WENDEL

January 2012

Letter to shareholders

SPECIAL EDITION: INVESTOR DAY 2011

Key Figures

- **Net Asset Value: €76.6** per share at November 22, 2011
- Legrand shares sold for **€334M** in November 2011
- Gross financial debt reduced by **€1,565M** since the start of the year
- Projected sale of Deutsch to TE Connectivity for net proceeds of **€954M**

Bernard Gautier, Member of the Executive Board; Frédéric Lemoine, Chairman of the Executive Board

Dear Shareholder,

As in past years, this special edition is devoted to the most recent Investor Day, held on December 2, 2011. The 10th annual Investor Day was dedicated to a presentation of the unlisted companies in Wendel's portfolio. As such, it was an opportunity for the executives of the Group's companies to inform investors about their business and their strategy.

This year's Investor Day was an even better opportunity to highlight the quality of the Group's companies in that it took place two days after we announced the projected sale of Deutsch to the US industrial group TE Connectivity. The market greeted the news by boosting Wendel's share price 16% on the day of the announcement. The sale transaction is first and foremost a quintessential industry transaction. Deutsch will join the world leader in connectors, which will turn Deutsch's Evreux and Le Mans production sites into centers of excellence for the entire group.
From a financial point of view, Wendel's net proceeds from the sale should total €954 million, a price of 2.4 times our initial investment, implying a capital gain of €575 million. Market research published just prior to the announcement valued Deutsch in Wendel's NAV at €388 million. The transaction thus led to an €11 increase in expected value per share.

Partially as a result of this increase, we presented a net asset value of €76.6 on Investor Day, up slightly from August 2011 despite the overall drop in the markets. 2011 was a productive year for Wendel. Your company strengthened its financial structure, carried out significant market transactions, invested in three new companies – Parcours, exceet and Mecatherm – and launched a remarkable transaction: the projected sale of Deutsch. Once finalized[1], this transaction will make us better armed to face a highly uncertain economic situation and put us in a position to deploy our strategy of direct acquisition to equity investments of up to €500 million each. In today's market, these are major advantages.

I would like to thank you for the trust you have placed in us and wish you and those close to you all the very best for this new year.

Frédéric Lemoine, Chairman of the Executive Board

[1] The transaction is expected to close in the first half of 2012, subject to the necessary regulatory approvals.

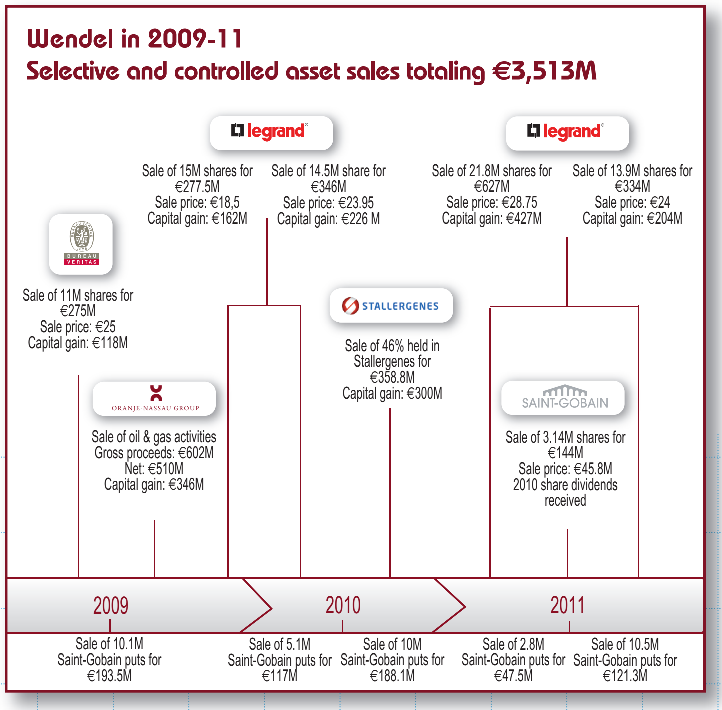
WENDEL: 2009-11 ASSESSMENT

Portfolio of high-quality companies, divestments on favorable terms, renewed direct investment, strengthened financial structure

