions, such as aluminum cabling systems for the Airbus A380.The Group's growth is based on developing markets, such as aerospace, and targeted acquisitions.

**What were the highlights of 2010?**
Deutsch recorded sales of $559.7 million in 2010, up 25.3% on 2009 (up 27.2% in organic terms) on 2009.
The pick-up in growth over the second quarter continued in the rest of the year.
This sales growth was driven largely by very robust business at LADD, the exclusive distributor of the group's products in the United States (up 43.1%) and a two-fold increase in the Industrial division (up 92.1% in organic terms), representing 53% of the group's sales. Both are benefiting from extremely high demand on all end markets for high-performance connectors. This demand was especially strong in HGVs and construction engines. Overall, growth nonetheless slowed at the end of the year, as end clients completed their inventory rebuilding.
The stabilization of the Aerospace division (44% of sales) is the result of growth on the US market, which partially offsets the relative weakness observed in certain end markets such as civil and military aerospace or rail. The Offshore division, which accounts for 3% of the group's sales, achieved lower sales than in 2009, as new orders continued to be postponed. The entire offshore drilling industry remains impacted by the Deepwater Horizon catastrophe off the coast of Louisiana in April 2010. Deutsch's business recovery also had positive repercussions on employment and the company's workforce returned to pre-crisis levels. Nearly 400 employees joined the group in the past 18 months. As expected, Deutsch's adjusted operating margin also returned to its pre-crisis level and stood at 20.1% of sales. The efforts made by the group to increase operational efficiency during the downturn translated into a sharp rise in profitability and boosted adjusted operating income from $51.4 million to $112.6 million.

**What is the outlook for development?**
After experiencing the worst downturn in its history, Deutsch was able to quickly redeploy its production facilities to meet new demand, especially from India and China. The Group expanded its production units in Bangalore and Shanghai, where over 7% of the Group's employees are now based. As the economy continues to recover, Deutsch anticipates a further 5% to 10% growth of sales, continued robust performance in the industrial division and strengthened recovery in civil aerospace. In light of the above, the company expects a stable or increased operating margin and a further reduction in debt. In the longer term, Deutsch plans to reach $1 billion in sales, by 2015.

| in millions of dollars | 2009 | 2010 | Δ |
|---|---|---|---|
| Net sales | 446.6 | **559.7** | 25.3% |
| Operating income(1) | 51.4 | **112.6** | +119.1% |
| *as a % of net sales* | *11.5%* | ***20.1%*** | – |
| Net income from business sectors | (11.3) | **63.1** | NS |
| Net financial debt | 696 | **599** | -14% |

*(1) Adjusted operating income before accounting entries on goodwill allocation, management fees and non-recurring items.*




## Interview with

JEAN-MARIE PAINVIN,
Chairman of Deutsch

# "A successful financial restructuring"

Deutsch was severely hit by the financial crisis but quickly adapted to the situation, making it possible to put its development plan back into motion. This operational and technological agility is vital in the high-performance connector market, and Deutsch showed its ability to move forward, even in a distressed economic environment.

**How would you describe the support provided by Wendel, notably during the economic downturn we have just navigated?**
2009 was an extremely difficult year for Deutsch, in which its sales declined from $660 million to $447 million. The support of a shareholder such as Wendel, who enabled the group's financial restructuring with a contribution of over $90 million in March/April 2010, made it possible for us to not only renegotiate our banking covenants but also purchase a 40% stake in our distributor LADD. Deutsch continued to benefit from the full support of our shareholder during the economic recovery in 2010, generating sales of $560 million and increasing its workforce by nearly 400.

**Deutsch saw a significant improvement in sales in 2010. What were the main drivers of this return to growth?**
After suffering from the massive destocking of our clients, we are now, logically, benefiting from the effect of restocking and pure organic growth. Our most important step during the downturn was to protect the Group's fundamental assets with respect to both industrial and financial processes. There were many growth drivers, but the true challenge was to adapt to changing economic factors with increasing speed. We can therefore say with confidence that Deutsch emerged stronger from the downturn and with Wendel's financial support was able to put its growth plan back into motion.

