

WENDEL: INCREASE IN CONSOLIDATED Q3 2011 SALES

- Increase in sales at all Group companies
- Consolidated third-quarter 2011 sales: €1,615 million, up 13.6%
- Consolidated nine-month sales: €4,752 million, up 18.1%, of which 7.6% was organic
- Financial structure strengthened still further:
 - Legrand share sales for a total of €334 million
 - €140 million in debt paid off in advance in November, bringing the reduction in gross debt to €1,405 million since the beginning of the year

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

"Wendel's companies continued to post organic growth in Q3 2011, in line with their objectives, in hard to read macro-economic conditions and highly volatile financial markets. This performance resulted from their leadership positions on promising markets, rigorous price management and the quality and determination of their management teams. In addition, Wendel further strengthened its financial structure in early November by selling Legrand shares and repaying in advance €140 million in debt."

Contribution of Group companies to Q3 2011 sales.

Consolidated sales (in millions of euros)	Q3 2010	Q3 2011	Δ	organic Δ
Bureau Veritas	739.1	830.3	12.3%	5.1%
Materis	489.5	521.3	6.5%	6.4%
Deutsch	113.3	116.4	2.7%	9.6%
Stahl ⁽¹⁾	79.5	81.3	2.3%	5.3%
Oranje-Nassau Développement ⁽²⁾	-	65.4	N/A	N/A
Consolidated sales	1,421.3	1,614.7	13.6%	5.9%
Oranje-Nassau Développement ⁽²⁾ (including Q3 2010)	61.4	65.4	6.5%	6.5%
Total including Oranje-Nassau Développement ⁽²⁾ over 3 months in 2010 and 2011	1,482.7	1,614.7	8.9%	5.9%

(1) Fully consolidated from February 26, 2010

(2) including Parcours as a fully-consolidated subsidiary from April 1, 2011.

Sales of principal companies accounted for by the equity method (in millions of euros)

	Q3 2010	Q3 2011	Δ	organic Δ
Saint-Gobain	10,478	10,754	2.6%	4.1%
Legrand	964	1,041	8.0%	5.3%

Contribution of Group companies to nine-month 2011 sales

Consolidated sales (in millions of euros)	9 months 2010	9 months 2011	Δ	organic Δ
Bureau Veritas	2,088.2	2,453.1	17.5%	6.0%
Materis	1,414.8	1,543.8	9.1%	7.9%
Deutsch	317.0	366.5	15.6%	21.2%
Stahl ⁽¹⁾	201.9	253.4	N/A	N/A
Oranje-Nassau Développement ⁽²⁾	-	134.8	N/A	N/A
Consolidated sales	4,021.9	4,751.6	18.1%	7.6%
Stahl (over 9 months)	248.0	253.4	2.2%	2.2%
Oranje-Nassau Développement (over 9 months) ⁽³⁾	177.8	197.9	11.3%	11.3%
Total including Oranje-Nassau Développement over 9 months in 2010 and 2011	4,245.8	4,814.7	13.4%	7.8%

(1) Fully consolidated from February 26, 2010

(2) Parcours fully consolidated from April 1, 2011.

(3) Including Parcours over 9 months

Sales of principal companies accounted for by the equity method

(in millions of euros)

	9 months 2010	9 months 2011	Δ	organic Δ
Saint-Gobain	30,007	31,629	5.4%	5.8%
Legrand	2,874	3,148	9.6%	7.0%

Sales of Group companies in the first nine months of 2011

Bureau Veritas – sales up 17.5% over nine months. 2011 outlook maintained.

(Full consolidation)

Revenue in the third quarter of 2011 was up 12.3% at €830.3 million. Organic growth of 5.1% was accompanied by a 10.1% change in scope, owing primarily to the acquisition of Inspectorate.

Revenue for the first nine months of 2011 totaled €2,453.1 million.

The 17.5% increase compared with the year-earlier period broke down as follows:

- Organic growth of 6.0%, calculated on the pro-forma scope including the organic contribution from Inspectorate over the first nine months of 2011;
- A 12.7% positive impact from changes in the scope of consolidation, primarily owing to the acquisition of Inspectorate;
- A 1.2% negative impact from exchange rates given the weakness of the US and Hong Kong dollars relative to the euro.