Frédéric Lemoine reviewed the 2009-11 period. In these years Wendel laid new foundations for future development. This phase culminated with the projected sale of Deutsch.
During this period, the companies in the portfolio fortified themselves and showed a marvelous ability to adapt.
Because they are leaders in their business sectors, they were able to put through price increases. They also benefited from their exposure to fast-growing regions. They all continued to develop new products and devote resources to innovation. They also successfully adapted their costs, protected or widened their margins and gained market share. Skill at targeting logical, relevant acquisitions in their markets and in their line of business was another trait they had in common. In 2011, for example, they carried out 27 acquisitions, of which 17 took place in emerging markets.

In the 2009-11 period, these companies were able to count on crucial support from Wendel. Wendel led the financial restructuring of Materis, Stahl and Deutsch and reinvested a total of €160 million.
Regarding Saint-Gobain, after subscribing to a €110 million portion of the early 2009 capital increase, Wendel worked closely with the new management team to put together a "2015 roadmap" and set up principles for cooperation over the next 10 years.

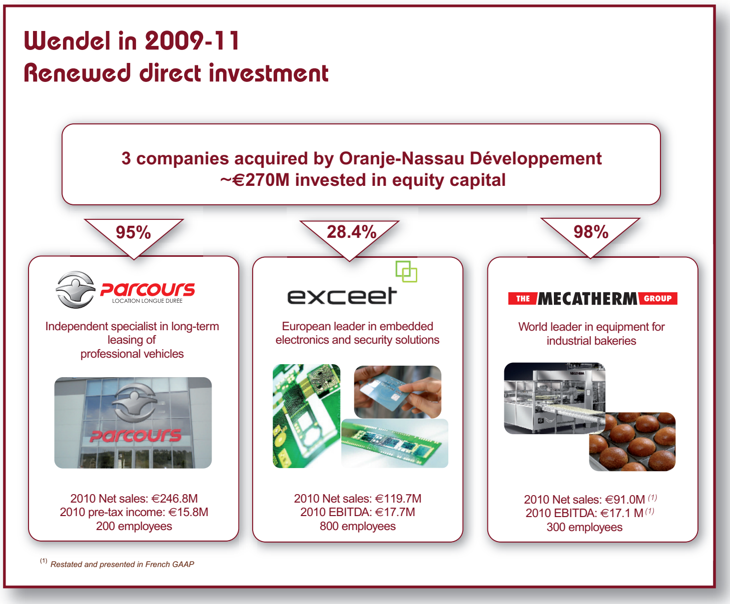
At the same time, we also turned over the portfolio. Wendel carried out a block sale of 10% of the shares of Bureau Veritas, sold the oil and gas activities of Oranje-Nassau, divested more than 80% of its stake in Legrand in four transactions (with KKR) and sold its entire holding in Stallergenes. These transactions totaled €3,513 million.