**What is Deutsch's growth plan, notably in emerging market countries?**
Our goal is for Deutsch to generate $1 billion in sales by 2015. We will achieve this through organic growth and acquisitions. We are also positioned in new markets, such as in India and China.
Although emerging market countries accounted for only 15% of our sales in 2010, we expect this share to increase in the relatively near future, in light of the industrial and technological growth observed in these regions. Currently, we have nearly 200 employees based in Shanghai and about 50 in Bangalore. These manufacturing facilities are no longer employed solely for clients who have outsourced their production to these regions, but increasingly to meet the local demand for the types of technologies that Deutsch offers, driven by infrastructure and aerospace development. We will continue our projects to expand in these markets, where our end clients will be increasingly numerous. ■

### WENDEL'S INVOLVEMENT

| Management Board | Appointments and Compensation Committee | Audit Committee | Strategic Committee |
|---|---|---|---|
| Bernard Gautier<br>David Darmon<br>Patrick Tanguy<br>Jean-Michel Ropert | Bernard Gautier (Chairman)<br>David Darmon<br>Patrick Tanguy | Jean-Michel Ropert (Chairman)<br>David Darmon<br>Patrick Tanguy | Bernard Gautier<br>David Darmon<br>Patrick Tanguy |

# MATERIS DRIVES GROWTH THROUGH INNOVATION

Materis is one of the world leaders in specialty chemicals for construction, operating in four business segments: admixtures (Chryso), aluminates (Kerneos), mortars (Parex Group) and paints (Materis Paints). It encompasses over 100 brands, well-known in their local markets.


## MATERIS IN BRIEF

**9,500** employees

**400 sales outlets** for decorative paints in Europe

Stake held by Wendel **76%**

**No.1 worldwide** in aluminates

Sales in 2010 **€1.85 billion**

Net income from business sectors **€19.6 million**

Amount invested by Wendel **€341 million** since 2006

**No.4 worldwide** in admixtures

**No.4 worldwide** in mortars

**No.4 in Europe** in paints

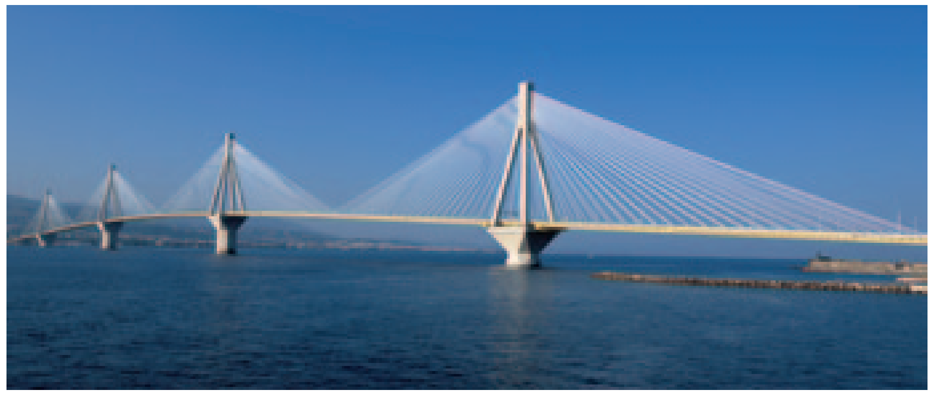
| in millions of euros | 2009 | 2010 | Δ |
|---|---|---|---|
| Net sales | 1,704 | **1,855** | +8.9% |
| Operating income [1] | 184.9 | **191.0** | +3.3% |
| *as a % of net sales* | *10.9%* | ***10.3%*** | – |
| Net income from business sectors | 0.1 | **19.6** | NS |
| Net financial debt | 1,757 | **1,803** | +2.6% |

*(1) Adjusted operating income before accounting entries on goodwill allocation, management fees and non-recurring items.*

**Why did we invest in Materis?**
Materis is one of the world leaders in specialty materials for construction, with leadership positions in aluminates, admixtures, mortars and paints. Materis has high barriers to entry born of global coverage (aluminates), high-value-added products and close relationships with its clients (admixtures, mortars and paints), high-end brands and an integrated distribution network with more than 360 sales outlets in Europe (paints). With 28% of its net sales in high-growth markets (Asia, Latin America and the Mediterranean rim) and more than 50% in renovation markets, Materis has demonstrated its qualities of resistance and offers significant growth prospects.

