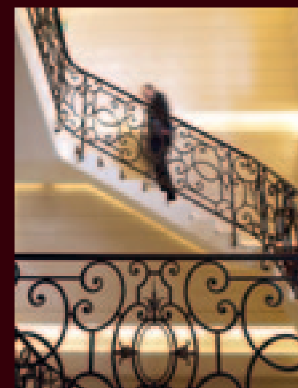
2011 management report

WENDEL

“Investing for the long term is a rewarding enterprise”

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1. François de Wendel's seal.
2. François de Wendel (1778-1829).
3. View of steelworks in 1866. Watercolor by Bertier.
4. 2011 Annual Shareholders' Meeting.
5. Centre Pompidou-Metz.
6. Visit to a Materis factory by the Executive Board.

"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, notably in the steel industry, before focusing on long-term investing. As a professional investor and shareholder, Wendel actively contributes to the 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.

The Group's financial indicators

2011 FIGURES

In 2011, the Wendel Group continued to strengthen its financial structure by reducing debt and extending its debt maturities. Wendel resumed its active investing and completed three acquisitions through Oranje-Nassau Développement, which invests in growth, diversification and innovation opportunities. Wendel also announced a major transaction: the projected sale of Deutsch.*

Net asset value (NAV)

(in euros per share)

12/31/2011	€74.3
12/31/2010	€97.4
12/31/2009	€52.9

10

Number of main investments, including three acquisitions in 2011.

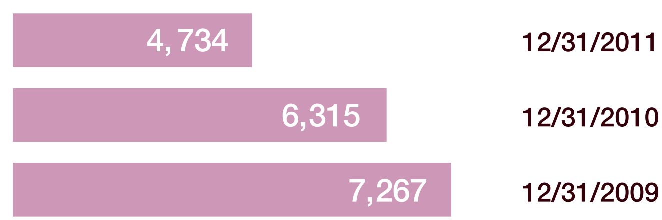
Gross assets under management

(in millions of euros)

12/31/2011	8,687
12/31/2010	11,138
12/31/2009	9,496

Change in Wendel's gross debt[1]

(in millions of euros)



(1) Wendel's gross debt, including accrued interest, is the sum of its bond debt, its bank debt, and the non-recourse debt incurred to finance the Saint-Gobain acquisition.

* See page 47, "Projected sale of Deutsch".

Consolidated sales[2]

(in millions of euros)	
5,953	2011
5,068	2011
4,351	2011

(2) Excluding businesses held for sale, in compliance with IFRS 5 (Stallergenes and Deutsch).

Net income (in millions of euros)

Total		Of which Group share	
648	2011	525	2011
1,144	2010	1,002	2010
- 809	2009	- 918	2009

Net income from business sectors (in millions of euros)

Total		Of which Group share	
514	2011	321	2011
443	2010	255	2010
153	2009	6	2009

73 Number of Wendel employees.

Standard & Poor's ratings: Long term: BB–, Negative outlook; Short term: B, since October 10, 2011.

HIGHLIGHTS OF 2011

01/07

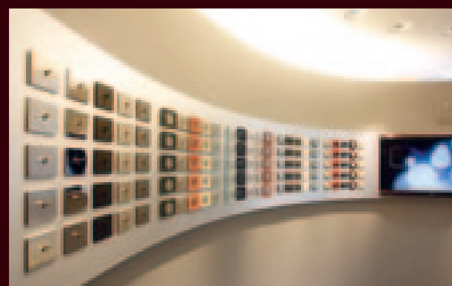
Legrand acquires Electrorack in the United States.

01/11

Bureau Veritas completes three acquisitions in fast-growing regions and sectors (Brazil, China, France).

02/10

Legrand announces its 2015 strategic plan.



03/03

Wendel sells 8.3% of the shares of Legrand and realizes a capital gain of about €430 million.

03/23

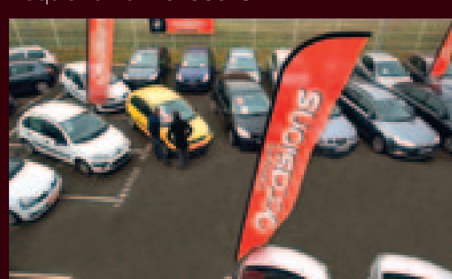
Wendel releases its 2010 results: return to growth. Consolidated sales up 17.5%. Net income from business sectors nearly tripled. NAV of €98.20.

04/11

Wendel successfully places a €300 million bond issue due in April 2018.

04/15

Acquisition of **Parcours**.



05/01

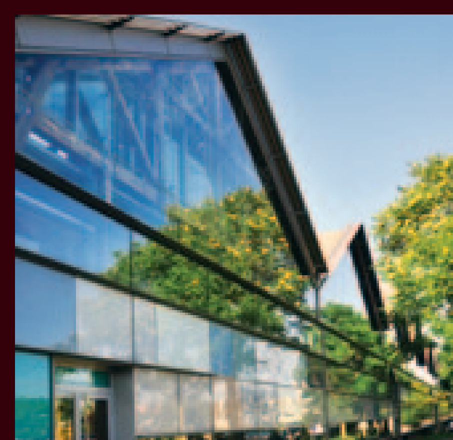
Saint-Gobain completes acquisitions in emerging market countries (India, Indonesia, Brazil, Turkey).

05/05

Wendel reports consolidated first-quarter sales: up 24.9%.

05/26

Wendel and **Saint-Gobain** establish the principles and objectives of their 10-year cooperation agreement.

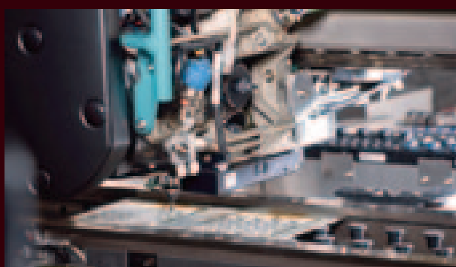


05/30

2011 AGM: dividend of €1.25 per share for 2010, up 25%. NAV of €109.30.

07/21

Helikos SPAC is a success, with the acquisition of 28% of the capital of **exceet**.



08/31

First-half results: financial structure further strengthened and sharp increase in earnings. Sales up 20.6%. Net income from business sectors up 42%. NAV of €75.

09/20

Bureau Veritas presents its 2015 strategic plan.

09/21

Saint-Gobain raises €1.75 billion with a dual-tranche bond offering.

10/04

Acquisition of the **Mecatherm** group.

11/08

Wendel sells 4.9% of the shares of Legrand and realizes a capital gain of about €191 million.

11/09

Wendel posts consolidated sales over nine months: up 18.1%. Growth in all of the Group's businesses.

11/29

Wendel grants exclusivity to TE Connectivity with a view to selling Deutsch.

12/02

10th Investor Day. NAV of €76.60. A reinforced financial structure following a €1,565 million reduction in gross debt in 2011.

12/14

Saint-Gobain prepares the acquisition of Electrotherm to strengthen its Pipe activity in major emerging economies.

Message from Ernest-Antoine Seillière,

CHAIRMAN OF
THE SUPERVISORY BOARD

Wendel: a truly long-term strategy!

A crisis reveals whether systems are strong and people can be relied on. It also shows when a strategy is relevant and anticipates the future with agility and flexibility. The events that have been shaking the world since 2007 did not defeat our global economic system. It was able to absorb the shocks through adaptation and government support: policymakers coordinated international action, while financial and economic players implemented the right tools to avoid the worst-case scenario and create the conditions for a rebound. The environment is still fragile, because after the series of shocks came the storm of the sovereign debt crises in 2011. But after seeing how the global market economy has maintained its growth perspectives overall, we can allow ourselves to be optimistic, and we have every reason to be optimistic about Wendel.

Three major forces are in motion today to build the world of tomorrow. One is the capitalist system, which through regulation is gradually putting an end to the excesses of finance and is emerging stronger from its trials. It has established itself as an engine of progress in regions of the world undergoing intensive growth: China, Russia, India, Brazil and South Africa. At the same time, globalization is taking form in new institutions, as illustrated by the G8 and G20. They are the sign of the organization that is gradually being set up as the only possible answer to such far-reaching economic, technological, diplomatic, climate and public health issues. This growing globalization is also a response to environmental challenges, the third force at work. There is no doubt that an ecological revolution is in the making and will be the source of future growth. To support these changes, our Group has many assets and our results show that the strategy chosen by the Executive Board is the right one. The family-based capitalism that Wendel successfully embodies will continue to be effective in tomorrow's economy, where increasing attention will be paid to the long term and to entrepreneurial spirit. Today, the challenge of globalization has been integrated into the fabric of our strategy, through our development in high-growth regions. We also anticipated the ecological transformation through our companies involved in this change, such as Saint-Gobain, a pioneer in innovative housing materials, Legrand, a provider of energy-saving home systems, and Bureau Veritas, which supports the dissemination of new standards in all industries. All of these facts form the basis for my optimistic outlook for the future of the Wendel Group, which I know is firmly in step with today's changing world.

Analysis by Frédéric Lemoine,

CHAIRMAN OF THE EXECUTIVE BOARD

Moving ahead with determination

Sustained by the momentum built up in previous years, Wendel held its course in 2011, while adapting to a volatile external environment. Wendel has what it needs to intensify its search for new investments in the unlisted sector and work to return capital to its shareholders, to whom a special dividend is proposed this year, involving them directly in the remarkable success of Legrand.

The world economy experienced two highly contrasted situations in 2011. While market confidence grew during the first half, the severe stock market disruption in the summer, compounded with the sovereign debt crisis and excessive concerns about the future of the euro, caused a sharp slowdown in the economy. In a scenario reminiscent of the 2008 upheaval, the interbank market and access to financing quickly became strained. Although companies in general and those in the Wendel Group in particular nevertheless finished 2011 well, there were fears of a new downturn in 2012. Now, in the wake of the Greek debt agreements and a reassuring start to the year, the outlook for 2012 appears brighter. Uncertainty nevertheless lingers with the upcoming French and US presidential elections, escalating international tensions in the Middle East, continuing high raw material prices, bank fragility and volatile stock markets.

In this challenging environment, Wendel held the course set three years ago, while adapting very carefully to economic conditions.

“We can now use our renewed financial flexibility to actively increase the number of our equity investments, putting priority on unlisted companies.”

During the first half of the year, we continued to reduce our debt, thanks to the divestment of shares in Legrand and the final hedges (puts) on our Saint-Gobain shares. We also resumed our active investment policy. Consequently, three new companies joined Oranje-Nassau Développement. These transactions hold great promise for the future and were all modestly sized, as planned. The new investments are in Parcours, a vehicle leasing specialist; Mecatherm, world leader in equipment for industrial bakeries; and exceet, a German technology company that enabled us to successfully use our Helikos structure.

Beginning in August, we took steps to adapt. First, we worked actively with all our companies to review the operational or financial plans that had become necessary due to the situation. Next, we undertook nearly €1.3 billion in asset disposals to accelerate our debt reduction: we reduced our stake in Legrand to 5.8% of its capital, bringing our capital gains for the year to over €600 million and enabling the share to join the CAC 40. Most importantly, we gave the markets a positive surprise with the projected sale of Deutsch to TE Connectivity, the world leader in connectivity solutions.

Bernard Gautier and I are very proud of this industrial and financial achievement. Since purchasing Deutsch in California, Wendel and the teams of Deutsch have truly transformed the company. From a loosely coordinated assortment of five entities, it has become a global group that has expanded into new geographies, such as China, and new sectors, such as offshore activities. Despite the record downturn the connectivity sector experienced in 2009, net sales have risen by 22% since 2006 and profitability has been consistently impressive. The company's continuous innovations and the strength of its commercial relationships prompted TE Connectivity to present us with a very ambitious proposal. It is ambitious for Deutsch's brand, which will be more broadly deployed, and for its French sites, which will become the centers of excellence of the new group in their fields. It is ambitious financially, too: in fact, we only accepted this new strategic direction once the offer for Deutsch reached $2.1 billion, twice its acquisition value. For Wendel, once the sale is confirmed, the net proceeds will total about €960 million, or 2.4 times Wendel's total investment.