Bureau Veritas has acquired seven companies since the start of the year, in fast-growing geographies and in high-potential activities, representing total annualized revenue of more than €35 million.

Organic growth in revenue in the **Marine** business stood at 1.5% over the first nine months of the year. The New Construction business (53% of the business' revenue) posted orders of 5.8 million gross tons (GRT), representing 523 ships. The Ships-in-Service business saw slower growth in Q3 due to the younger age of the fleet classed by Bureau Veritas, since new ships do not require inspection for the 18 months following their delivery.

Revenue in the **Industry** business rose sharply in all segments and all geographical regions, with nine-month revenue posting a 17.4% gain organically. Momentum remained robust and Bureau Veritas won significant contracts in the oil & gas and wind farm segments.

The **In-Service Inspection & Verification** business advanced by 3.1% organically over the first nine months of the year. Revenue was mixed depending on the geographical region, with France and northern Europe posting growth while southern Europe was in slight decline.

During the first nine months of 2011, the healthy level of growth in the **Construction** business in France and in Japan was wiped out by the ongoing weakness in activity in Spain and in the US. Revenue contracted organically by 1.9% year-to-date.

Down organically by 1.7% over the first nine months of 2011, the **Certification** business was sharply affected by the halt to the contract in control and verification of civil aviation safety in France. Adjusted for the loss of this contract, organic growth in the business totaled 7.4% over the first nine months of 2011.

The organic growth of 10.5% posted by the **Commodities** business in the first nine months of the year derived primarily from the Metals and Minerals segment and especially from upstream testing despite a demanding base of comparison with the year-earlier period.

The **Consumer Products** business, whose revenue rose 2.1% organically, saw very fast growth in the electrical and electronics segment, with the expansion of the platform in China. This growth offset the decline in revenue from toys testing, also in China.

Nine-month organic growth of 12.1% in **Government Services & International Trade** resulted from an increase in volumes inspected in the portfolio of existing contracts, the recovery in activity in the Ivory Coast and the start of the new Verification of Conformity contract in Iraq.

Bureau Veritas maintains that it should post high growth in 2011 revenue and adjusted operating profit on a constant-currency basis, with the consolidation of acquisitions and mid-single-digit organic growth in the second half of 2011.

Materis – Strong organic growth since the start of the year.

(Full consolidation)

Materis, a world leader in specialty materials for the construction industry, posted sales of €521.3 million in the third quarter of 2011, up 6.5% on the year-earlier period. 6.4% of this growth was organic.

Over the first nine months of the year, sales totaled €1,543.8 million, up 9.1% year-on-year. Organic growth came in at 7.9% and derived equally from volume/mix (+4.0%) and price (+3.9%) effects. Changes in scope generated a positive impact of 2.2%, mainly from the integration of South-African admixtures company a.b.e. Construction Chemicals, acquired in September 2010, and a few independent paint distributors.

The currency-related impact was a negative 0.9%.

Materis continued to take advantage of the high growth in emerging economies (16% organic growth) and the bounce-back in mature economies (6% organic growth) resulting from renewed growth in underlying markets and better weather than in the previous year:

- **Kerneos, the Aluminates business**, advanced significantly (up 5% and up 7% organically) buoyed by the turnaround in the building industry chemicals sector in France, Germany and Scandinavia, and by robust growth in the refractories segment in Germany, Russia and Asia.
- Strong growth at **Chryso (Admixtures)**, where sales rose 22% and 12% organically, was due to the integration of a.b.e., more favorable conditions in end markets (France, India, Eastern Europe) and increased penetration of the company's applications, indicating continuing innovation efforts.
- **Parex Group (Mortars)**, up 12% overall and organically, benefited from healthy business growth in France and emerging market countries, which saw growth rates ranging from 9% to 25%. These increases more than offset the slight decline in sales in the United States and the more significant one in Spain, which resulted from fewer construction starts in 2010.
- The **Materis Paints** business also experienced significant growth (6%, including 4% organic growth), bolstered by increased activity in French, Argentinean and Moroccan markets, and by targeted acquisitions which offset the slight end-market decline in Portugal and Spain.