**What were the highlights of 2010?**
After the major economic slowdown in 2009, Materis achieved positive sales growth in 2010, up 8.9% to €1,855 million. Throughout the year the group developed steadily through organic growth, which was 4.9% over all of 2010. Several factors contributed to this performance: robust growth in both emerging and mature markets; an upswing in certain business segments such as steel, continuing healthy sales linked to renovation projects; and ongoing efforts to innovate, which led to price increases and an improved product range. Materis also pursued its external growth policy, notably with the acquisition of a.b.e., a South African admixture company. For 2010, operating income came in at €191 million, up 3.3%, representing a margin of 10.3% (versus 10.9% in 2009). Higher raw material costs were successfully absorbed by raising prices, developing new formulations and optimizing procurement. Over the same period, Materis also raised capital expenditure to support growth, which temporarily impacted its margin. Materis' financial debt rose slightly to €1,803 million as a result of the acquisitions made in 2010.

**What is the outlook for development?**
In a global economy showing varying stages of recovery, Materis intends to pursue its biggest source of development—organic growth—over the next five years. Sales are expected to improve by over 5% in 2011. The Group will continue to focus on developing innovative products and concepts, which will be an important growth driver in the years to come. The successful financial restructuring completed in 2009 also enhanced the group's financial flexibility, enabling it to resume external growth operations and expand its product range and geographic coverage. In 2011, Materis will take measures to gradually improve its operating margin as a percentage of sales by boosting sales while also optimizing related costs. In the medium term, the group will continue to be driven by strong structural demand for new housing (due to an increase in the number of homeowners, favorable demographics and housing shortages in mature and emerging markets), steady growth in housing requiring renovation and new energy efficiency standards.



Interview with

OLIVIER LEGRAIN,
Chairman of Materis

# “Betting on brand-new concepts”

Wendel’s long-term vision is a strong differentiating factor that fully supports Materis’ industrial development while sustainably creating value. This approach has enabled Materis to emerge from the recent downturn in better shape and put itself in an ideal position to transform this experience into an opportunity for future growth.

**How has Wendel’s presence in the capital structure of your company been an asset for its growth?**
Wendel possesses a key quality that stimulates and accelerates the development of its companies: a long-term vision. While renegotiating our bank debt in mid-2009, a task that we accomplished together, its vision was a significant asset. We were able to secure a €100 million line of credit to finance capital expenditure and support the Group’s expansion. As we have often repeated, organic growth is and will continue to be a major source of development for the next five years, and one of the drivers of this growth is innovation. Wendel’s long-term vision has always enabled the Group to continue to develop innovative concepts to ensure its future growth, a strategy that would not have been possible with a short-term shareholder, particularly during the downturn in 2009. Keeping a long-term perspective is the only way to promote the company’s development and create lasting value. In 2010, we continued to make the investments needed to drive organic growth in the upcoming years.

**What role did Wendel’s teams play during the year?**
Throughout the year, Wendel actively supported Materis and its teams for several external growth operations. In 2010, our Chryso branch acquired a.b.e., a South African company specializing in admixtures, and thereby strengthened its position in specialty chemicals for the construction industry. We successfully completed the company’s delisting, a process in which Wendel’s teams were of significant assistance. This active involvement in specific transactions as well as ongoing guidance throughout the year considerably supports Materis’ development.

**What projects are you currently working on with Wendel’s teams?**
As we mentioned previously, Wendel’s commitment is ongoing and we share the same aim: the long-term growth of Materis. We work jointly with Wendel’s teams on our financial structure and all external growth operations, as we did for a. b. e. ■

WENDEL’S INVOLVEMENT

| Management Board | Appointments and Compensation Committee | Audit Committee |
|---|---|---|
| Bernard Gautier<br>Jean-Michel Ropert<br>Stéphane Bacquaert<br>Patrick Bendahan | Bernard Gautier (Chairman)<br>Stéphane Bacquaert | Jean-Michel Ropert (Chairman)<br>Stéphane Bacquaert<br>Patrick Bendahan |

“Wendel’s long-term commitment spurs our company’s growth.”