Prior to this transaction, we reimbursed close to €1.6 billion in 2011. At the end of 2011, our debt, net of cash, was €3.9 billion. If we take into account the projected sale of Deutsch under the announced terms, our debt would have fallen below €3 billion. Despite this year of upheaval, we have truly put an end to excessive leveraging. We have no repayment obligations before 2014 and we will continue to manage our remaining debt very closely.
Thanks to our agile response to economic events, we are in an excellent position to pursue our long-term goals. The current uncertainties have not diminished our confidence in certain long-term trends, such as the rapid development of India, Africa, China, Southeast Asia, and Latin America; the strong potential of construction businesses, driven by rapid urbanization, population growth and new energy-efficient solutions; the fast growth of international trade; and the larger role of regulation in products and infrastructures. These trends supported growth for Saint-Gobain, Legrand, Bureau Veritas and Materis in 2011. They all grew organically by 5-8% and completed a total of 31 acquisitions, including nearly two-thirds in high-growth regions. These trends and a few others also enabled our companies to contribute to 25.9% growth in net income from business sectors and net income of €525 million for Wendel, Group share, in 2011.

To create value for our shareholders, our long-term investor strategy will continue to rely on these durable trends. We therefore signed a ten-year agreement with Saint-Gobain in May 2011 on the principles of our cooperation and the strategic objectives that we share for this outstanding company. We also worked with Bureau Veritas to adopt an ambitious 2015 strategic plan and recruit a highly skilled Chief Executive Officer, Didier Michaud-Daniel, to head the company, with the support of Frank Piedelièvre, who remains the company's Chairman.

Detached from short-termist financial models, we can now use our renewed financial flexibility to actively increase the number of our equity investments, putting priority on unlisted companies and transactions for a unit amount of €200 to €500 million in equity, while continuing to promote the growth of Oranje-Nassau Développement.

As a "shareholder of choice", we diversify our investments, identify promising long-term trends and first-rate companies, build lasting relationships with their management, and share their strategies for innovation, growth and acquisition while providing advice, stability and financial resources. We perform these roles selectively, without haste, but with firm resolve when an exciting opportunity arises.

This year, Wendel again validated the effectiveness and flexibility of its investment company model, based on permanent equity capital. Over one-third is owned by a family with a deep passion for industrial adventure. I would like to thank the Wendel family, the Chairman of Wendel-Participations, François de Wendel, and our 42,000 individual shareholders for their steady support. With our ample cash position and holdings in magnificent companies, we have everything we need to prudently continue forward, guided by our history and values.
These values are also reflected in our action as a company that is conscious of the environment and the challenges facing society. We have therefore made a strong commitment to sustainable development. In this management report and registration document, you will find a wealth of information about the advances made by all of our companies and the energy-saving products and services they offer. Wendel also runs an ambitious patronage policy via its support of Centre Pompidou-Metz. In March 2012, this commitment earned Wendel the distinction of "Grand Mécène de la Culture." In the Wendel family tradition, we would like to go further and make a concrete contribution to health and education, two particularly critical long-term challenges. We are therefore selecting and supporting not-for-profit projects in these areas through the new "Community Growth" program to be launched this year. In addition to financial aid, we will also contribute our various areas of expertise to the success of these projects.

I would like to conclude by commending the engagement and skill of Wendel's teams and all our companies. My thanks as well to our Supervisory Board, led by its Chairman Ernest-Antoine Seillière, whose experience once again this year has been a considerable asset for our Group.

March 21, 2012.

Corporate governance

The Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of the Company. As of December 31, 2011, the Company's Supervisory Board had 11 members serving four-year terms. Two Works Council representatives also attend board meetings in a consultative role. In 2010, the Group's Supervisory Board adopted internal regulations that describe the rules by which it operates and sets forth the rights and responsibilities of its members. Shareholders will be asked to renew the appointments of François de Mitry and François de Wendel at the Annual Meeting of June 4, 2012. Jean-Marc Janodet is not seeking re-election to his position. He will not be replaced in 2012. The appointment of a new member may be proposed at the Annual Meeting in 2013.

The Supervisory Board members are:

1. Ernest-Antoine Seillière (2013)*
Chairman

2. François de Wendel (2012)
Vice-Chairman

3. Gérard Buffière (2015)
Independent director

4. Nicolas Celier (2014)

5. Didier Cherpitel (2015)
Independent director

6. Dominique Hériard-Dubreuil (2014)
Independent director

7. Jean-Marc Janodet (2012)

8. Édouard de l'Espée (2013)

9. François de Mitry (2012)

10. Guylaine Saucier (2014)
Independent director

11. Humbert de Wendel (2015)

Secretary of the Supervisory Board:
Caroline Bertin Delacour

* In parentheses: year in which term ends.

The Supervisory Board 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. It mandates an independent auditor to appraise net asset value on a regular basis.

The Audit Committee has five members:

Guylaine Saucier
(Chairman)

Nicolas Celier

Édouard de l'Espée

Gérard Buffière

Humbert de Wendel

Secretary of the Audit Committee:
Patrick Bendahan

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

Jean-Marc Janodet

François de Mitry

François de Wendel

Secretary of the Governance Committee:
Caroline Bertin Delacour

The Executive Board

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

The Executive Board has two members:

1. Frédéric Lemoine,
Chairman since April 7, 2009

2. Bernard Gautier,
member since May 31, 2005
appointment renewed on April 7, 2009

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

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

Staff commitment, Executive Board leadership

The Management Committee

meets every two weeks. It makes decisions regarding the Group's day-to-day operations.

1. Frédéric Lemoine
Chairman of the Executive Board

2. Bernard Gautier
Member of the Executive Board

3. Christine Anglade Pirzadeh
Director of Communications and Sustainable Development

4. Caroline Bertin Delacour
General Counsel

5. Jean-Yves Hémery
Tax Director

6. Jean-Michel Ropert
Chief Financial Officer

7. Patrick Tanguy
Managing Director, in charge of operational resources

Wendel's international presence

Amsterdam, Netherlands, since 1908:
Jeroen Venneker, Josijn Leeuwenberg, Hedy Schoonheym, Dirk-Jan Van Ommeren

Luxembourg, since 1931:
Sarah Gasser, Françoise Herman

Wendel's Executive Board works closely with a team of more than 70 professionals, in a structure that ensures smooth communication at all times. In addition to the Management Committee and the Investment Committee, an Operations Coordination Committee meets on a weekly basis to ensure the free flow of information from one team to another.

The Investment Committee

meets weekly to work on the selection and preparation of the Group's investments.

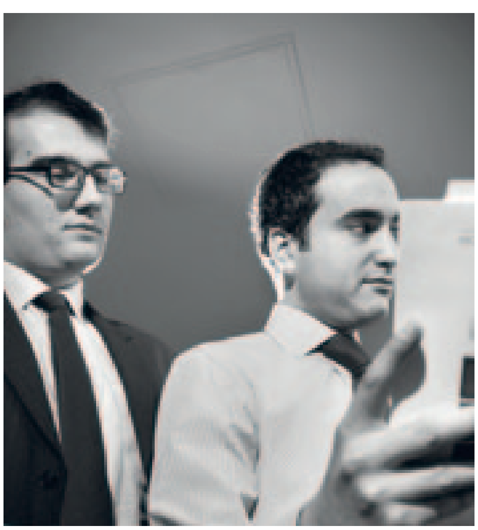
1. Frédéric Lemoine
Chairman of the Executive Board
2. Bernard Gautier
Member of the Executive Board
3. Stéphane Bacquaert
Managing Director, Secretary of the Investment Committee
4. David Darmon
Managing Director
5. Olivier Chambriard
Managing Director
6. Roland Lienau
Managing Director, in charge of business development in Germany
7. Jérôme Michiels
Managing Director
8. Dirk-Jan Van Ommeren
Managing Director,
CEO of Oranje-Nassau Groep,
Chairman of Stahl
9. Patrick Tanguy
Managing Director, in charge of operational resources

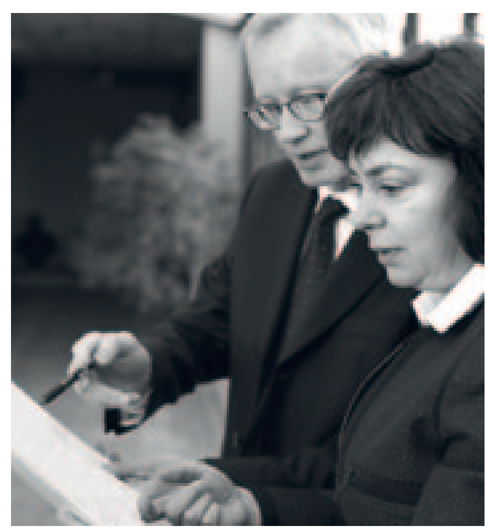
Frankfurt, Germany, since 2007:
Eva Sobiech,
Roland Lienau,
Albrecht
Von Alvensleben

Tokyo, Japan, since 2007:
Makoto Kawada,
Shigeaki Oyama




WENDEL, LONG-TERM INVESTOR





“Long-term investing…

…requires being a committed shareholder inspiring trust, with constant attention to innovation, sustainable development and promising opportunities for diversification. Wendel’s know-how consists in selecting leading companies, making a long-term investment and helping to define ambitious strategies, while implementing a clear, explicit shareholder approach. Wendel is represented on the Boards of Directors and committees–Strategy, Audit, Appointments and Compensation–of these companies in proportion to its equity stake. Together, they discuss all issues key to long-term growth, such as acquisitions, capital expenditures, research and development, human resources, participation of managers in the value they help create, and sustainable development. Wendel can therefore contribute to the most important decisions made by each company, without taking the place of its management, but always with the companies’ long-term interests in mind.

SEEKING DIVERSIFIED INVESTMENTS

From 2009 to 2011, Wendel restored its strong financial structure, notably by reducing its debt by more than 40%, while supporting the companies in the Group through a financial crisis that is still reverberating today.

In the medium term, Wendel will accelerate the Group's development by:
• Continuing to strengthen our financial structure, to ensure that Wendel can gain lasting access to long-term financing at favorable terms;
• Developing our existing assets over the long term to create value;
• Building and holding a diversified portfolio of around ten companies, mainly unlisted, by making larger acquisitions of €200-500 million in equity and by pursuing the diversification and innovation strategy of Oranje-Nassau Développement.

Investment profile

Wendel 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. The Wendel Group has an investment model chiefly focused on companies with a majority of the following characteristics:
• Based in countries where Wendel has experience, such as France, Germany and the Benelux countries;
• Having strong international exposure;
• Led by high-quality management teams;
• First or second in its market;
• Operating in a sector with high barriers to entry;
• Solid fundamentals;
• Predictable, recurrent cash flow;
• Offering high potential for long-term profitable growth, through both organic growth and accretive acquisitions;
• Significant exposure to markets undergoing rapid growth and/or major, long-term economic trends.

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.
Moreover, Wendel does not invest in sectors whose reputation would be detrimental to the Company's image or its values.

Oranje-Nassau Développement

In early 2011 Wendel created Oranje-Nassau Développement to seize opportunities for growth, diversification or innovation. The amounts invested through this structure will be smaller than the investments made directly by Wendel. Oranje-Nassau Développement was very active in the year it was created; for a total invested equity of €270 million, it acquired:
• Parcours, an independent specialist in long-term vehicle leasing to corporate customers;
• exceet, the European leader in embedded electronics and security systems;
• and the Mecatherm group, the world leader in equipment for industrial bakeries.

Acquisitions by Group companies

Acquisitive growth is an integral part of the development model of Group companies. Our companies made 31 acquisitions in 2011, and all of them plan to achieve a non-negligible share of their growth through acquisitions, focusing on small or medium purchases, which create the most value.

"With our diversified geographies, business sectors, companies and time horizons, we can capture long-term economic trends and give Wendel the means to achieve harmonious and lasting growth."