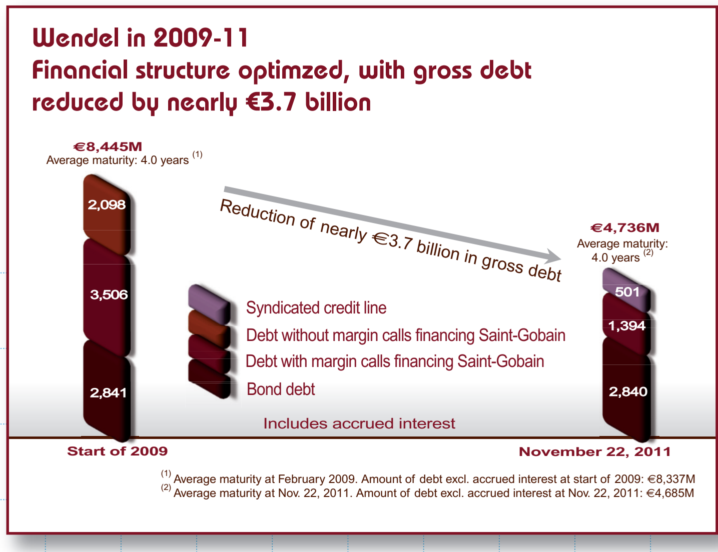


In 2011, Wendel started to invest in new companies again, using Oranje-Nassau Développement as a vehicle for seizing opportunities in growth, innovation and diversification.
In this way, Wendel acquired:

- 95% of Parcours,
- 28% of exceet, following conversion of Helikos, an entity listed on the Frankfurt stock exchange,
- 98% of Mecatherm.

During the last three years we have also strengthened our financial structure very significantly. Wendel's gross debt has been reduced by nearly €3,700 million since 2009. As of November 22, 2011, gross debt stood at €4,736 million. Wendel no longer has any repayment obligations before September 2013. Cash remained high, too, totaling €874 million at the same date.





Deutsch and Wendel:
the making of a success story

« *Fantastic !* », exclaimed Jean-Marie Painvin[1] to describe Deutsch's years in the Wendel Group. « *Being part of the Wendel group gave us renewed ambition. We did a lot of good work* » he said to the assembled Deutsch and Wendel staff. He emphasized that after doubling the enterprise value of the group from €1 billion to €2 billion in five years, they have real reason to be proud. Bernard Gautier, member of Wendel's Executive Board, and Jean-Marie Painvin retraced the years Deutsch spent as an integral part of the Wendel Group.

The reorganization rapidly created value

When Wendel became Deutsch's key shareholder, Deutsch was a group composed of five operationally independent companies. One of Wendel's first initiatives was to make them into an integrated global group articulated around three businesses: i) Aerospace and Defense, ii) Transportation and Industry and iii) Offshore

Alongside the long-standing management teams of each entity, Wendel supported three major reorganization programs, which yielded spectacular results:

- the organization was optimized, leading to successful implementation of new work methods and internal sharing of the best practices of each company;
- sales synergies were introduced, leveraging Deutsch's brand name and the innovation skills of its staff;
- finally, the procurement policy was improved and costs optimized, leading to savings of $25 million. In addition, Deutsch made strategic decisions to refocus its business. Certain activities were sold, such as relays, and others purchased, including LADD, Deutsch's exclusive US distributor.

The 2008-09 downturn led to faster redeployment

The downturn hit Deutsch broadside in the fall of 2008, and its sales plummeted. Cost cutting plans were rapidly put in place. Capital spending was redeployed so as to preserve and strengthen R&D projects, and to accelerate in fast-growing regions such as China, where a new production facility was opened near Shanghai.

At the same time, Wendel played its role of long-term shareholder, successfully leading the negotiations to refinance Deutsch's debt and reinjecting $90 million while Jean-Marie Painvin and his family put in an additional $9 million. These new financial resources served principally to finance Deutsch's acquisition of the 40% of LADD it did not yet own.

A superb opportunity for Deutsch, TE Connectivity and Wendel

2011 looked to be a strong year right from the outset. Against this background and looking ahead to an IPO in the medium term, the company's governance was strengthened. Bertrand Dumazy, former executive of listed company Neopost, took over the position of President & CEO of Deutsch. In the fall, TE Connectivity, world leader in connectors, presented an ambitious plan to acquire Deutsch. Wendel was quickly convinced of the industrial logic of this business combination – the two companies have very complementary technology, products and distribution networks – and decided to lock in the significant value creation it implied. With the support of Wendel, Deutsch has become a company with a level of profitability among the best in its sector. Despite the downturn, Deutsch has maintained high operating margins (EBITDA margin > 18%) over five years, a remarkable performance, while increasing its top line by 22% over the period.

