WENDEL

2013 HALF-YEAR FINANCIAL REPORT

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2013 HALF-YEAR FINANCIAL REPORT

Interim management report – first half 2013

1 – Business overview

Consolidated results

(in millions of euros)	H1 2012	H1 2013
Consolidated subsidiaries	364.8	309.6
Financing, operating expenses and taxes	(123.8)	(122.0)
Net income from business sectors [(1)]	241.0	187.6
Net income from business sectors,[(1)] **Group share**	139.0	84.7
Non-recurring income	647.1	267.5
Impact of goodwill allocation	(87.5)	(54.5)
Total net income	800.7	400.6
Net income, Group share	724.8	323.4

1. *Net income before goodwill allocation entries and non-recurring items.*

Net income from business sectors

(in millions of euros)	H1 2012	H1 2013	Δ
Constant scope			
Bureau Veritas	194.5	198.6	+2.1%
Materis	(0.8)	8.3	ns
Stahl	13.1	13.3	+1.8%
Saint-Gobain (equity accounted)	111.0	71.5	(35.5%)
Oranje-Nassau Développement	5.2	7.0	+33.7%
- Parcours	*6.5*	*5.9*	*(10.0%)*
- Mecatherm	*(1.5)*	*0.3*	*ns*
- exceet (equity accounted)	*0.2*	*0.8*	*ns*
Sub-total	**323.0**	**298.7**	**(7.5%)**
Changes in scope			
Legrand (equity accounted)	16.8	13.8	(17.9%)
Deutsch	24.9	-	-
Oranje-Nassau Développement – IHS (equity accounted since May 2013)	-	(3.0)	ns
Sub-total	**41.8**	**10.9**	**(74.0%)**
Total business sector contribution	**364.8**	**309.6**	**(15.1%)**
of which Group share	*262.8*	*206.7*	*(21.3%)*
Operating expenses, management fees and taxes	(18.3)	(20.4)	
Amortization, provisions and stock-option expenses	(3.7)	(2.7)	
Total operating expenses	**(22.1)**	**(23.1)**	**+4.7%**
Total financial expense	**(101.7)**	**(98.9)**	**(2.8%)**
Net income from business sectors	241.0	187.6	(22.2%)
Net income from business sectors, Group share	*139.0*	*84.7*	*(39.1%)*

The Supervisory Board met on August 28, 2013, under the chairmanship of François de Wendel, to review Wendel's consolidated financial statements, as approved by the Executive Board on August 21, 2013. The financial statements were subject to a limited review by the Statutory Auditors prior to publication.
Wendel recorded a 3.0% rise in consolidated sales, to €3,357.1 million. Organic growth also stood at 3.0%.
The overall contribution of the Group's companies to net income from business sectors was €309.6 million, down 15.1% compared with H1 2012. This decrease came about for two reasons. Firstly, the scope of consolidation changed, as Wendel held a lower percentage of the shares of Legrand than in 2012 and sold Deutsch in H1 2012. Secondly, the earnings of Saint-Gobain declined. On the part of the consolidation scope that did not change, the decline was limited to 7.5%.
Expenses related to the financial structure and to operations declined for the ninth consecutive half-year period to €122.0 million, owing to a decline in the cost of debt.
Non-recurring income totaled €267.5 million vs. €647.1 million in H1 2012. In the first half of 2012, non-recurring income had been boosted by the sale of Deutsch, which generated an accounting gain of €689.2 million. In the first half of 2013, non-recurring income was buoyed by €369.0 million resulting

from the sale of a block of Legrand shares, but was also impacted by a dilution loss induced by the dividend payment in shares from Saint-Gobain.
As a result, Wendel's net income, Group share, was €323.4 million in H1 2013, compared with €724.8 million in H1 2012.

Results of Group companies

Bureau Veritas – Sales up 5.1% over the six months and adjusted operating income up 6%

(Full consolidation)

Revenue for the first half of 2013 (H1 2013) totaled €1,957.5 million, up 5.1% relative to H1 2012. On a constant currency basis, revenue rose by 7.5%.

First-half organic growth stood at 4.7% and was in line with the Q1 level.

- Five businesses posted similar growth levels in both quarters. The Industry, Consumer Products and Government Services & International Trade (GSIT) businesses continued to drive growth. The Marine business remained in decline; however new orders more than doubled. The Commodities business showed slight growth, with the decline in revenue from mining exploration related activities having been offset by higher than expected growth in oil products.
- Growth was more modest in activities highly exposed to Europe, especially In-Service Inspection & Verification (IVS) and Certification. In contrast, revenue in the Construction business increased during the second quarter on the back of strengthened exposure to Asia.

The consolidation of companies acquired accounted for 3.8% of growth and mainly concerned Tecnicontrol (Industry), 7Layers (Consumer Products), TH Hill (Industry) and AcmeLabs (Commodities).
Disposals of activities caused a 1.0% decrease in revenue and concerned infrastructure control in Spain (Construction), Anasol in Brazil (IVS) and laboratories in New Zealand (Industry).
Exchange rate fluctuations had a negative impact of 2.4% and stemmed from the decline in the majority of currencies relative to the euro, especially those in emerging markets (Brazil, India, South Africa) and a number of major countries (Australia, Japan, UK).