FRÉDÉRIC LEMOINE, Chairman of the Executive Board

PRINCIPLES FOR LONG-TERM SHAREHOLDING

Wendel upholds the shareholder's charter it established in 2009, which includes five major principles:

1. 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.

2. Solid, long-term commitments to our partner companies by supporting their development, fostering their exposure to strong-growth regions, and allocating time and resources to the innovation cycle.

3. Constructive and transparent dialogue with management to challenge ingrained habits and rethink models against the yardstick of global best practices.

4. Everyday loyalty through effective relationships built on trust that recognize the respective roles of shareholders and managers.

5. 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.

MAKING A COMMITMENT TO CREATE SUSTAINABLE VALUE

Wendel's sustainable development policy applies to its own operations and its role as a community citizen; it is also interpreted and applied by its companies.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A natural extension of our role as a long-term investor.

As part of the procedure for evaluating its investment opportunities, Wendel conducts an overall analysis of risks related to the businesses of the company under consideration, during which it examines the environmental and social issues involved. In each of the companies in which Wendel is a shareholder, the management teams bear direct responsibility for the challenges and consequences related to sustainable development. Nevertheless, as a professional shareholder, Wendel monitors and encourages the sustainable development policies of its subsidiaries and associated companies. For example, owing to its two seats on Bureau Veritas' Audit and Risks Committee, Wendel attentively monitors potential security, environmental and corruption risks. Wendel's management is particularly attentive to indicators of workplace safety and security, which it considers an excellent proxy for how well the management team runs the company.

At Materis, the accident frequency rate is one of the criteria for determining management's variable compensation. At Wendel's request, Stahl's Board of Directors has been tracking this indicator since 2006, when Stahl joined the Wendel Group. Wendel Group companies translate their sustainable development policies into action plans that take into account the company's specific characteristics and maturity in the field. Wendel's companies take sustainable development into account in their business models. For example, environmental impact is integrated into the design of their products and services.

Bureau Veritas provides its customers with solutions for constant operational improvement in the areas of hygiene, healthcare, safety, security and the environment. Parcours encourages its customers to adopt an environmental approach by including advanced features in its long-term leasing services, such as the teaching of eco-driving skills to its customers' employees. For the aeronautical industry, Deutsch has designed

"A company's performance is also measured by non-financial indicators. This is why Wendel closely monitors the continuous, lasting improvements to the safety of the people at our companies' work sites."

BERNARD GAUTIER , member of the Executive Board

a new range of connectors for aluminum cables that help lighten aircraft and reduce fuel consumption. Eighty percent of Stahl's products are now designed without solvents. Materis's strategy is to develop innovative products that introduce new functions and are longer lasting – and therefore more respectful of the environment during their life cycle – and meet French "high environmental quality" (HQE) standards.
Nearly 80% of Legrand's R&D centers contribute to the development of products whose performance is high from an environmental standpoint.
Finally, 30% of Saint-Gobain's sales and 40% of its operating income are linked to energy-saving solutions or solutions producing clean energy and thereby protecting the environment. Our listed companies, Saint-Gobain, Legrand and Bureau Veritas, publish exhaustive CSR data in their annual activity or sustainable development reports. For Bureau Veritas, Deutsch, Materis, Stahl, Mecatherm and Parcours, of which Wendel is the majority shareholder, highlights of their sustainable development policies are presented in Wendel's Registration Document.
In 2009, Wendel signed the charter of the AFIC, the French association of private equity firms. It is a public commitment to a set of responsibilities regarding the promotion of sustainable development.

Wendel is a community player

Wendel's commitment to the community is reflected in its support of projects in the higher education and cultural spheres. In addition to providing financial support spread over several years, Wendel contributes actively to the development of its partner institutions. Frederic Lemoine represents the Group on the Board of Directors of Insead and the Board of Directors of Centre Pompidou-Metz.

Limited environmental footprint

Wendel monitors its environmental management, even though its own activities have little impact on the environment. The Group also works to promote greater awareness of environmental issues among all its employees in their day-to-day work. For example, in 2011, a waste sorting policy was introduced.

An employer that looks after its talent

Wendel offers its employees the best working environment possible and fosters their career development. Enhancing the employability of its employees is a priority for the Company. Wendel promotes training: over half of its staff received training outside the company in 2011.
The Company also strives to help its employees achieve a balance between their professional and personal lives. Since 2010, it has been making every effort to obtain and fund day-care for the young children of employees who submit a request. To date, Wendel has satisfied every request from its employees for one or more places in a day-care facility, thereby offering this service to 14% of its workforce.

For more detailed information on this topic, see Wendel's 2011 Registration Document, section 2.2 "Sustainable Development".

• Partner of Insead since 1996

After having created a teaching chair for family-owned businesses in 1996, Insead inaugurated the Wendel International Centre for Family Enterprise in 2005. Wendel has been a partner from the start.

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

• Founding sponsor of Centre Pompidou-Metz

Since the opening of Centre Pompidou-Metz in 2010, Wendel has offered its support to this emblematic institution that promotes and widens the access to culture, through a renewable five-year commitment.
Centre Pompidou-Metz is a success with the public and has attracted more than 1.2 million visitors since its inauguration. It is the most frequently visited exhibition space in France, outside of the Greater Paris region.

In recognition of its long-term patronage of the arts, Wendel received the distinction of "Grand Mécène de la Culture" on March 23, 2012.

www.centrepompidou-metz.fr



WENDEL IS A COMMITTED PARTNER TO HIGH-PERFORMANCE COMPANIES

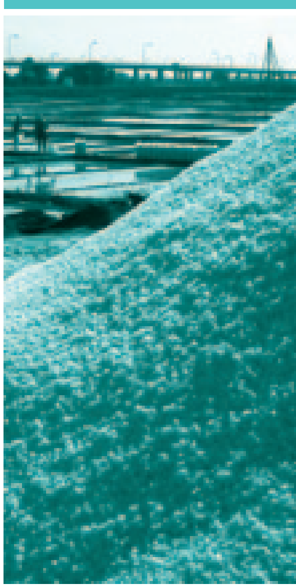


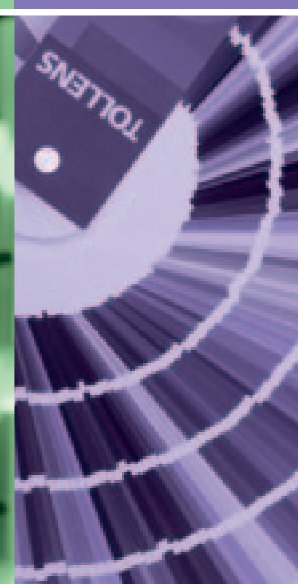

"Being a partner for our companies

Wendel's investment and business development strategy is based on close communications with the managers of the companies it invests in. This partnership is central to the process by which value is created. Wendel provides constant and active support, shares risks and contributes its experience and financial and technical expertise. As of December 31, 2011, the Group's family of companies included two CAC 40 companies, one CAC Next 20 company, and seven unlisted companies (three in France, two in the Netherlands, one in Germany and one in the United States). Even after the divestments completed in the past few years, Wendel's business mix is still highly diversified, with a slight leaning toward the construction industry, which is poised for rapid improvement driven by technical innovations and considerable needs. The four biggest companies–Saint-Gobain, Bureau Veritas, Legrand and Materis–together with Stahl and Mecatherm are very oriented towards the booming economies to the South and East.

PORTFOLIO OF PROMISING, DIVERSIFIED COMPANIES

	Bureau Veritas	Saint-Gobain	Legrand	Materis	Stahl
Share	50.9%	17.1%	5.8%	75.5%	91.5%
Business	**Certification and verification services**	**Production, transformation and distribution of building materials**	**Products and systems for low-voltage installations**	**Specialty chemicals for construction**	**High-performance coatings and leather-finishing products**
Date of first investment:	**January 1995**	**September 2007**	**December 2002**	**February 2006**	**June 2006**



Share of equity owned by the Wendel Group as of December 31, 2011, excluding treasury shares held by companies.

Deutsch*

89.2%

Business
High-performance connectors

Date of first investment:
April 2006

* Sale in progress.

Oranje-Nassau Développement**

Parcours

95.9%

Business
Long-term vehicle leasing

Date of first investment:
April 2011

Mecatherm group

98.1%

Business
Industrial bakery equipment

Date of first investment:
October 2011

exceet

28.4%

Business
Embedded electronics and security systems

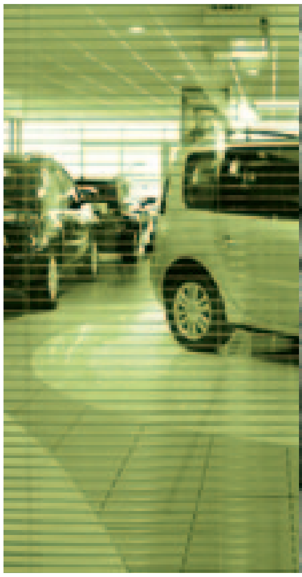
Date of first investment:
July 2011

Van Gansewinkel groep

8.1%

Business
Waste collection and processing, energy supplier

Date of first investment:
February 2006



*** Oranje-Nassau Développement invests in growth, diversification and innovation opportunities.*

BUREAU VERITAS EMBARKS ON A NEW PHASE OF HIGH-POTENTIAL, GLOBAL EXPANSION

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). The 2010 acquisition of Inspectorate positions the Group among the top three global leaders in commodities inspection.

BUREAU VERITAS IN BRIEF

Present in **140** countries	**940** offices and **340** laboratories	**52,000** employees	**400,000** clients
2011 revenue **€3,359** million	Attributable adjusted net income **€348** million	**50.9%** stake held by Wendel	Amount invested by Wendel **€446** million since 1995

Why did we invest in Bureau Veritas?

Bureau Veritas is ideally positioned in markets driven by structural long-term trends such as the proliferation and toughening of QHSE regulations and standards, the outsourcing of certification and inspection activities, increasingly stringent health and environmental protection standards, and the globalization of trade.

Since it was founded in 1828, Bureau Veritas has gradually built up its globally renowned expertise. 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 comprehensive range of inspection services (in particular for major clients), high-value solutions through first-rate technical expertise and a reputation of independence and integrity.

Highlights of 2011

Amid an economic environment buffeted by sovereign debt crises, Bureau Veritas continued to demonstrate its operational quality and ability to pursue growth.

Over the full year, Bureau Veritas performed well in a mixed regional backdrop, which was particularly difficult in Spain and extremely dynamic in fast growing countries. At the end of 2011, it had achieved all of the 2007-2011 objectives it had presented at the time of its initial public offering. The integration of Inspectorate within the Bureau Veritas group is virtually complete and is already a success. Since January 1, 2011, all of the Commodities Inspection and Testing activities have been merged into a new Commodities division. The new business is set to be a pillar of the Group's future growth. During 2011, the group continued its acquisitions policy, acquiring a dozen companies in fast growing countries and in high potential markets. These companies represent combined full-year revenue of approximately €50 million.

In an extremely deteriorated backdrop in Spain, especially in the construction market, Bureau Veritas implemented serious measures to ensure a recovery. The impact of this rightsizing of operations resulted in an exceptional expense of €25.5 million in 2011.

In 2011, Bureau Veritas undertook a strategic review of its markets, reexamined its growth opportunities and defined a plan and targets for 2015. The full project, named "BV 2015: Moving forward with confidence" (see page 28, box "2015 strategy"), was presented in September.

Over the full year 2011, Bureau Veritas generated revenue of €3,359 million. The 14.6% increase compared with 2010 broke down as follows:

- organic growth of 6.2%, calculated on the pro-forma scope, including the organic contribution from Inspectorate in 2011;
- a 9.5% positive impact from changes in the scope of consolidation, primarily owing to the acquisition of Inspectorate;
- a 1.1% negative impact from currency fluctuations prompted by weakness in the US and Hong Kong dollars against the euro.

The highest growth rates were achieved in the Industry, Commodities, Certification and International Trade businesses.