Materis continues to anticipate organic growth of more than 5% over all of 2011. The company will continue to strictly control costs and prices against a background of volatile conditions affecting both raw materials and the volume of business.

Deutsch – Organic growth remained strong at 21.2% year-to-date, and the Offshore division signed a significant contract.

(Full consolidation)

Deutsch's third-quarter 2011 sales of \$164.5 million were up 12.4% compared with Q3 2010, with organic growth of 9.6% and positive currency effects of 2.8%.

On the back of this strong third-quarter growth, which followed a very buoyant first half, Deutsch posted nine-month sales of \$515.1 million, including organic growth of 21%.

Expansion in the **Industry Division** was part of the engine behind this growth. Industry posted 25% organic growth, with a significant advance in China, as production was expanded in the region, and an increase in truck demand in the United States.

The **Aerospace and Transport Division** saw organic growth of 19%, owing in particular to rapid growth in the United States and Europe.

The **Offshore Division**, which was hit by the Deepwater Horizon catastrophe in Louisiana, succeeded in obtaining some very large new orders. Chief among them was a contract worth €24.4 million signed in September 2011, which will generate revenue in 2012 and 2013. Overall, orders have increased nearly eight-fold since the start of the year.

Deutsch has confirmed its sales growth objective of 12-15% for all of 2011, with continuing growth in the Industrial Division, more recovery in civil aeronautics, a stable or widening operating margin and further reduction in debt.

Stahl – Sales growth of 2.2% over nine months, following a record year in 2010.

(Full consolidation from February 26, 2010)

Stahl, world leader in leather finishing products and high-performance coatings, posted sales of €81.3 million in Q3 2011, up 2.3% on Q3 2010. Organic growth for the quarter stood at 5.3%.

Despite a slowdown in growth starting from the second quarter of 2011 and very high comparative figures in the record year of 2010, Stahl posted sales of €253.4 million over the nine-month period, representing overall and organic growth of 2.2%.

H1 trends continued into the third quarter. The **Leather Finishing division** declined 1% as it continued to suffer from the slowdown in the tannery business, owing to the increase in the price of hides and skins, in particular in China and Latin America, and the fall in demand in the leather goods, furniture and clothing industries, which was not fully offset by the vigor of the automotive market.

Stahl's other businesses performed well (up 6.8%), buoyed by the **Permuthane division** (high-performance coatings), which continued its robust growth in India (55% organic growth) and China (14% organic growth) and consolidated its position in mature markets (organic growth of 12% in North America and 2% in Europe).

Stahl confirms that in the second half of 2011, sales will grow organically at a rate gradually approaching the long-term target of 5% p.a.

Saint-Gobain – Q3 2011 sales up 2.6% – 2011 targets confirmed.

(Equity method on 17% holding)

In the third quarter, Saint-Gobain's consolidated sales came in 2.6% higher year-on-year, at €10,754 million from €10,478 million a year earlier. This breaks down into a positive 0.2% group structure impact, a negative 1.7% currency effect, and organic growth of 4.1% (including a price impact of 2.9% and a volume effect of 1.2%).

Overall, the Group's organic growth performance in third-quarter 2011 was close to the second quarter, which had reported 4.4% organic growth, including a price impact of 2.8% and a volume effect of 1.6%. All business sectors and geographic areas once again made a positive contribution to Saint-Gobain's performance. Sales prices in particular remained upbeat across all sectors and divisions (despite a tougher basis for comparison than in first-half 2011), particularly in businesses which saw the sharpest rise in raw material and energy costs.

Innovative Materials continued to report robust growth, over both the nine months to September 30 (7.3%) and in the third quarter (4.9%, after 5.5% in the second quarter). Emerging countries and markets related to industrial output continued to perform well. Sales prices continued to advance across all divisions.

Sales in the **Construction Products (CP)** sector rose 5.5% over the nine-month period and 6.9% in the third quarter (after 3.7% in the three months to June 30). The sharp organic growth in sales over the three months to September 30 chiefly reflects the surge in sales volumes in US Interior Solutions and Exterior Solutions compared to the same period in 2010 (the year-earlier period provides a particularly weak basis for comparison, with volumes down 24%). Trading remained bullish in Asia and emerging countries but was more uneven in Western Europe. Sales prices remained upbeat in all divisions and geographic areas.