For more information
materis.com

# STAHL LEVERAGES ITS STRONG PRESENCE IN EMERGING MARKETS

Stahl is the world leader in high-performance coatings and leather-finishing products. These products are used in the clothing, leather goods, shoes, automotive, furnishing and other industries. Stahl also sells chemicals and dyes used in the early stages of the leather processing chain.

## STAHL IN BRIEF

Present in over **28** countries

**35** laboratories and production facilities

**1,200** employees including 470 marketing experts

**No.1** worldwide in leather-finishing products

Sales in 2010 **€330.1** million

Net income from business sectors **€15.6** million

Stake held by Wendel **92%**

Amount invested by Wendel **€137** million since 2006

### Why did we invest in Stahl?

Stahl is the world leader in leather finishing products. The Group enjoys high barriers to entry on its market through its expertise, its long-term relations with its main clients, as well as the very high level of qualification of its "golden hands" technicians. With global market share over 20% on a fragmented market, Stahl has achieved high recurring profitability over the last 20 years. Beyond the cyclical fluctuations of 2009 and 2010, Stahl offers prospects for sustained growth generated by Asian markets, China in particular, and the development of niche markets for high-performance coatings. A sector ripe for consolidation, rigorous financial discipline and significant financial flexibility should allow Stahl to further its expansion and strengthen its market leadership.

### What were the highlights of 2010?

In 2010, Stahl recorded a sharp 30.2% rise in sales to €330 million, following a 14.2% slide in 2009. In the first half, organic growth soared 48%, driven by a strong surge in activity, notably in sales volumes in all divisions, which was accentuated by the effect of restocking across all business sectors (automobile, furnishing, shoes and leather goods), before returning to a more normal level in the second half. The exceptional first-half rise was all the more striking compared to the 33.2% fall in organic growth over the same period in 2009.

Operating income for 2010 came in at €46.2 million, up 53%, representing a margin of 14% (versus 11.9% in 2009). The sharp margin growth was driven by robust sales which directly impacted the gross margin as well as the effect of reductions in fixed costs implemented during the downturn (selective streamlining of industrial capacity). With Wendel's support in completing the Group's financial restructuring, begun in the summer of 2009, which involved a €60 million injection in February 2010 and a €155 million reduction in gross debt, Stahl's net financial debt contracted to €181 million at the end of 2010, down 46% from €335 million one year earlier.

### What is the outlook for development?

Amid a generally more stable global economy that nevertheless continues to be volatile, Stahl will continue to target growth and increased market share. To do so, it will focus on constant product innovation and step up marketing efforts in the Permuthane, Picassian and Pielcolor businesses, building on the positions it has acquired in high-growth regions (63% of sales). Stahl also intends to develop its activities in the earlier stages of leather processing, in order to expand its scope of business and gain greater market share. The Group continues to be driven by strong long-term trends, such as the gradual shift toward emerging markets, average annual growth of 2% to 3% in meat consumption, which supplies the market for hide processing, and the gradual disappearance of certain competitors, a trend that has been accentuated by the recession. For 2011, therefore, Stahl anticipates a return to organic growth of over 5%, despite the unfavorable base effect, driven by emerging markets and the emphasis placed on selling prices. Margin improvement will hinge on sales growth and rigorous fixed cost management. It will also depend on raw material price trends. From a more long-term perspective, Stahl is on the right path to surpassing the 5% mark for average organic growth, driven by market share gains in leather finishing and a refocus on high-growth divisions and regions.

| in millions of euros | 2009 | 2010 | Δ |
|---|---|---|---|
| Net sales | 253.5 | **330.1** | +30.2% |
| Operating income(1) | 30.1 | **46.2** | +53.5% |
| *as a % of net sales* | *11.9%* | ***14.0%*** | – |
| Net income from business sectors | 0 | **15.6** | NS |
| Net financial debt | 335 | **181** | -46% |

*(1) Adjusted operating income before accounting entries on goodwill allocation, management fees and non-recurring items.*

"With the unwavering support of Wendel, we have regained significant financial flexibility and can now accelerate our growth."