Once the transaction is finalized[2], the net proceeds will total around €954 million, or 2.4 times our initial investment in euros and representing a capital gain for Wendel of €575 million. The transaction will therefore be very positive for Deutsch, TE Connectivity and Wendel. In the end, Deutsch will have completed its journey to the stock market by integrating a large, listed, international group. ■

«We have worked hard alongside Jean-Marie and his team. We have come through a downturn with them. We have built a group, innovated and saved jobs despite the severity of this unprecedented downturn,» said Bernard Gautier.

(1) CEO of Deutsch until last June and now Chairman of the Board of Directors

(2) The transaction is expected to close in the first half of 2012, provided the necessary regulatory approvals are received.

UNLISTED COMPANIES

MATERIS

Olivier Legrain, Chairman of Materis, described the group's growth strategy. Materis is a world leader in specialty materials for the construction industry. 2011 earnings should be of good quality, as a result, among other things, of stronger-than-budgeted growth in the business. Materis proved itself resilient, thanks to its product portfolio – more than half of the group's top line derives from renovation – and to its exposure to emerging markets. Sales in the first nine months of 2011 were very favorable, totaling €1,543.8 million, up 9.1% overall and up 7.9% organically. Stimulated by 15-20% growth in emerging markets, depending on the country, but supported by mature markets as well, organic growth in 2011 overall should be in excess of 5%. Operating margins have remained at the industry's highest levels. In the first half of 2011, the EBITDA margin was 13.8%. Concerning its various activities, Materis will pursue its performance improvement plan at Materis Paints so as to contain the increase in raw material prices. Parex Group (mortars) has posted strong organic growth owing in particular to its presence in emerging markets. Renowned for its responsiveness and its ability to innovate, Chryso (admixtures) has posted sound organic growth and attractive profitability. Finally, Kerneos (aluminates) has posted robust growth throughout the world, in particular in Asia. It has been present in China for 15 years and has business development projects underway in India.

So as to give the company the time it needs to develop its operational projects, Wendel and Materis have initiated negotiations, currently underway, to stretch out Materis's debt maturities over time. The first repayment is currently scheduled for April 2013. In 2012, Materis intends to increase its exposure to emerging markets, strengthen its pricing policy to offset increases in raw material prices and continue to optimize its operations. ■

DEUTSCH

Bertrand Dumazy, President & CEO of Deutsch, world leader in high-performance connectors, presented the company's strengths. 2011 results are set to be very positive. The company relies on its ability to innovate and develop proprietary solutions. Customers use some of these solutions for periods of up to 30 years. Deutsch has a world-renowned brand, and the company has used this to take leadership positions in niche markets, even in difficult economic times, such as in 2008-09. Finally, the group has highly-skilled staff who are dedicated to strict financial discipline. Deutsch's remarkable results in the first half of 2011 illustrate the effectiveness of its model. The company posted sales growth of nearly 30%, with an EBITDA margin up 130 basis points from 24.5% to 25.8%. In the third quarter, sales grew organically by 12.4% in US dollar terms, and by 21.2% over the first nine months. Expansion in the Industry and Aerospace & Transportation divisions was the engine behind this growth. Industry posted 25% organic growth, with a significant advance in China and an increase in truck demand in the United States. Meanwhile, Aerospace & Transportation posted organic growth of 19% owing to robust growth in the United States and Europe. The Offshore Division obtained some very large new orders, including €24.4 million in new business under a contract signed in September. Deutsch has confidently confirmed its sales growth objective of 12-15% for all of 2011. ■