(in millions of euros)	2010	2011	△
Revenue	2,929.7	**3,358.6**	+14.6%
Adjusted operating income (1)	490.5	**544.3**	+11%
as a % of revenue	16.7%	**16.2%**	–
Attributable adjusted net income	315.2	**348.1**	+10.4%
Adjusted net financial debt	1,051.8	**983.9**	-€67.9 million

(1) Before amortization and impairment of intangibles, restructuring (Spain in 2011), transaction-related costs and discontinued activities.

Bureau Veritas

Revenue generated in fast-growing regions (Latin America, Asia-Pacific excluding Japan, Eastern Europe, Middle-East and Africa) firmed further to 50% of 2011 revenue. Adjusted operating income increased 11% to €544 million in 2011, vs. €490 million in 2010. Adjusted operating margin stood at 16.2% of sales, compared with 16.7% in 2010. As expected, this 50-basis point narrowing was primarily due to dilution caused by the full-year consolidation of Inspectorate.

After taking account of other operating expenses, operating profit totaled €480.3 million, up 5.3% relative to 2010. Other operating expense increased to €64.0 million vs. €34.2 million in 2010. These mainly included €36.4 million in amortization of intangibles and €25.5 million in exceptional expense related to Spain (restructuring costs and provisions and impairment of goodwill). Attributable net profit adjusted for other operating expense net of tax rose by 10.4% to €348.1 million. Attributable net profit stood at €298 million, up 2.5%.

On December 31, 2011, adjusted net financial debt (net financial debt after hedging instruments) totaled €983.9 million, or 1.60x EBITDA adjusted for all new entities acquired over the past 12 months, compared with 1.94x on June 30, 2011, and had declined by €67.9 million compared with December 31, 2010 (€1,051.8 million).

Outlook for development

In 2012, barring further deterioration in the economy compared with current forecasts, Bureau Veritas should deliver strong growth in revenues (in both organic terms and via acquisitions) and adjusted operating profit, in line with the targets set out in the "BV 2015" strategic plan.

Bureau Veritas's governance was strengthened in early 2012 with the arrival of Didier Michaud-Daniel as Chief Executive Officer.

2015 strategy

Annual growth of 9-12%

Bureau Veritas aims by end 2015 to become an international service group with approximately €5 billion in revenue and 80,000 employees worldwide.

To meet this target, Bureau Veritas plans on revenue growth of 9-12% on average per year[1], including:

- Two-thirds from organic growth: 6-8% on average per year;
- One-third from acquisitions: 3-4% on average per year;
- An improvement in adjusted operating margin of 100-150 basis points;
- Growth in adjusted EPS of 10-15% on average per year;
- A significant reduction in the debt ratio (to less than 1x EBITDA).

(1) At constant exchange rates.

WENDEL'S INVOLVEMENT

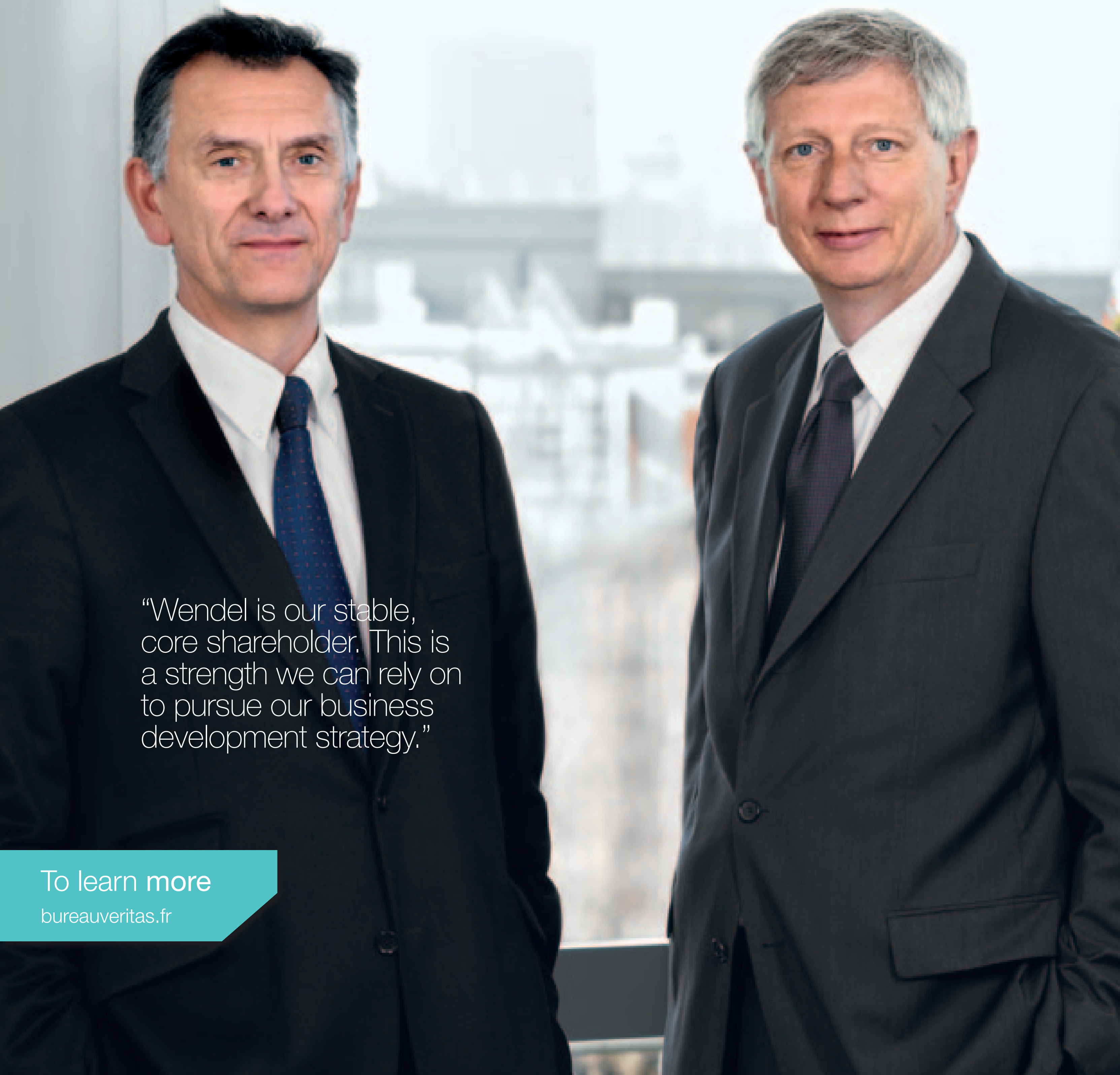
Board of Directors	Strategic Committee	Appointments and Compensation Committee	Audit and Risk Committee
Frédéric Lemoine (Vice-Chairman) Ernest-Antoine Seillière Jean-Michel Ropert Stéphane Bacquaert	Frédéric Lemoine (Chairman)	Frédéric Lemoine	Jean-Michel Ropert Stéphane Bacquaert

Frank Piedelièvre

CHAIRMAN OF THE BOARD OF DIRECTORS
CHAIRMAN AND CEO (JUNE 2009 – FEBRUARY 2012)
CEO (SEPTEMBER 1999 – JUNE 2009)
OF **BUREAU VERITAS**

Didier Michaud-Daniel

CEO OF
BUREAU VERITAS
AS OF
MARCH 1, 2012



"Wendel is our stable, core shareholder. This is a strength we can rely on to pursue our business development strategy."

To learn **more**
bureauveritas.fr

SAINT-GOBAIN FOCUSES ON ENERGY EFFICIENCY

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

Close to **195,000** employees

17.1% **stake** held by Wendel

No. 1 worldwide in high-performance materials and insulation

sales 2011 **€42.12 billion**

Recurring net income **€1.74 billion**

Amount invested by Wendel **€4.4 billion** since 2007

No. 2 worldwide in flat glass and packaging

Why did we invest in Saint-Gobain?
Saint-Gobain bases its expansion on value-added segments in developed markets and the strong activity in high-growth countries, by offering solutions adapted to construction markets at varying stages of development.
With its strategy focusing on housing markets, Saint-Gobain aims to become the leader in Sustainable Habitat and a model of environmental protection. Accordingly, it develops solutions to help its business customers build and renovate energy-efficient buildings that are healthy, attractive and comfortable, while protecting natural resources.
Saint-Gobain is uniquely positioned to meet the above challenges and answer the needs of high-growth markets, with:
• global or European leadership positions in all its businesses, with solutions suited to the needs of local markets;
• solutions combining products and services;
• exceptional potential for innovation, driven by its industrial expertise and acquired skills in Materials;
• a unique portfolio of products and solutions in the energy efficiency sector.
The Group has built leadership positions in three main businesses, which are building products, innovative materials and specialized distribution. It benefits from extremely strong growth drivers in the current environment: highly innovative products, increasingly demanding energy efficiency standards in developed countries, and exposure to Asia and high-growth countries.

Highlights of 2011
Significant events in 2011 were:
• an acceleration of the improvement observed in 2010, despite a slowing of growth in the second half, enabling the group to reach its targets;

(in millions of euros)	2010	2011	△
Sales	40,119	**42,116**	+5%
Operating income	3,117	**3,441**	+10.4%
as a % of sales	7.8%	**8.2%**	–
Net income (1)	1,335	**1,736**	+30%
Net financial debt	7,168	**8,095**	+€927 million

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

Saint-Gobain

• a resumption of financial investments and capital expenditures focusing on Saint-Gobain's growth areas: fast-growing economies (≃€1,100 million), energy and energy efficiency markets (≃€900 million) and consolidation in the Construction Products and Building Distribution businesses (≃€300 million).

• targeted acquisitions promising rapid value creation: investment in securities was five times higher than in 2010 (€702 million vs. €129 million) and included the acquisition of the Build Center network and Brossette from Wolesley[1] for around €350 million, as well as the acquisition of Electrotherm's Pipes division[2] in India.

In a still-fragile economic environment, the Group confirmed its capacity for growth in 2011, delivering a 5.0% rise in like-for-like sales (comparable Group structure and exchange rates). All of the Group's geographic areas and Business Sectors contributed to this performance, led by vigorous momentum in emerging countries and Asia as well as further advances in markets related to industrial output in both North America and Western Europe. In contrast, markets related to capital spending slowed in the second half, particularly across Western Europe and in Asia and emerging countries.

Sales growth also reflects the gradual upturn in residential construction and renovation markets in most major European countries in which the Group operates. In particular, the Group's healthy trading on construction markets in Western Europe continues to be powered by high value-added solutions and especially businesses linked to energy efficiency in the Habitat market. These activities reported further strong growth gains throughout the year, buoyed by new regulations. Despite a temporary rebound in renovation reflecting the positive impact of early-year storms, the US construction market remained stable, with trading at a record low. Businesses related to household consumption (Packaging, Verallia) reported moderate growth, spurred chiefly by sales prices. Overall, the group reported organic growth of 5.0% (positive volume and price impacts of 2.3% and 2.7%, respectively).

Pierre-André de Chalendar

CHAIRMAN AND CEO
OF **SAINT-GOBAIN**

"We are continuing to develop our main strategic growth areas, which are energy efficiency, fast-growing economies and the consolidation of our positions in Building Distribution and Construction Products."

To learn **more**
saint-gobain.com

In line with targets, and despite the impact of spiraling raw material and energy costs, the Group reported a double-digit rise in operating income (10.4%) to €3.441 billion. Consequently, the operating margin continued to improve, up to 8.2% of sales (10.9% excluding Building Distribution), versus 7.8% (10.7% excluding Building Distribution) in 2010. The operating margin is virtually back at its 2008 level despite sales volumes being 11.0% lower than in 2008.

The plan to list Verallia on the stock exchange, which was initiated in the fall of 2010, was postponed due to unfavorable market conditions, despite strong interest from both European and US institutional investors. After three years of fruitful collaboration, in May 2011 Wendel and Saint-Gobain defined a set of principles and objectives for cooperation over the next ten years, founded on support for the strategy approved by Saint-Gobain's Board of Directors, respect for Saint-Gobain's independence, and a stable shareholding.