For more information
stahl.com



Interview with

HUUB VAN BEIJEREN,
Chief Executive Officer of Stahl

# "More a partner than a shareholder"

Wendel's staunch support and strength of conviction during Stahl's financial restructuring enabled the Group to regain all the financial flexibility it needed to step up the Company's growth and development. Wendel entirely fulfilled its role of partner and principal shareholder.

**How has Wendel's presence in the capital structure of your company been an asset for its growth?**
Wendel employs a strategy that is fundamentally different because the Company accompanies us over the long term and is ready to support us even when the going gets rough, such as in 2009 when our industry was hit by an unprecedented crisis. Wendel's unswerving support during the financial restructuring that we began and completed in early 2010 enabled us to regain the financial flexibility needed to continue to develop Stahl's growth profile. As the owner of 92% of the capital, Wendel is more a partner than a shareholder. It has a vision for our Company, but we have the independence and time to develop our business plan to achieve growth, gain market share and improve profitability, based on structural factors.

**What was Wendel's role during the debt renegotiations?**
On February 26, 2010, Wendel successfully completed the renegotiation of Stahl's debt with the unanimous support of senior, second lien and mezzanine lenders. In the process, Wendel injected €60 million in the Company and raised its ownership from 48% to 92%, with the remaining stake held by second lien and mezzanine lenders and Stahl's management team. The main impact of the debt negotiation was a 45% reduction in gross debt, from €350 million to €195 million, restoring our financial flexibility. Without the strength of Wendel's conviction regarding the quality of Stahl's business, this renegotiation would not have been possible. We are now seeing the benefit of this transaction, with the return of strong sales growth and a significant improvement of our profitability.

**What projects are you currently working on with Wendel's teams?**
We continue to work together on all the drivers of our future growth and Stahl's profitability, which include innovation, research and development, a quality technical sales force that can meet market needs, and the continued expansion of our businesses in high-growth regions. The professional guidance of Wendel's teams continues to be a key asset to us as we strive to expand our market share. ■

## WENDEL'S INVOLVEMENT

| Board of Directors | Compensation Committee | Audit Committee |
|---|---|---|
| Dirk-Jan Van Ommeren (Chairman) | Dirk-Jan Van Ommeren | Dirk-Jan Van Ommeren |
| Bernard Gautier | Bernard Gautier | Olivier Chambriard |
| Olivier Chambriard | | Jean-Michel Ropert |
| Bruno Fritsch | | |
| Jean-Michel Ropert | | |