During the first half, revenue generated in fast-growing geographies (Latin America, Asia-Pacific excluding Japan, Eastern Europe, Middle-East and Africa) increased further to account for 55% of overall revenue. Momentum showed no signs of slowing, since activities in these regions are associated more with the strengthening of regulations and investments in energy infrastructure than with growth in domestic product alone.

H1 2013 adjusted operating profit rose by 6.0% to €313.2 million compared with €295.6 million in H1 2012. Adjusted operating margin expressed as a percentage of revenue stood at 16.0% in H1 2013, up 10 basis points from the 15.9% reported in H1 2012. Adjusted operating profit rose in all businesses with the exception of Marine and Commodities.

H1 2013 attributable net profit adjusted for other operating expenses net of tax totaled €192.5 million, up 1.7% relative to H1 2012. Adjusted earnings per share rose by 2.3% to €0.44 compared with €0.43 in H1 2012 (adjusted for the four-for-one stock split undertaken on June 21, 2013).

Since the beginning of the year, Bureau Veritas has announced four acquisitions with combined annual revenue of more than €70 million, enabling the Group to develop its technical expertise in fast-growing market segments.

In 2013, Bureau Veritas should deliver solid growth in revenue and adjusted operating profit, despite an ongoing challenging economic environment in Europe and a decline in mining exploration. Organic growth in the second half of 2013 should be in line with the first half level. The priority is to continue improving profitability." The Group confirms the 2012-2015 financial targets.

Materis – Good first half, amid a still-difficult economic environment, thanks to Parex's performance and operating recovery at Materis Paints

(Full consolidation)

Against a difficult economic backdrop, Materis posted sales of €1,042.2 million in the first half of 2013, down slightly (0.1%). Organic growth was 0.6% (volume/mix effects: -1.3%; price effects: +1.9%). Currency fluctuations had a negative impact of 1.9%. Organic growth in emerging market countries came in at 12.8%, offsetting the contraction of 3.6% in mature markets.
Changes in scope had a positive impact of 1.2%, and corresponded to the consolidation of Elmin in Greece (Aluminates) and Suzuka in China (Mortars).

- **ParexGroup (Mortars)** continued to post robust growth (up 7.4% overall and up 6.5% organically), benefiting from healthy business conditions in emerging economies, recovery in the United States, price increases and a favorable scope effect. These increases more than offset the situation in Europe, which remained challenging. Parex's EBITDA totaled €51.9 million, up 7.5%, and its margin was 14.1%;
- Growth at **Kerneos (Aluminates)** (down 0.7% overall and down 0.5% organically) was impacted by contraction in the refractories business in Europe. Increased sales in building chemistry, driven by buoyant conditions in North America, partly offset this decline. Kerneos' EBITDA was €37 million, representing a margin of 20%, stable with respect to the year-earlier period;
- Organic growth of 1.7% at **Chryso (Admixtures)** was offset by very negative currency translation effects (-4.5%). Business remained very strong in emerging economies, in particular in Africa / Middle East (up 15%). In mature economies, business remained difficult in Europe, and the recovery in the United States was not enough to offset the extent of the decline in Europe. Chryso posted EBITDA of €17.7 million, down 4.3%, while its margin contracted slightly to 15.1%;
- Sales at **Materis Paints** contracted in the first half of 2013 (by 5.8% and by 4.7% organically), given the difficult economic climate in Europe, even though there were the beginnings of a recovery in Southern Europe in May and June. Materis Paints implemented a high-impact action plan that generated €13.1 million in savings in H1 2013 and aims to achieve €50 million by 2014. The company saw its profitability rise sharply in H1, with EBITDA up 7.4% at €33.5 million. This represented a margin of 8.9%, up 110 bp from H1 2012.

Stahl – Good first half, with strong growth in profitability

(Full consolidation)

In H1 2013, Stahl posted a 4.8% decline in sales to €175.7 million. This decline resulted from a business slowdown in some of the regional markets, self-initiated actions to eliminate lower margin business and a negative impact from foreign currency movements.

Sales of the "Leather products" activities were negatively impacted by the slowdown in the European automotive industry and by non-automotive activities in Asia. "High-performance coatings" activities were adversely affected by a slowdown in South America, largely being offset by continuing sales growth in Asia and North America.
Despite the lower sales level, Stahl's EBITDA rose a sharp 8.9% to €30.3 million, representing a margin of 17.2%, up 210 basis points. Operating margin widened as a result of a plan to reduce fixed costs in certain regions and of adjustment plans in low-margin activities.

Stahl's net financial debt stood at €154.7 million as of the end of June 2013, down significantly (17.6%) from June 30, 2012.