Outlook for development

Saint-Gobain's targets for 2012:

- moderate organic growth, driven chiefly by sales prices;
- operating income and profitability to prove resilient;
- high levels of free cash flow and capex to stabilize at its 2011 level (around €2 billion);
- a persistently strong balance sheet. ■

(1) Subject to approval by the European competition authorities.
(2) Subject to approval by the Indian competition authorities.

2015 strategy

Becoming the leader in sustainable habitat

Saint-Gobain intends to leverage its very robust financial structure and significantly leaner cost base to pursue a profitable growth and expansion strategy over the next few years, with the aim of making Saint-Gobain the leader in sustainable habitat. This strategy will be achieved by:

- strengthening the group's positioning in high value-added habitat solutions, aiming to raise the share of high value-added solutions in group sales from today's 51% to 60% in 2015;
- accelerating the group's expansion in Asia and the emerging economies, with the objective of generating 26% of the group's net sales in these regions by 2015 (vs. 19% today);
- gradually exiting from the Packaging business (Verallia).

In implementing this strategy, close attention will be paid to profitability and strict financial discipline at all times, in order to meet the ambitious targets that Saint-Gobain has set itself for 2015:

- sales of €55 billion;
- operating income of €5.5 billion (10% of sales);
- recurring net income of €3 billion;
- ROI (return on investment) of 25%;
- ROCE (return on capital employed) of 14-15%. ■

WENDEL'S INVOLVEMENT

Board of Directors	Financial Statements Committee	Appointments and Compensation Committee	Strategic Committee
Frédéric Lemoine Bernard Gautier Gilles Schnepp	Frédéric Lemoine	Bernard Gautier	Frédéric Lemoine

LEGRAND PURSUES ITS PROFITABLE GROWTH STRATEGY

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 wiring devices and cable management, Legrand enjoys local leadership positions that provide it with a solid footing.

LEGRAND IN BRIEF

Present in over **70** countries	Sales in almost **180** countries	**33,000** employees, including more than 2,000 in R&D	Over **4,000** active patents
Sales in 2011 **€4.25** billion	Attributable net income **€479** million	**5.8%** stake held by Wendel	Amount invested by Wendel **€115** million since 2002

Why did we invest in Legrand?

As the world leader in wiring devices and cable management, with 20% and 14% market shares, respectively, Legrand offers roughly 190,000 product references in 78 product families and a portfolio of nationally and globally known brands. Driven by its strong capacity for innovation, with the equivalent of almost 5% of its net sales devoted to R&D and almost half of its investments dedicated to new products in 2011, 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, requiring it to 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, other business referral partners (architects, design offices) and end-users.

Highlights of 2011

Legrand's 2011 sales rose 9.2% year-on-year to €4,250.1 million, or 6.4% at constant scope of consolidation and exchange rates. Adjusted operating income rose 7.5% from 2010, to €856.7 million. Legrand's adjusted operating margin was 20.2% of sales, reflecting the group's ability to:

• fuel growth by investing in innovation and strengthening its commercial organization (sales teams, showrooms, concept stores) in fast-growing markets, while pursuing efforts to enhance its productivity initiatives;

(in millions of euros)	2010	2011	Δ
Sales	3,891	**4,250**	+9.2%
Adjusted operating income (1)	797	**857**	+7.5%
as a % of sales	20.5%	**20.2%**	–
Attributable net income	418	**479**	+14.4%
Net financial debt	1,198	**1,269**	+€71 million

(1) Figures restated to account for amortization of intangible assets revalued during acquisitions and the income/expenses related to these acquisitions (€39.4 million and €28.5 million in 2010 and 2011, resp.), as well as goodwill impairment, if any (zero in 2010 and €15.9 million in 2011).

Legrand

• take account of the rising cost of raw materials and components consumed in sales price management.

Legrand has thus achieved its 2011 objectives targets and has strengthened its growth profile over the past few years. Today:

• 35% of sales are generated in new economies, where the group posted growth of nearly 18% in 2011 (14% organically) and has leading positions in 27 countries;

• nearly 22% of revenues now derive from new business segments (digital infrastructures, energy performance, home systems, cable management), where group sales increased by 32% in 2011 (up 13% organically).

With R&D spending representing nearly 5% of Legrand's 2011 sales, innovation and new product launches continue to be essential growth drivers. These innovations are responding to high market expectations in terms of optimizing electricity consumption or expanding access to electricity in new economies.

Legrand is also growing by actively pursuing its strategy of targeted, self-financed acquisitions to gain access to new markets and expand its product range. In 2011 Legrand acquired five companies with total annual sales of over €200 million. These companies are positioned in fast-growing markets, in new economies (48% of sales) or new business segments (84% of sales) such as assistance with independent living, digital infrastructure and UPS solutions.

Since April 2006, when Legrand returned to listing, its share price has risen significantly and the weight of its float has more than quadrupled to account for 90% of total shares. This healthy stock performance, gradual increase in float and regular increase in the stock's liquidity resulting in Legrand becoming a CAC 40 component stock in December 2011.

Outlook for development

Legrand fully met its 2011 targets, demonstrating both the soundness of its business

Gilles Schnepp

CHAIRMAN AND CEO
OF **LEGRAND**

"Since 2002, Wendel has steadily supported our business development strategy based on innovation and growth through acquisition."

To learn **more**

legrand.fr

model and its ability to achieve medium-term targets for growth and profitability. In 2012, given uncertain macroeconomic expectations, Legrand has retained a target for organic growth in sales near zero. The group will also pursue growth through acquisitions, while transactions made in 2011 will already raise 2012 sales by 2.6%. In these conditions, the group is targeting an adjusted operating margin for 2012 at or above 19% of sales, including acquisitions.

With an improved growth profile and ongoing efforts to improve productivity, Legrand is confident in the soundness of its business model and in its capacity to create value on a sustainable basis through profitable, self-financed growth. As a result, and taking into account its 2012 targets, Legrand confirms its medium-term objectives:

- 10% total annual average growth in sales[1];
- 20% average adjusted operating margin, including acquisitions[2].

(1) Excluding exchange-rate effects or a major economic downturn.
(2) Small to mid-size "bolt-on" acquisitions.

2015 strategy

10% sales growth per year

Legrand has demonstrated, over the long term, the soundness and quality of its business model, which has grown even stronger in the past four years. Its profitability and cash generation are among the highest in its industry. Legrand is therefore in a position to continue implementing its business model based on innovation, growth and acquisitions, with the following medium-term objectives:

- 10% total annual average growth in sales, driven by increasing exposure to new economies, which account for 35% of sales today, expansion in new business segments and the pursuit of targeted, self-financed acquisitions;
- 20% average adjusted operating margin, including acquisitions.

Wendel and KKR signed a shareholders' agreement in March 2011 for five years. Following KKR's sale of 4.8% of Legrand's shares on March 5, 2012, this agreement became obsolete. Wendel continues to be a shareholder of Legrand, with 5.8%[1] of its share capital, and is represented by two directors on its Board.

On the recommendation of the Appointments and Compensation Committee, the Legrand Board of Directors decided to propose the appointment of two new independent directors, Christel Bories and Angeles Garcia-Poveda, at the Annual Shareholders' Meeting on May 25, 2012. In light of the appointment of Eliane Rouyer-Chevalier in 2011, the arrival of Ms. Bories and Ms. Garcia-Poveda would raise the number of independent directors on the board of Legrand from three to five members and increase the number of women on the Board from one to three.

(1) As of the date of publication of this report.

WENDEL'S INVOLVEMENT

Board of Directors	Audit Committee	Appointments and Compensation Committee	Strategic Committee
Frédéric Lemoine Patrick Tanguy	Patrick Tanguy	Frédéric Lemoine (Chairman)	Frédéric Lemoine

MATERIS AT THE LEADING EDGE OF INNOVATION

Materis, an international leader in specialty construction chemicals and materials, has four businesses: admixtures (Chryso), aluminates (Kerneos), mortars (Parex Group) and paints (Materis Paints). Materis has more than 100 brands recognized on their respective national markets.

MATERIS IN BRIEF

9,800 employees	400 sales outlets for decorative paints in Europe	75.5% stake held by Wendel	No. 1 worldwide in aluminates
Sales in 2011 €2,027 million	Net income from business sectors €29.4 million	Amount invested by Wendel €341 million since 2006	No. 4 worldwide in admixtures; No. 4 worldwide in mortars; No. 3 in Europe in paints

Why did we invest in Materis?

Materis is one of the world leaders in specialty chemicals and materials for construction, with leadership positions in aluminates, admixtures, mortars and paints.
Materis enjoys high barriers to entry resulting from innovative and high-value-added products, outstanding quality of service, recognized brands and close relationships with its clients. Materis also benefits from a portfolio of very well-known brands and controlled distribution networks enabling it to consolidate and develop the group's market share (for example, it has nearly 400 sales outlets in Europe for paints and 800 in China for mortars). It has leadership positions in high-growth regions, where 40 to 50% of its sales (excluding paints) are generated, with margins comparable to those in mature markets. The group demonstrated its resilience during the crisis, which it gains from a well-balanced business and geographic mix, a strong exposure of over 50% to renovation markets (90% for paints) and a skilled management team.
Materis is a company that thrives on innovation; it continuously develops new formulations so as to offer the most appropriate solutions to its clients' needs. For example, in energy savings, Materis offers external insulation solutions for painters, facade workers and restorers working on new construction or renovating old buildings.

Highlights of 2011

Despite a turbulent financial environment, Materis achieved strong organic growth in 2011, driven principally by emerging market countries, as well as by mature markets. Over the past few years, Materis's strategy of targeted acquisitions and its emphasis on sales

(in millions of euros)	2010	2011	△
Net sales	1,855	**2,027**	+9.3%
EBITDA (1)	250.5	**259.4**	+3.6%
as a % of net sales	13.5%	**12.8%**	–
Adjusted operating income (1)	191.0	**194.3**	+1.7%
as a % of net sales	10.3%	**9.6%**	–
Net income from business sectors	19.6	**29.4**	+50%
Net financial debt	1,803	**1,839**	€36 million

(1) EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items.

Olivier Legrain

CHAIRMAN
OF **MATERIS**

"In a turbulent economic environment, Materis further improved its operating income in 2011."

and marketing have enabled the company's various divisions to figure among the best performers in their respective sectors.

In 2011, Materis's net sales grew by 9% to €2,027 million. The group posted organic growth of 8%, acquired four companies (mortars business in Thailand, Uruguay and the US; independent paints distributors in Europe) and continued its successful integration of a.b.e. in South Africa.

All Materis divisions took advantage of continued high growth in emerging economies (17% organic growth) and the improvement in mature economies (6% organic growth), resulting from renewed growth in underlying markets and better weather than in the previous year.

• Kerneos (aluminates) advanced significantly (up 6% overall and 7% organically) buoyed by three factors: i) the building industry chemicals sector in France, Germany and Scandinavia, ii) robust growth in the refractories segment (strong growth in Asia, now one of Kerneos' largest markets, in the US and in Europe), and iii) price increases;

• strong growth at Chryso (admixtures) (up 17% overall and 12% organically) was due to i) favorable conditions in end markets in France and emerging markets (India, Turkey, Eastern Europe), ii) effective sales efforts in the United States, iii) continued improvement in the product mix and in prices and iv) the impact of consolidating a.b.e. over a full year;

• Parex Group (mortars) (up 12% overall and 12% organically) also benefited from favorable conditions in the industry in France, the UK and emerging markets, where it was buoyed by i) growth in end-markets, ii) mix and price improvements, iii) market share gains that more than offset a significant decline in Spain and iv) a very slight decline in the US;

• Materis Paints also experienced significant growth (up 7% overall and 4% organic growth), driven essentially by i) price increases, ii) increased activity in French, Argentinian and Moroccan markets, and iii) targeted acquisitions which offset end-market declines in Portugal, Spain and Italy. Confronted with a 75% rise in the cost of titanium dioxide during the course of 2011 and with an economic slow-

To learn **more**
materis.com

down in Southern Europe, the paints business vigorously adjusted its prices (price effect up 6%) and initiated a performance improvement program to restore margins (impact of nearly €30 million, including €14 million forecast in 2012).