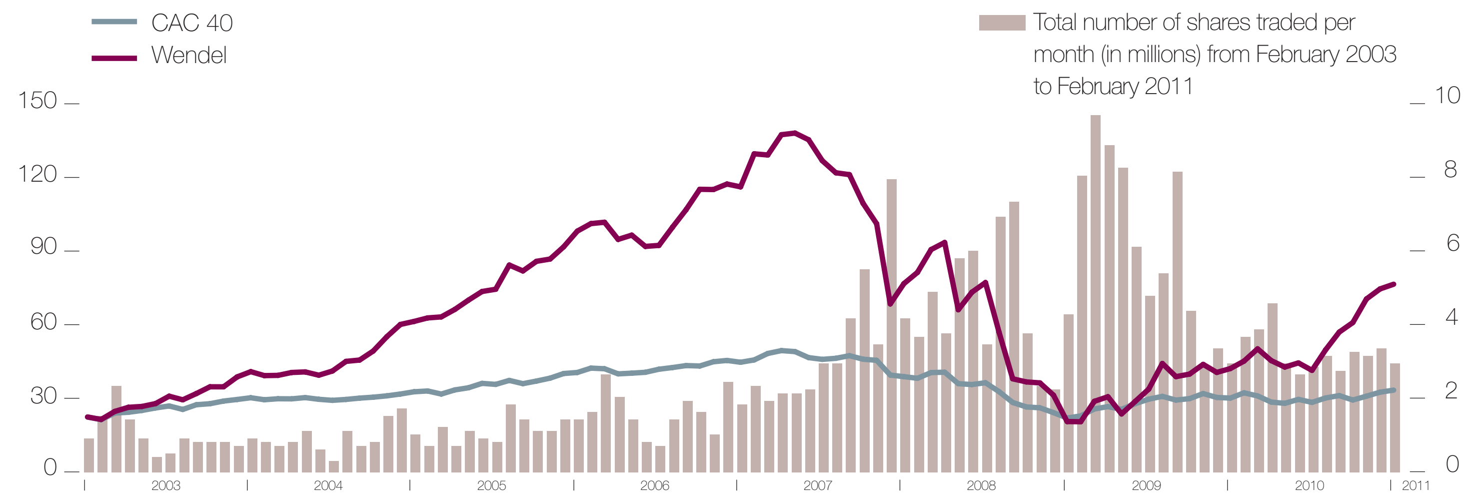
# Shareholder information

## Market data

**Listing market:**
EUROLIST SRD, A Board (Blue Chips)
**ISIN code:** FR0000121204
**Bloomberg:** MF FP
**Reuters ticket:** MWDP.PA

**Abbreviation:** MF
**Indices:** CAC AllShares, CAC Mid Small 190, CAC Mid100, Next 150, SBF120, SBF80
**Quota:** 1 share
**PEA:** Eligible

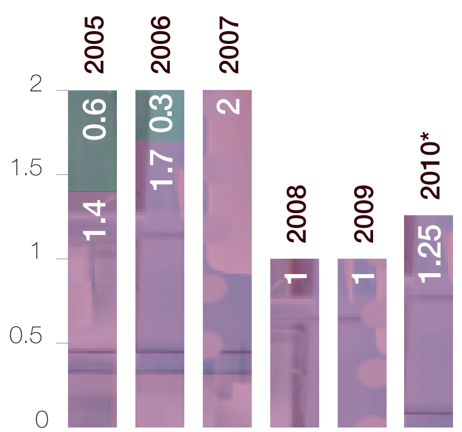
**SRD:** Eligible
**Par value:** €4
**Number of shares outstanding:**
50,501,779
at December 31, 2010




*Sources: Reuters/Monthly data*

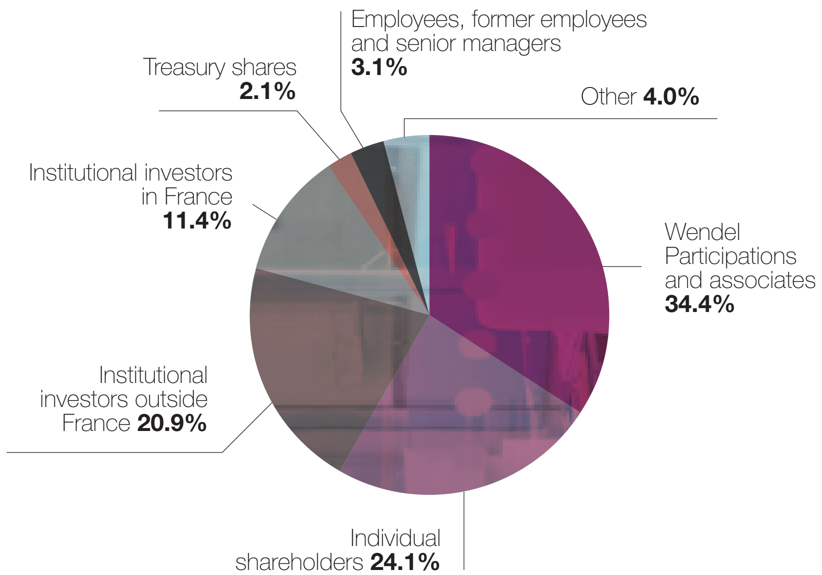
## Dividend (in euros)

Ordinary dividend
Exceptional dividend




** Subject to shareholder approval at the Annual Shareholder's Meeting.*

## Shareholders (at December 31, 2010)




# Shareholder relations

Wendel's constant and in-depth dialogue with all of its shareholders is an intrinsic component of our value-creation approach. A number of initiatives have been taken to meet the evolving needs of individual and institutional investors.

In 2010, the Wendel Group took additional steps to strengthen communication with its nearly 40,000 individual shareholders. For the first time, the Group took part in Actionaria, a trade show bringing companies and shareholders face to face, held in Paris on November 19-20, 2010. For this event, Wendel developed its Shareholder's Guide. It provides all the information that a shareholder should know before making an investment decision. It describes Wendel's business model, the Group's growth outlook, the rights and responsibilities of every shareholder and practical information on how shareholders can exercise their rights. It is available on Wendel's website or by request from the Group Communications department.