Building Distribution kept up its good momentum, reporting organic growth of 5.8% over the nine months to September 30 and 3.0% in the third quarter. Over the past three months, growth continued to be powered by France, Germany and Scandinavia, although its pace slowed slightly compared to the second quarter (4.5%), due to a tougher basis for comparison as well as the continuing slowdown in the UK and Southern Europe. Sales prices remained upbeat throughout the nine-month period.

Packaging (Verallia) reported 2.8% organic growth for the nine-month period (0.0% in the 3rd quarter), buoyed by favorable trends in sales prices, which gained 2.6% over the nine months to September 30 as well as in the third quarter. Sales volumes were broadly stable over the period (but edged down slightly in the three months to September 30), with the slowdown in the US and to a lesser extent in Europe fully offset by strong growth in Latin America over the first nine months of the year.

Consequently, despite a tougher and more uncertain trading environment, Saint-Gobain is confirming its targets for full-year 2011:

- robust organic growth;
- double-digit growth in operating income (at constant exchange rates*), despite the rise in raw material and energy costs;
- €1.3 billion in free cash flow, after a €500 million increase in capital expenditure;
- a persistently strong balance sheet.

* average exchange rates for 2010

Legrand – Nine-month and third-quarter results in line with targets – 2011 targets confirmed.

(Equity method on 6% holding)

Sales for the first nine months of 2011 totaled €3,148.3 million, up 9.6% year-on-year, while the rise at constant scope of consolidation and exchange rates was 7.0%. Changes in the scope of consolidation made a 4.2% growth contribution, while exchange rates had a negative impact of 1.8%.

In new economies, the good trend observed in the first half is continuing. Sales in new economies rose almost 19% altogether for the first nine months, or nearly 15% at constant scope of consolidation and exchange rates, with very strong performances in Brazil, Russia, India, and China, but also in countries including Turkey, Poland, Chile, Peru, Saudi Arabia and the United Arab Emirates. In 2011 as a whole, these promising markets should account for around 35% of Legrand sales.

In mature economies, residential renovation markets are doing reasonably well, but in most countries new construction in residential and commercial markets has not rebounded despite strong growth in digital infrastructures and energy performance.

As noted in July this year, sales volumes in construction markets in mature economies are still around 20% below pre-crisis levels¹ on average.

In this context, Legrand reported adjusted operating margin of 20.9% of sales (21.3% excluding acquisitions) in the first nine months of 2011, reflecting its capacity to control costs and to take account of the rising cost of raw materials and components consumed in sales prices.

In pursuing its strategy based on self-financed and targeted acquisitions of small and mid-size companies offering high growth potential and strong market positions, Legrand has made five acquisitions representing total annual sales of over €200 million since January.

The latest transaction is the signature of a joint-venture agreement with Megapower², leader for plastic cable management in Malaysia. The move gives Legrand access to front-running positions in Malaysia.

Nine-month results are in line with Legrand's targets, allowing the company to confirm its 2011 targets:

- 5% organic sales growth³, rounded out by acquisitions⁴,
- adjusted operating margin equaling or exceeding 20%, including the impact of acquisitions⁴.

1-Source: Global Insight

2- Legrand has a 49% interest in the entity and is to take control within the next two and a half years, with an option to purchase minority stakes in the medium term.

3-Organic: at constant structure and exchange rates

4-Small and medium-sized bolt-on acquisitions

Oranje-Nassau Développement: Good performance at Parcours, except and Mecatherm.

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular invests in Parcours (*France*), except (*Germany*) and Mecatherm (*France*) as well as in Van Gansewinkel Groep.

Parcours – Robust growth in sales.

(Full consolidation since April 2011)

Sales of Parcours, the independent, long-term vehicle leasing specialist, over the first nine months of the year totaled €197.9 million, up 11% compared with the same period in 2010.

Vehicle leasing and maintenance revenues advanced by 9.1% to €144.9 million. These activities were bolstered by a 6% increase in the fleet of vehicles rented over the past year, which now totals 43,600 vehicles.