In 2011, the Aluminates, Admixtures and Mortars businesses continued to generate record industry profitability.
Materis's EBITDA totaled €259 million (12.8% of sales) and its adjusted operating income was €194 million (9.6% of sales), up 4% and 2%, respectively. The net financial debt of Materis was €1,839 million.

Rescheduling of Materis's debt has begun

More than 18 months in advance of its first repayment dates, Materis launched negotiations with its 200 lenders aimed essentially at postponing 2013-15 maturities and increasing the group's sources of liquidity. In early 2012, nearly 84% of all lenders had agreed to the various requests, and more than 71% had agreed to postpone repayment dates. Discussions are continuing, with the aim of maximizing the lender participation in postponing maturity dates.

WENDEL'S INVOLVEMENT

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

STAHL REINFORCES ITS LEADERSHIP POSITION

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

STAHL IN BRIEF

Present in over **28** countries	**35** laboratories and production sites	**1,200** employees including **470** marketing experts	**No. 1** worldwide in leather-finishing products
Net sales in 2011 **€334.5 million**	Net income from business sectors **€13.8 million**	**91.5%** stake held by Wendel	Amount invested by Wendel **€137 million** since 2006

Why did we invest in Stahl?
Stahl is the world leader in leather finishing products and is developing large market shares in niche applications for high-performance chemical coatings on other substrates. It enjoys high barriers to entry as a result of its expertise, the long-term relationships it maintains with its principal customers, which include major luxury and high-end car brands, as well as the very high skill levels 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 has prospects for sustained growth generated by global leather consumption markets, in Asia in particular, and the development of niche markets for high-performance coatings. Potential consolidation in the sector, combined with rigorous financial discipline, should allow Stahl to expand further and strengthen its market leadership. It obtains more than 60% of its sales in emerging markets.

Highlights of 2011
In 2011, Stahl posted a 1.3% rise in sales to €334.5 million, even after a strong 30.2% advance in 2010. In the first half of the year, organic growth was weak, at 0.8%, owing in part to a high 2010 base of comparison in the second quarter, as sales in Q2 2010 had constituted a record high. Stahl returned to more normal organic growth rates in the second half (2.8%). Full-year growth seemed all the more modest compared with the 24.1% organic growth rate achieved in 2010.
Specifically, the Leather Finishing Products division (55% of sales) suffered a slowdown in the tanning business because of the high price of hides, in particular in China and Latin America. This division was also impacted by

(in millions of euros)	2010	2011	△
Net sales	330.1	**334.5**	+1.3%
EBITDA(1)	54.8	**45.0**	-17.8%
as a % of net sales	16.6%	**13.5%**	–
Adjusted operating income (1)	46.2	**38.0**	-17.7%
as a % of net sales	14.0%	**11.4%**	–
Net income from business sectors	15.6(2)	**13.8**	-11.5%
Net financial debt	181	**185**	+€4 million

(1) Adjusted EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items.
(2) Ten-month contribution to net income from business sectors; full consolidation of Stahl as of March 1, 2010.

Huub Van Beijeren

CHAIRMAN AND CEO
OF **STAHL**

"A long-term shareholder, Wendel is also a valuable professional partner, as we strive to expand our market share."

To learn **more**
stahl.com

the slowdown in demand from the luggage, furniture and clothing markets, which was not fully offset by the healthy automotive market. High-Performance Coatings posted good performance, with organic growth of 5.1% over the full year. This business continued to see strong growth in India and China and consolidated its positions in mature markets owing to market share gains and new product launches.

2011 adjusted operating income came to €38 million, down 17.7%, with a margin of 11.4% (vs. 14% in 2010). Margins were affected by increases in the price of raw materials, which could not be fully passed on to customers. Since the third quarter of 2011, however, raw material prices have come down, which should have a favorable impact in 2012. Stahl's net financial debt stood at €185 million as of the end of 2011.

Outlook for development

Amid a still-uncertain global economy, Stahl will continue to target organic growth and increased market share. To do so, it will focus on ongoing product innovation, while stepping up marketing efforts and capitalizing on the positions it has established 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 will continue to capitalize on its strengths, which are emerging markets, innovation and active cost management. Specifically, in emerging markets Stahl will renew its distribution network, focus more on large account customers and offer high value-added services. On the innovation front, it will emphasize non-polluting products and custom technologies. Finally, Stahl will concentrate on strict financial discipline and value-adding investments.

Stahl's businesses continue to be driven by powerful long-term trends. Its markets are gradually shifting to the emerging market countries, average annual growth of 2-3% in meat consumption is supplying the market for hide processing, and certain competitors are gradually disappearing, a trend that has been accentuated by the recession.
Stahl is now poised to achieve average organic growth in excess of 5% per year. ■

WENDEL'S INVOLVEMENT

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

DEUTSCH DRIVES ITS GROWTH WITH QUALITY INNOVATION

Deutsch is the global specialist in high-performance connectors for harsh environments, 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	More than **3,500** employees	**No.1** worldwide in industrial vehicles
2011 net sales **$676** million	Net income from business sectors **$74.4** million	**89.2%** stake held by Wendel	Amount invested by Wendel **$470** million since 2006

WENDEL'S INVOLVEMENT

Board of Directors
Bernard Gautier (Vice-Chairman), David Darmon, Patrick Tanguy, Jean-Michel Ropert

Governance Committee
Bernard Gautier (Chairman)
David Darmon, Patrick Tanguy

Audit Committee
Jean-Michel Ropert (Chairman)
David Darmon, Patrick Tanguy

Strategic Committee
Bernard Gautier, David Darmon, Patrick Tanguy

Why did we invest in Deutsch?

Deutsch, the world leader in high-performance connectors for harsh environments, 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 benefits from high barriers to entry, such as the long client-accreditation procedures, the long life-cycle of platforms (over 20 years), notably in aerospace and industrial equipment, as well as the high level of skills and experience it has gained in R&D. Deutsch has also developed numerous innovative solutions, such as aluminum cabling systems for the Airbus A380. The Group's growth is based on markets with strong long-term growth potential, such as heavy transportation vehicles, infrastructure equipment, aerospace and deep-water offshore operations.

What were the highlights of 2011?

Firstly, in June 2011, Bertrand Dumazy joined the Group as the new CEO, while Jean-Marie Painvin became Chairman of the Board of Directors. Deutsch reported sales of $675.6 million in 2011, up 20.7% (up 18.7% in organic terms) compared with 2010. Organic growth remained strong over the entire year despite a slowdown in the second half attributable to an unfavorable basis of comparison. Expansion in the Industry Division was part of the engine behind this growth. Industry posted 24.7% organic growth, with a significant advance in China and growth in the truck market in the United States.

With recovery having started in the European and US markets in the first half, the aerospace and defense division posted robust organic growth of 14.6%.

The Offshore division scored new successes, obtaining some large new orders. Over the whole year new orders were eight times what they were in the previous year, and a new contract was signed in September 2011, with an initial value of €23.2 million. Since then, new orders have raised the value of the contract to €29.5 million. It will generate net sales in 2012 and 2013.

Adjusted operating income, which had returned to its pre-recession level in 2010, rose a further 29.4% to $145.7 million. Adjusted operating margin meanwhile widened by 150 basis points to 21.6%. On November 29, 2011, Wendel and Jean-Marie Painvin, co-shareholder of Deutsch, decided to enter into exclusive negotiations with TE Connectivity, a world leader in connectivity solutions, with a view to selling Deutsch. ■

(in millions of dollars)	2010	2011	△
Net sales	559.7	**675.6**	+20.7%
EBITDA [1]	132.7	**169.9**	+28.1%
as a % of net sales	23.7%	**25.1%**	–
Adjusted operating income [1]	112.6	**145.7**	+29.4%
as a % of net sales	20.1%	**21.6%**	–
Net income from business sectors	63.1	**74.4**	+18.0%
Net financial debt	598.8	**510.5**	-$88.3 million

(1) EBITDA and adjusted operating income before goodwill allocation entries, management fees and non-recurring items.

Projected sale of Deutsch to TE Connectivity

On November 29, 2011, Wendel received a firm and unsolicited offer from TE Connectivity to acquire all of the share capital of Deutsch.

In light of the industrial and financial quality of the proposal made by this global leader in connectivity solutions, Wendel and Jean-Marie Painvin[1] entered into exclusive negotiations with TE Connectivity to finalize the transaction in the first half of 2012[2]. In December 2011, TE Connectivity signed a Standard Purchase Agreement, thereby agreeing to acquire Deutsch. In a fast consolidating industry, this transaction will accelerate the development of both groups, due to complementary product portfolios that will allow them to better serve industrial customers across a range of end markets. By combining their areas of expertise, the groups will be able to offer their civil aerospace and defense customers in Europe, the United States and high-growth countries a more comprehensive range of products. Deutsch will also benefit from TE Connectivity's sales network to accelerate the development of its offshore business.

TE Connectivity will pursue an ambitious R&D policy, in particular by turning Deutsch's Le Mans and Évreux plants into global centers of excellence. It has agreed to acquire all of the shares of Deutsch at an enterprise value of approximately $2.1 billion. For Wendel the net proceeds of the transaction should amount to around €960 million. This would be 2.4 times the total amount Wendel has invested and would include a capital gain of around €580 million.[3] ■

(1) Co-shareholder of Deutsch and Chairman of the Board of Directors.
(2) Subject to the necessary regulatory approvals.
(3) Capital gain on the amounts invested.

To learn **more**
deutsch.net

PARCOURS EXPANDS BY OFFERING SERVICES THAT SET IT APART

Parcours is the independent specialist in long-term vehicle leasing in France, with a managed fleet of 44,900 vehicles. The group has specific, strategic assets and offers a unique and differentiating range of services, based on its "3D" model, at the crossroads of financial services, business services and vehicle marketing.

PARCOURS IN BRIEF

23 branches including 18 in France

Managed fleet of **44,900** vehicles

266 employees

No.1 independent leasing specialist in France

Sales in 2011 **€271.4 million**

Pre-tax ordinary income **€17.1 million**

95.9% stake held by Wendel

Amount invested by Wendel **€107 million** since 2011

WENDEL'S INVOLVEMENT

Management Board
Olivier Chambriard (Chairman)
Dirk-Jan Van Ommeren
Patrick Tanguy
Jérôme Michiels

Audit Committee
Jérôme Michiels
Benoît Drillaud

Why did we invest in Parcours?

Parcours, created in 1989 by its current chief executive, is the only independent player of a significant size operating in the long-term car leasing sector in France. It is a fast-growing challenger of the industry's heavyweights – subsidiaries of the carmakers and the banks - subsidiaries and has positioned itself at the crossroads of financial services, business services and the automobile industry. Parcours has achieved exceptional growth (18% on average for the past ten years) and showed strong resilience during the recent recession. With its fleet of 44,900 vehicles, Parcours operates in France through its differentiating network of 18 branches and has also been replicating its business model internationally since 2005, with five locations in other European countries (Luxembourg, Belgium, Spain and Portugal). The group also has specific strategic strengths:

• a skilled, experienced management team with a strong service culture;

• a unique and differentiating range of services based on its integrated "3D" business model: new vehicle leasing, maintenance & repair and resale of used vehicles.

• growth accelerated by an increase in market share attributable to its strong positioning and the satisfaction of its customers;

• regional coverage allowing Parcours to meet the needs of large national clients;

• a unique and effective business model for used vehicle sales to individuals.

These combined strengths will enable Parcours to gain more market share while furthering its international expansion and continuing to outpace the long-term leasing market's annual 6% growth.