This guide is the last item in a series of recently-updated shareholder information services, including a section of the company's website dedicated to shareholders, quarterly newsletters, a toll-free telephone number for information and an annual management report incorporated into the reference document submitted to the AMF. The Shareholders Advisory Committee, set up in 2009, met four times in 2010 and was consulted regarding all communications addressed to shareholders. Wendel values the Committee's recommendations and advice highly, as they help to educate shareholders about our business and provide an attractive, simplified presentation of our activities.

Wendel also organizes two major road-show campaigns for institutional investors each year. The first takes place after the full-year earnings release, in early April, and the second is scheduled in the first weeks of September, just after the publication of the half-year results. During these campaign periods, the Executive Committee members travel to the world's major financial centers to meet prominent investors and asset managers, shareholders and non-shareholders alike, who are interested in the Wendel Group. The rest of the year, Wendel takes part in various events organized by brokers who cover Wendel. We attended a total of nearly 400 meetings, one-on-one or in a group, in 2010. Since 2009, we have also organized twice-yearly road shows geared specifically to the bond community. The Investor Relations team and the Chief Financial Officer met with almost 200 bond investors in 2010.

## 2011 Calendar

**March 23**
- Net sales and 2010 annual results (pre-market release)
- Publication of net asset value

**May 5**
Publication of first quarter 2011 net sales (post-market release)

**May 30**
- Annual Meeting of Shareholders
- Publication of net asset value

**August 31**
- Net sales and 2011 interim results (pre-market release)
- Publication of net asset value

**November 9**
Publication of third quarter 2011 net sales (post-market release)

**December 2**
- Investors' Day
- Publication of net asset value

## Contacts

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Toll-free number (in France): 0800 897 067

wendelgroup.com

# 2010 highlights

2010 was a year of business recovery. For Wendel and all Group companies, renewed organic growth and acquisitions fueled the resumption of ambitious, value-creating growth plans.

## January

Deutsch inaugurates its new factory in Shanghai.

## February

Wendel successfully takes Helikos public.

## March

**Stahl's** sales boom in China, generating organic growth of 55% in the first quarter.

**Wendel** reinvests €124 million in the restructuring of **Stahl** and **Deutsch.**

## April

**Saint-Gobain** and NSG pursue joint expansion in Brazil (flat glass).

Materis: Chryso launches a takeover bid for a.b.e. in South Africa.

**Deutsch** purchases the minority interests in LADD for $40 million.

## May

Wendel returns to growth: first-quarter sales are up 2.7%.

**Wendel** becomes the founding sponsor of Centre Pompidou-Metz.

## June

Saint-Gobain builds a second photovoltaic plant in Germany.

**Bureau Veritas** announces the acquisition of Inspectorate and Advanced Coal Technology in Africa.

## July

**Legrand** acquires UPS maker Inform in Turkey.

Bid to purchase Indo Asian Switchgear.

## September

**Stallergenes** signs a partnership with Shionogi for immunotherapy tablets in Asia.

Wendel's half-year earnings rise sharply, with consolidated sales up 10.3%.

All of the Group's companies show growth.

Sale of a 5.5% stake in Legrand.

## October

**Saint-Gobain** is considering an IPO approach for its packaging unit in 2011.

**Wendel** completes a €300 million bond issue.

## November

**Saint-Gobain** inaugurates the Ain el Sokhna float in Egypt.

After 17 years of working together, **Wendel** sells its stake in **Stallergenes** to Ares Life Sciences for 35 times its acquisition price.

## November

**Saint-Gobain** and Sage sign an agreement to build the world's first production plant for the large-scale manufacture of electrochromic glass.

**Wendel** confirms its robust sales growth: up 14.5% over 9 months, 5.1% in organic terms.

## December

**Wendel Investors' Day:** "Investing in high-growth economies." Net asset value of €85.70, up 64.2% in one year.

# Notes

# Notes

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**www.wendelgroup.com**