Parcours continued to gain market share, increasing its fleet of vehicles at a faster pace than its competitors. At the end of September, Parcours' portfolio of non-delivered orders amounted to more than 4,300 vehicles, up 29% from September 2010 as a result of delays carmakers experienced after the catastrophe in Japan.

Parcours' second-hand vehicles business also performed well, with 18% growth in sales (€52.9 million over nine months), owing to brisk sales at Parcours' second-hand vehicle sales sites.

exceet – 51% growth in sales in the first nine months.

(Equity method on 28% holding since July 2011)

The unaudited, consolidated sales of exceet, European leader in embedded electronics and security solutions, totaled €128.9 million in the first nine months of 2011, up 51.5% on the year-earlier period. This growth resulted, among other things, from strong organic growth, in particular in medical technologies.

Top line growth also derived from acquisitions, namely Winter AG (electronic security systems), AuthentiDate International AG (digital signature and security systems), Contec GmbH (embedded electronic systems for medical and industrial applications), and The Art of Packaging (packaging with integrated RFID tags).

Excluding any further acquisitions, exceet anticipates steady growth over the whole of 2011.

Mecatherm – Acquisition of world leader in equipment for industrial bakeries finalized on October 4.

(not consolidated – full consolidation from Q4 2011)

Announced in July 2011, Wendel's acquisition of Mecatherm was finalized in October for an enterprise value of around €170 million. Wendel now holds 98% of the company's shares, alongside management, who hold the balance. This company will be consolidated from the fourth quarter of 2011. The acquisition debt totaled €66 million and was jointly arranged by five French banks with the same terms as those negotiated at the end of July.

Mecatherm also has lines of €30 million to finance future acquisitions and €5 million in revolving credit facilities.

After posting sales of around €91 million in 2010, of which nearly 75% outside France, the Mecatherm group realized a top line of €60.7 million in the first nine months of 2011.

Continued active management of Wendel's financial structure

Legrand share sales for a total of €334 million

Wendel and Kohlberg Kravis Roberts & Co. (together with its affiliates, "KKR") have today successfully completed the joint sale of 24.3 million shares of Legrand, representing 9.2% of Legrand's share capital, at a price of €24 per share.

In this context, Wendel sold approximately 13 million shares or 4.9% of Legrand's share capital for a total of €313 million and a capital gain of around €191 million.

Following the sale of approximately 890,000 Legrand shares at an average price of approximately €24 per share in September and the transaction completed today, Wendel now holds approximately 5.8% of the share capital of Legrand and approximately 10.1% of its voting rights.

Early repayment of €140 million in debt with margin calls in November.

In early November 2011, Wendel repaid €140 million in debt with margin calls in advance of the July 2013 maturity date. The remaining balance of debt with margin calls now totals €1,545 million (vs. €1,685 million in August 2011). The repaid borrowings can be reused at any time. Unused and available lines of credit for the financing of Saint-Gobain shares now total €830 million, vs. €690 million at end-August 2011.

Since the beginning of the year, gross financial debt has been reduced by €1,405 million. Having repaid all debt without margin calls, as announced on May 30, 2011, Wendel has no maturity dates before July 2013.

Further extension of maturity on 4 million Saint-Gobain puts.

After extending the maturity of 2.2 million puts over the summer from September 2011 to September 2012, all puts issued on Saint-Gobain were extended in September and October.

The 6.1 million puts issued now have maturity dates in September 2012 (2.2 million), December 2012 (2.6 million) and March 2013 (1.3 million).

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests in France and abroad, in companies that are leaders in their businesses: Bureau Veritas, Legrand, Saint-Gobain, Materis, Deutsch and Stahl. Wendel plays an active role as industry shareholder in these companies. It implements long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel also invests in Van Gansewinkel Groep in the Netherlands, except in Germany, and Mecatherm and Parcours in France.

Wendel is listed on Eurolist by Euronext Paris and is included in the Next 20 index.

Standard & Poor's rating: Long term: BB-, negative outlook - Short term: B since October 10, 2011.



Wendel is the founding sponsor of the Centre Pompidou-Metz, which on September 23, 2011, welcomed its millionth visitor since opening its doors in May 2010.



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