Highlights of 2011

Parcours reported sales of €271.4 million in 2011, up 12% compared with 2010. Over the year, Parcours' fleet of vehicles expanded by 8.8% (from 41,280 to 44,900), faster than that of the industry in France (2.6%). After advancing at a rate of 13.8% in the first half of the year, sales growth tapered off in the second half to 8.5%, in part because vehicle deliveries were delayed due to the Fukushima catastrophe and the impact it had on car makers. As of the end of December 2011, Parcours' portfolio of non-delivered orders amounted to more than 3,700 vehicles, up 14.3% compared with December 2010. Pre-tax ordinary income rose 3% to €17.1 million in 2011, representing a margin of 6.3% of sales.

Outlook for development

Parcours intends to base its expansion on the growing demand from business customers for outsourced fleet management and increasingly sophisticated services. The group will continue to move all of its branches in France to the "3D" model and accelerate its business internationally. In the medium term, Parcours is ideally positioned to capture major trends such as the growing penetration of the long-term vehicle leasing market in France as well as in countries where the group is establishing a foothold.

(in millions of euros)(1)	2010	2011	Δ
Sales	242.6	**271.4**	+11.9%
Pre-tax ordinary income(2)	16.6	**17.1**	+2.6%
as a % of sales	6.9%	**6.3%**	–
Net income from business sectors	NA	**9.9(3)**	NA
Gross operating debt(4)	NA	**371.8**	NA

(1) Unaudited financial information for 12 months.
(2) Adjusted pre-tax income before goodwill allocation entries, management fees and non-recurring items.
(3) For nine months; full consolidation of Parcours as of April 1, 2011.
(4) Gross debt related to vehicle fleet funding.

Two questions for

Jérôme Martin

Chairman and CEO of Parcours

Why did you join Wendel?

We chose Wendel because it is a long-term shareholder, which is essential to the implementation of our business development strategy. Wendel invests in Parcours, not to help us through a phase of a few years, but to optimize our strategic plan and expand our operational potential. We know that we have a solid partner we can rely on, who shares our ambition for Parcours. With Wendel, we feel that we speak the same language–the language of long-term growth projects and creating value for business development.

How does the Wendel Group's contribution affect Parcours day to day?

We aim to increase our car fleet by 50% through organic growth between now and 2014. Additional opportunities to accelerate our expansion may also arise, especially in Europe. The company needs to transform itself rapidly to meet these challenges. In this area, Wendel's teams are very close to us and help us, thanks to their broader environment, in making the right decisions and moving efficiently from step to step.

To learn **more**
parcours.fr

MECATHERM AUTOMATES BREAD PRODUCTION WORLDWIDE

The Mecatherm group is the world leader in industrial baking equipment. It designs, develops, assembles and installs ovens, machines and automated production lines for fresh, frozen, cooked or pre-cooked bread and other bakery products such as cakes and pastries, around the world. The group covers the entire production line market with three complementary solutions: "High Capacity", "Premium" and "Variety" lines.

MECATHERM IN BRIEF

Present in over **50 countries**

500 industrial lines installed

310 employees including **25** in R & D

World **leader** in equipment for industrial bakeries

Net sales in 2011 **€85.6 million**

19.5% Ebitda margin

98.1% stake held by Wendel

Amount invested by Wendel **€110 million** in October 2011

WENDEL'S INVOLVEMENT

Board of Directors

Stéphane Bacquaert
Patrick Bendahan
Albrecht von Alvensleben
Dirk-Jan Van Ommeren

Why did we invest in Mecatherm?

The Mecatherm group is the world leader in industrial bakery equipment; it has attained, for example, a 60% market share in high-capacity lines. It serves the entire market with three complementary solutions: "High Capacity" lines (traditional baguettes and crusty bread), "Premium" lines (artisan quality bread and baguettes), and "Variety" lines (buns, brioches, loaves of bread, pastries, etc.). Today, the group has an installed base of 500 automatic lines in more than 50 countries worldwide, representing 15,000 tons of goods produced by Mecatherm lines every day. The group benefits from high barriers to entry:

- unique R&D and product innovation know-how with its team of 25 experts. Since 1995, the group has launched nearly 20 new products and benefits from 15 active patents;
- strong brands (Mecatherm and Gouet) and the trust of its clients (50% of its clients have been customers for over 10 years);
- a sales network that has more than doubled in three years, with about 30 sales representatives serving all market segments.

Wendel finalized its acquisition of the Mecatherm group through Orange-Nassau Développement in October 2011.

Highlights of 2011

In 2011, the Mecatherm group's net sales totaled €85.6 million, down 3.7% from 2010. As expected, growth in the group's sales was slightly curtailed in the fourth quarter of the year, as a result of the accounting impact of a slight offset in the timing of new orders. Adjusted operating income was €15.6 million, down 11.7% from 2010.

The adjusted operating margin came in at 18.3% vs. 19.8% in 2010. Mecatherm's high profitability demonstrates that its industrial model is well-adapted to the market. All equipment is modular and manufacturing is fully outsourced, enabling the company to optimize its cost structure at all times while focusing its expertise on R&D and customer service. Mecatherm was consolidated beginning in the 4th quarter of 2011.

Outlook for development

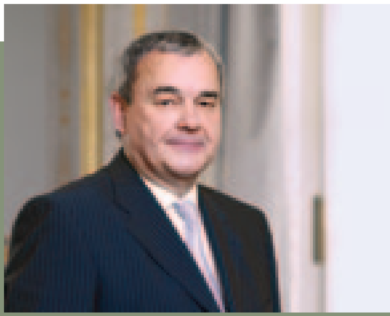
The group's growth is based on four main pillars:

- geographic expansion as bread consumption and demand increases in high-growth countries, where the group already achieves 36% of its net sales;
- the growing share of industrial bakery on a global scale;
- market consolidation, reinforcing the group's range with complementary technologies.
- bigger market shares in the "Premium" and "Variety" segments;

These major assets, combined with a light cost structure and rigorous financial discipline, should allow the Mecatherm group to expand further and strengthen its leadership positions. ■

(in millions of euros)(1)	2010	2011	Δ
Net sales	88.9	**85.6**	-3.7%
EBITDA(2)	19.7	**16.7**	-15%
as a % of net sales	22.1%	**19.5%**	–
Adjusted operating income(2)	17.6	**15.6**	-11.0%
as a % of net sales	19.8%	**18.3%**	–
Net financial debt	NA	**58**	–

(1) Unaudited financial information for 12 months.
(2) EBITDA and adjusted operating income excluding management fees.



Two questions for

Bernard Zorn

Chairman of the Board of Directors
of the Mecatherm group

Why did you join Wendel?

We are a family-owned company and wished to partner with a group that shares our values and our business philosophy. During our discussions with Wendel's teams, we appreciated their professional approach and insightful understanding of our business. Wendel is not just a financial investor; above all, it is a committed, long-term partner with the desire to develop an industrial plan for the Mecatherm group and its people. We know that Wendel will help the Mecatherm group to grow, without going against its DNA.

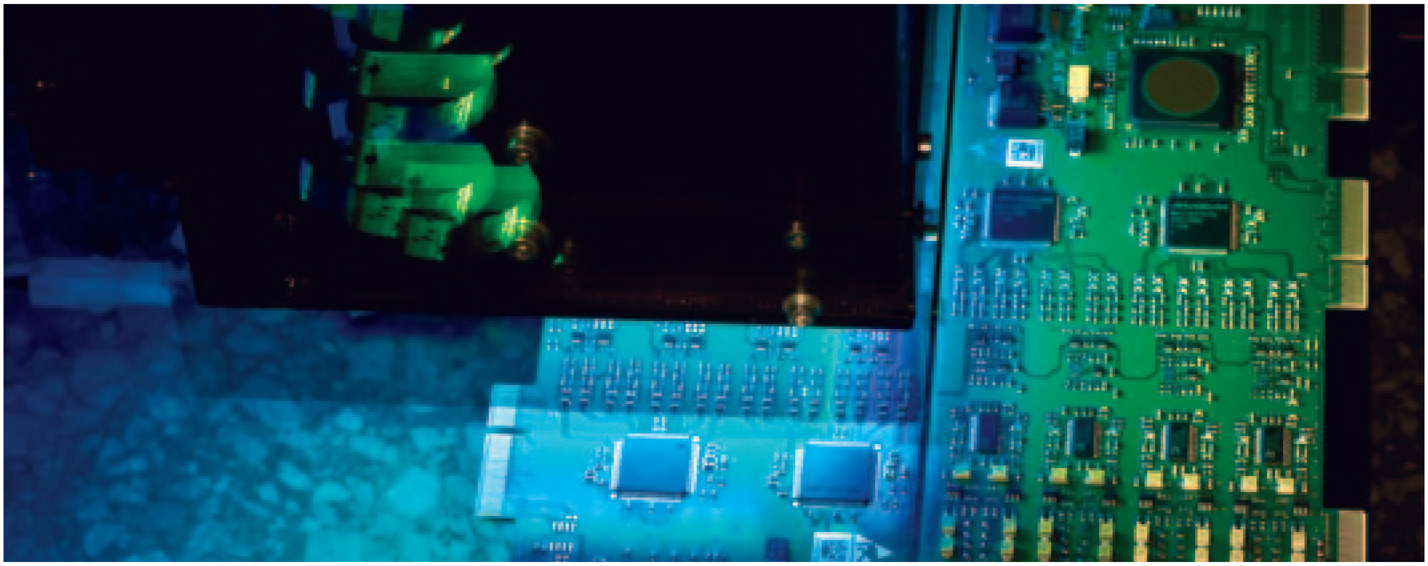
What projects are you working on with Wendel?

Our priority is geographic expansion. We already generate 75% of our business outside France, and we aim to diversify our business lines and adapt to local demand in order to enlarge our international footprint. Identifying acquisition opportunities is also part of our plans, for which we are counting on Wendel's support.

To learn **more**
mecatherm.fr

EXCEET CONSOLIDATES ITS LEADERSHIP IN EMBEDDED ELECTRONICS

exceet is a European leader in embedded intelligent electronic systems used in industry, medical technology and security systems. exceet produces very high value-added integrated circuits for large industrial customers, manufactured in small production runs. The company also supplies complete technological solutions for human and data security.



EXCEET IN BRIEF

Present in over **5** countries	**15** laboratories and production sites	**911** employees
2011 sales **€170.4** million	**28.4%** stake held by Wendel	Amount invested by Wendel **€50.1** million since 2010

WENDEL'S INVOLVEMENT

Board of Directors
Roland Lienau
Dirk-Jan Van Ommeren

Why did we invest in exceet?

In February 2010, Helikos SPAC raised €200 million at its IPO on the Frankfurt stock exchange; Wendel, via Oranje-Nassau Développement, was the principal sponsor. The purpose of this innovative transaction was to invest in a German Mittelstand company. After 15 months of analysis, Helikos acquired exceet Group AG, European leader in embedded electronics and security solutions. With its roots and a strong industrial and commercial presence in Germany, exceet designs, develops and produces essential, customized components and solutions for major industrial companies. Its areas of expertise include medical technology and healthcare, industrial automation, financial services, security, avionics and transportation. Since 2006, based on its highly specialized know-how, exceet has stepped up its growth both organically and by acquiring niche companies and technologies. It therefore has a strategy for strong business development that dovetails with Oranje-Nassau Développement's investment criteria.

Highlights of 2011

exceet continued its international expansion and its acquisitions in 2011, even if the main event of the year was becoming a listed company via the tie-up with Helikos. Five principal acquisitions rounded out exceet's range of products and services:

- Winter AG, a German company acquired on December 29, 2010, specialized in electronic security and payment technologies and present in particular in NFC technologies;
- Authentidate AG, a Düsseldorf-based company with expertise in electronic signatures and data security that is used by millions of customers across the globe;
- The Art of Packaging, a Czech company that has become exceet's center of excellence for RFID chips;
- Contec GmbH, an Austrian company specialized in the design of embedded systems for industry and for medical technologies;
- Inplastor GmbH, an Austrian company that produces more than 25 million secure cards p.a.