STAHL

John Fletcher, head of the "Leather Finishing" division presented the recent events at Stahl and the outlook for the future. Mr. Fletcher reiterated Stahl's business model, emphasizing that the company operates in the growing specialty chemicals sector and focuses on market niches. Its products are components for numerous consumer products: automotive seats, shoes, handbags, couches, etc. To address each segment, Stahl relies on its portfolio of well-known brands and on a strategy of innovation that takes into account the strictest environmental considerations. Competition is intensifying, but Stahl is consolidating its leadership position, thanks in particular to its "golden hands", the unrivalled expertise of its highly-qualified technicians. Stahl posted organic growth in sales of 2% over the first nine months of 2011. The "High-performance Coatings" and "Wet-end" businesses are driving Stahl's growth and are offsetting the slight contraction in the "Leather Finishing" business. Leather Finishing is suffering from a slowdown in the tannery business, which is in turn being buffeted by an increase in the price of hides. For future growth, Stahl is looking to leverage its successful strategy in the automotive industry, where it is a direct partner to carmakers such as General Motors and BMW, and to replicate this strategy in the luxury goods industry. Stahl is also considering acquisitions and continues to grow in Asia, which already accounts for 33% of its sales. ■

UNLISTED COMPANIES

MECATHERM

Attending Investor Day for the first time, Bernard Zorn, (President), and Olivier Sergent (Managing Director) presented the Mecatherm group's strategy and outlook. Mecatherm is the world leader in equipment for industrial bakeries, a rapidly growing industry. Mecatherm designs, assembles and installs equipment that can manufacture all types of bakery products, from the simple baguette to high-quality specialty bread, to buns and bagels and Middle-Eastern flat breads. Owing to its direct relationship with all its customers and other strengths, Mecatherm has been resilient in the crisis, maintaining an EBITDA margin in the region of 20%. Proximity to customers is a real advantage for Mecatherm. The company can track customers' needs at all times and integrate changes in market demand far upstream in its R&D. The Mecatherm group also benefits from its brand's worldwide renown and its customers' steadfast loyalty. Although Mecatherm already derives 75% of its sales from abroad, it plans to extend its geographical coverage even further, diversifying its product lines so as to respond to local demand. Acquisition opportunities are also an avenue for future growth and for adding to the range of products the group offers. Finally, Mecatherm is being buoyed by the market's natural shift from artisan to industrial production. ■

PARCOURS

Jérôme Martin, founder and CEO of Parcours, presented his company and expressed his satisfaction that Parcours had joined the Wendel group in 2011. Parcours is the leading, independent, long-term vehicle leasing specialist in France. Its brand name is well-known, and the market recognizes its quality of service. Parcours has structured its development around a decentralized model of regional branches offering "3D" services: long-term new vehicle leasing, maintenance & repair, and resale of used vehicles. In 2011, disruptions in the automotive sector resulting from the Japanese catastrophe led to an increase in the backlog of undelivered orders. Nevertheless, the fleet of leased vehicles increased during the year. This is because Parcours continued to gain market share, expanding its fleet faster than its competitors. As a result, Parcours expects to report robust growth in its top line for all of 2011. Parcours' strategy for 2012 will be articulated around three themes: i) steady development of the "3D" model in the branch network, ii) faster internationalization through expansion into new countries and iii) acquisitions. Parcours aims to increase its vehicle fleet by 50% by 2014. ■

Listen to audio files of all the presentations at
http://www.wendelgroup.com : home > Finance > Investor day > 2011

Legrand, worldwide specialist in electric and digital infrastructure, joined the CAC 40 on December 19, 2011.

Legrand joined the CAC 40 on December 19, 2011. Its return to the Paris stock exchange's flagship index is recognition of the company's excellence. Legrand's strengths were once again reflected in the results of the first nine months of the year, which the company published in early November and which allowed it to confirm its full-year 2011 targets. These strong results derived directly from Legrand's strategy, as the company invests significant, long-term funds in innovation and emerging markets.

Three factors will give Legrand increased visibility: i) its market capitalization now totals more than €7 billion[1], since Wendel (and KKR) have sold 80% of the shares they held, ii) free float now accounts for 88% of the shares, iii) and the share price has risen 36% (vs. a 35% drop in the CAC 40)[1] since Legrand returned to the stock market in 2006.

Legrand had indicated its medium-term objectives in February 2011 when it announced its 2010 annual results. These objectives included sales growth of 10% p.a. on average. By 2015, half of sales should derive from developing economies. Legrand has also set itself a target of 20% for average adjusted operating margin, after taking acquisitions into account.

(1) as of January 23, 2012

Shareholder information

NAV = €76.6 at November 22, 2011

(in millions of euros)			8/22/2011	11/22/2011
Listed equity investments	*Number of shares (in millions)*	*Share price*[1]	***7,042***	***6,291***
• Saint-Gobain	91.7	€31.3	*3,262*	2,869
• Bureau Veritas	56.3	€54.0	*3,027*	3,042
• Legrand	15.4 in Nov. 2011 / 29.3 in Aug. 2011	€24.8	*753*	381
Deutsch (valued at transaction price)			*826*	954
Unlisted equity investments (Materis, Stahl) and Oranje-Nassau Développement[2]				589
Other assets and liabilities of Wendel and holding companies[3]			*86*	82
Cash and financial investments[4]			*1,053*	874
Gross assets, revalued			***9,008***	8,791
Wendel bond debt			*(2,862)*	(2,840)
Syndicated loan			*(500)*	(501)
Bank debt related to Saint-Gobain financing			*(1,697)*	(1,394)
Value of puts issued on Saint-Gobain[5]			*(155)*	(184)
Net Asset Value			***3,793***	***3,871***
Number of shares			*50,560,975*	50,560,975
Net asset value per share			***75.0***	€76.6
Average of 20 most recent Wendel share prices			*64.1*	€50.4
Premium (discount) on NAV			*(14.5%)*	(34.2%)

(1) Average of 20 most recent closing prices calculated on November 22, 2011.
(2) Mecatherm, Parcours, VGG, exceet and indirect investments.
(3) Including 2,117,155 treasury shares as of November 22, 2011.
(4) Cash and financial investments of Wendel and Saint-Gobain acquisition holding companies, including €0.7 billion in unpledged cash (€0.5 billion in short-term cash positions and €0.2 billion in liquid financial investments) and €0.2 billion in pledged cash.
(5) 6.1 million puts issued as of November 22, 2011

2011 Actionaria trade show

For the second year in a row, Frédéric Lemoine, (Chairman of the Executive Board), Jean-Michel Ropert (CFO) and the financial communications and shareholder relations teams welcomed visitors to the Actionaria trade show at the Paris Convention Center on November 18 and 19, 2011.
Many of you took advantage of the opportunity to visit us and learn about Wendel or get to know us better. For us, these two days constituted a special opportunity to speak with you and answer your questions in a personalized manner.
Frédéric Lemoine was interviewed in the Actionaria TV studio by Cécile Le Coz of financial weekly Investir/Le Journal des Finances as part of "L'Agora des Présidents". After presenting Wendel, its strategy and its results, Mr. Lemoine answered questions from the audience. You can watch the full interview (in French) on the shareholders area of our web site.

2012 Calendar:

Thursday March 22, 2012
Publication of 2011 sales and earnings
(before the market opens)
Friday May 4, 2012
Publication of Q1 2012 sales
(after the market close)
Monday June 4, 2012
Annual Shareholders' Meeting

Thursday August 30, 2012
Publication of H1 2012 sales and earnings
(before the market opens)
Tuesday November 13, 2012
Publication of Q3 2012 sales
(after the market close)

89, rue Taitbout – 75312 Paris Cedex 09
Tel.: +33 (0)1 42 85 30 00 - Fax: +33 (0)1 42 80 68 67
www.wendelgroup.com

WENDEL

*This number provides shareholders with practical information about managing their shares and voting rights, as well as information about Group events.