Against this background, exceet's sales rose 51.5% over the first nine months of 2011, with organic growth alone accounting for about 20%. Sales for the nine months totaled €128.9 million. Meanwhile, EBITDA advanced by 64.6%, or €21.7 million. exceet performed particularly well in medical technology and integrated systems for industrial applications. Over all of 2011, sales totaled €170.4 million, up 42.7%. For 2012, exceet will continue to expand, both organically and by acquisition, notwithstanding the uncertainties generated by the European sovereign debt crisis. Owing to the quality of its business model, the company can pursue its growth strategy even while maintaining its EBITDA margin target of 18%. ■

(in millions of euros)(1)	9 months 2010	9 months 2011	Δ
Net sales	85.1	**128.9**	+51.5%
Adjusted operating income	9.0	**15.8**	+75.9%
as a % of net sales	10.6%	**12.3%**	+16%
Attributable net income	7.0	**13.3**	+90.5%
Net financial debt	NA	**1.15**	NA

(1) Unaudited financial information for 12 months.

Two questions for

Ulrich Reutner

CEO of exceet

Following its acquisition by Helikos, owned by the Wendel Group, and the stock market launch, how does exceet benefit from being a listed company?

We have an ambitious growth strategy. Going forward to 2015, we are targeting 10-15% organic growth for our business each year. We need to have the means to support and nourish this rapid expansion. Being a listed company is the way to acquire these means. It gives us wider access to sources of financing and more visibility among other stakeholders, such as companies that may join us, or new talent.

How does the Wendel Group's contribution affect exceet day to day?

The Wendel team is very pragmatic and advises us, notably in highly operational areas. For example, the team is helping us to accelerate our business development and build up our network of suppliers. We also benefit from its experience in identifying potential acquisitions.

To learn **more**
exceet.ch

VAN GANSEWINKEL GROEP GIVES WASTE A SECOND LIFE

Van Gansewinkel is a European leader in waste processing and recycling. The group searches for innovative solutions to give waste products a second life, in the form of raw materials or energy. The process begins with waste collected and carefully sorted at the source to obtain the maximum value from it.

VAN GANSEWINKEL GROEP IN BRIEF

Present in over **9** countries	**77%** of waste collected is transformed	**7,000** employees	Avoided the emission of **1.2** million tonnes of CO_2
Revenue in 2011 **€1.2** billion	**120,000** business customers	**8.1%** stake held by Wendel	Amount invested by Wendel **€33** million since 2006

Why did we invest in Van Gansewinkel?

In 2006, Oranje-Nassau Développement developed an investment activity in the Netherlands, in addition to the energy and real estate businesses already in its portfolio. In this new context, Oranje-Nassau Développement teamed up with CVC Partners and KKR in January of that year to acquire AVR from the city of Rotterdam for €1,400 million, with Oranje-Nassau Développement taking an 8% stake.

In March 2007, AVR merged with Van Gansewinkel Groep, thereby becoming one of Europe's principal waste collection and treatment companies.

Extracting value from waste is central to Van Gansewinkel's strategy, and the company is at the crossroads of three major long-term, economic and societal trends: environmental protection, managing natural resources and saving energy. The company has developed a whole set of waste collection and recycling techniques and solutions. Its various specialized divisions handle products ranging from glass to refrigerators & freezers, televisions, small household appliances and computers & peripherals. Constantly innovating, Van Gansewinkel obtains value from these products by producing energy and transforming organic material through composting and fermentation. So it was only natural that Oranje-Nassau Développement should choose to accompany and support the growth of this company.

Highlights of 2011

On June 15, Van Gansewinkel announced it had acquired Veolia's Belgian waste treatment and environmental activities, except for the hazardous waste portion. This was an important milestone in the execution of the company's growth strategy.

With 450 employees and 140 vehicles, Veolia Environmental Services Belgium generated revenue of around €100 million. The Benelux countries constitute Van Gansewinkel Groep's principal market, but the group is also active in the Czech Republic, Poland, France, Hungary, Portugal and Germany.

In January 2011, Van Gansewinkel launched "Office Paper", which meets all of the requirements imposed on high-quality paper used in offices. The Office Paper production process uses 83% less water (79 liters of water per bale of paper) and 72% less electricity than standard office paper. It emits up to 53% less CO_2. In addition, no trees need to be cut down to produce Van Gansewinkel's Office Paper, whereas a bale of standard office paper requires 7.5 kilos of wood. Paper used in offices is often recycled, but most often into newsprint or tissue products, rather than into office paper. Van Gansewinkel Office Paper is certified by the EPEA and is the first certified Cradle to Cradle® office paper in the world. ■

To learn **more**

vangansewinkelgroep.com

WENDEL SERVING ITS SHAREHOLDERS

1

1

1. Shareholders Advisory Committee meeting.

“Stimulating dialogue and value creation

Wendel is one of Europe’s largest investment companies and has been operating at the crossroads of industry and finance for over 30 years. A long-term investor with permanent capital, Wendel is supported by a family shareholder structure with a deep passion for industrial adventure over three centuries old.
This strong and lasting shareholder structure enables Wendel to focus year after year on value creation and the long-term growth of its investments, for the benefit of all the companies in its portfolio and all its shareholders. Wendel relies on two fundamentals to create value:

- the quality of its investments, the development of their operations over the long term and the ability to sell them at excellent terms;
- disciplined management of its financial structure to ensure the means to achieve its ambitions.

Shareholder information

Market data

Change in the CAC 40 and the Wendel share price rebased on the Wendel share price.

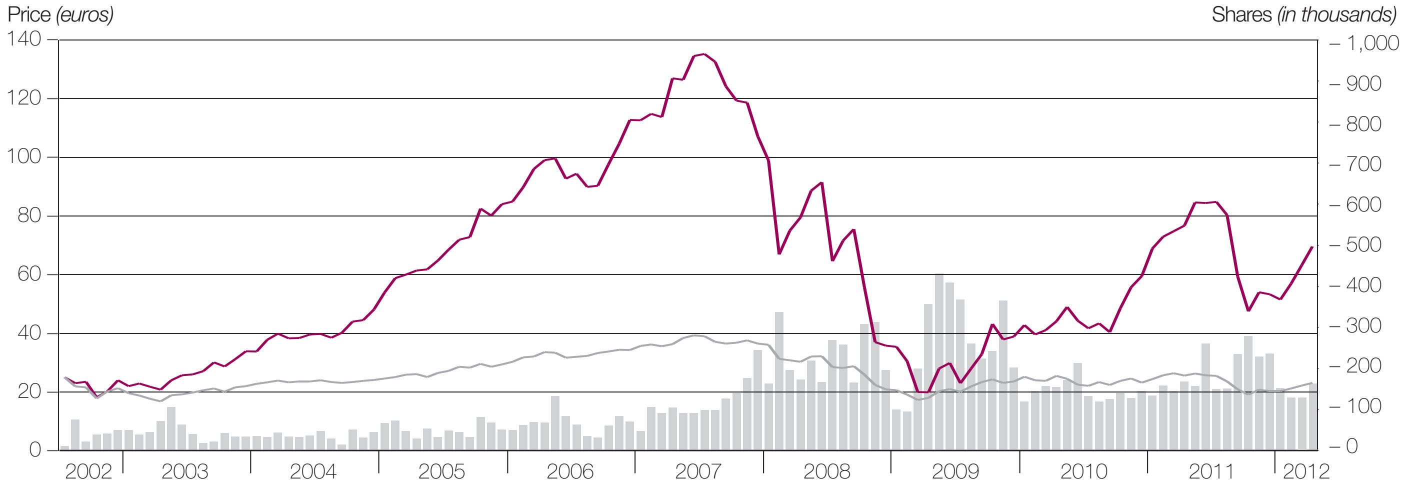
June 30, 2002 to March 16, 2012

CAC 40 — Average monthly volume — Wendel

Overall return, with dividends reinvested

Comparison of Wendel and the CAC 40 since the CGIP-Marine Wendel merger

Performance, with dividends reinvested, from 06.13.2002 to 03.16.2012	Total return for the period	Annualized return for the period
Wendel	+240.9%	+13.4%
CAC 40	-9.2%	-1.0%

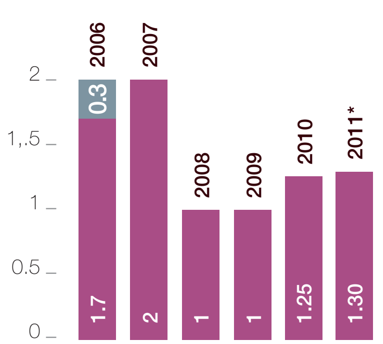


Dividend

(in euros)

Ordinary dividend

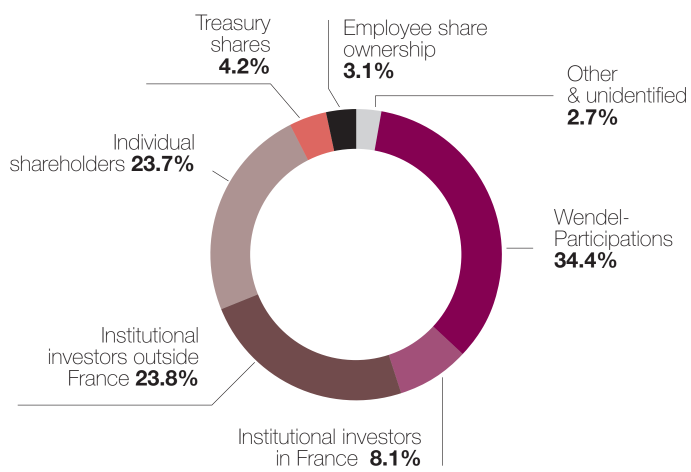
Special dividend



* Subject to shareholder approval at the Annual Shareholders' Meeting, Wendel is proposing a dividend of €1.30 euro per share for 2011, plus a special grant of one Legrand share for every 50 Wendel shares held, so as to give shareholders a direct share in Legrand's success.

Shareholders

(as of December 31, 2011)



Share references

Listing market: EUROLIST SRD Compartment A (Blue Chips) – **ISIN code:** FR0000121204 – **Bloomberg ticker:** MF FP – **Reuters ticker:** MWDP.PA – **Abbreviation:** MF – **Indexes:** CAC Next 20, CAC AllShares, Euronext 150, SBF120, SBF250, STOXX® Europe, EURO STOXX®, STOXX® Europe Private Equity 20, STOXX® Europe Strong Style – Composite 40, STOXX® Europe Strong Value 20, LPX 50. – **Quota:** €1 share – **PEA:** eligible – **SRD:** eligible – **Par value:** €4 – **Number of shares outstanding:** 50,560,975 as of December 31, 2011.

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 2011, the Wendel Group maintained its strong communications with its nearly 42,000 individual shareholders.

The Shareholders Advisory Committee, set up in 2009, met five times in 2011 and visited one of the Materis plants in June. It 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.

The Group again took part in Actionaria, a trade show bringing companies and shareholders face to face, held in Paris in November 2011.

Wendel will meet with its individual shareholders at a meeting in Lyon in June 2012.

All of the resources designed for shareholders can be viewed in the Shareholders section of the Wendel website, which was distinguished by an asset management trade publication in 2011 for its comprehensiveness. It provides access to letters to shareholders, quarterly publications, the annual report, the registration document, a calendar of key dates, and more.

Wendel also organizes two major road-show campaigns for institutional investors each year. The first usually 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 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.

Since 2009, Wendel has also organized twice-yearly road shows geared specifically to the bond community.

Through these various events, the members of the Executive Board and the Chief Financial Officer met with close to 250 investors in Wendel stock and bonds in 2011.

2012 Calendar

May 4

Publication of first quarter 2012 net sales (post-market release)

June 4

Annual Meeting of Shareholders – Publication of net asset value

June 19

Shareholders' Meeting, Lyon

August 30

Net sales and 2012 first-half results (pre-market release) – Publication of net asset value

November 13

Publication of third quarter 2012 net sales (post-market release)

December 6

Investor Day – Publication of net asset value

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Notes

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