Saint-Gobain – Target of a recovery in operating income in the second half confirmed
(Equity accounted)

After a particularly tough first quarter hit by both fewer working days than in the year-earlier period and by very poor weather, the second quarter saw underlying trends stabilize on the Group's main markets in Western Europe and market conditions continue to rally in other regions. However, like-for-like, the second quarter was down a slight 1.2% on the same period in 2012, with volumes off 2.2% and prices up 1.0%. With the exception of Flat Glass – buoyed by a pick-up in growth in Asia and emerging countries – and Interior Solutions – lifted by the gradual improvement in the US construction market – all of the Group's Business Sectors and Divisions continued to suffer from sluggish European economies, albeit far less than in the first quarter.
In this persistently tough economic climate and despite the smaller rise in raw material and energy costs, sales prices remained a key priority for the Group throughout the first half, and gained 1.0%.
Overall, due to the ground lost in the first quarter, like-for-like consolidated sales were down 3.2% in the first six months of the year, with volumes losing 4.2% and prices gaining 1.0%. Despite profitability gains in North America and in Asia and emerging countries, the Group's operating margin narrowed, to 6.1% in first-half 2013 compared to 7.0% for the same period in 2012 and 6.3% for second-half 2012.

- Along the lines of the first quarter, **Innovative Materials** sales fell 2.9% on a like-for-like basis in the first half, hurt by a downturn in sales volumes, especially in Western Europe. The operating margin for the Business Sector narrowed, to 6.7% from 8.4% in first-half 2012 and 6.9% in second-half 2012.
- **Construction Products** (CP) sales retreated 1.7% on a like-for-like basis, hit by the slowdown in sales in Western Europe, not wholly offset by growth in Asia and emerging countries. The operating margin narrowed slightly, to 8.5% from 8.8% in first-half 2012.
- **Building Distribution** sales dropped 4.6% on a like-for-like basis over the first half, hard hit by fewer working days than in the year-earlier period (1.8 days less, representing a negative impact of 1.4% on Business Sector volumes) and by very harsh weather early in the year. However, the Sector's performance improved sharply in the second quarter, driven chiefly by a strong rebound in the UK, accelerated growth in Brazil, and stabilizing sales in Scandinavia. In France, trading continued to prove fairly resilient in a tough economic environment, with further gains in market share. Overall, sales prices remained upbeat across the Business Sector. The operating margin came out at 2.4% versus 3.9% in first-half 2012, owing chiefly to the sharp downturn in volumes in the first quarter.
- **Packaging (Verallia)** sales slipped 2.9% on a like-for-like basis over the six months to June 30, despite a 2.1% rise in sales prices. Volumes retreated in the US and in Western Europe, and remained stable in Russia and Latin America. Operating income increased by €36 million, or 17.4%, as a result of applying IFRS 5 (assets and liabilities held for sale) to Verallia North America (VNA) as of January 1, 2013, according to which depreciation of VNA's fixed assets (€36 million in the first half) is no longer charged to operating income. Excluding this one-off item, Verallia's operating income would be stable, at €207 million, and its operating margin – buoyed by a positive price/cost spread – would be 11.4%, versus 10.8% in first-half 2012. Regarding the planned divestment of VNA, Ardagh and Saint-Gobain are disappointed by the complaint filed by the FTC (Federal Trade Commission) on July 2, 2013, and intend to vigorously defend the transaction in litigation, whilst at the same time working with the FTC to seek to resolve its concerns.

To address the deteriorating economic environment observed in Western Europe in first-half 2013, Saint-Gobain:

- continued to give priority to sales prices, which rose 1.0% over the first half;
- rolled out new cost cutting measures, with additional cost savings of around €300 million in first-half 2013 compared to first-half 2012, chiefly in Western Europe (and Flat Glass in particular). These measures will be continued and stepped up in the second half, leading to total annual cost savings of €580 million in 2013, and of €1,100 million compared to the 2011 cost base;
- stabilized its operating working capital requirements (WCR) at 42 days' sales;
- slashed its capital spending and financial investments by €471 million year-on-year, driving net debt lower by 3.4%.

This action plan will be continued and intensified in the six months to December 31, 2013.

Against this backdrop, Saint-Gobain confirms its targets for full-year 2013:
- a recovery in operating income in the second half, after having bottomed out in first-half 2013,
- a high level of free cash flow, thanks mainly to a €200 million reduction in capital expenditure,
- a robust balance sheet, further strengthened by the disposal of Verallia North America.

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in Parcours (France), exceet (Germany), Mecatherm (France), Van Gansewinkel Groep (Netherlands) and IHS (Africa).

Parcours – Robust growth in sales

(Full consolidation)

Parcours reported sales of €149.7 million, up 6.1% compared with H1 2012. Between end-June 2012 and end-June 2013, Parcours' fleet expanded by 4.7% to 48,625 vehicles. This rate of growth was once again faster than the French industry average. Parcours also opened a new 2D office in Montpellier and a new 3D office in Bordeaux. Pre-tax ordinary income before the impact of office upgrades rose 9.2% to €10.6 million. Taking into account these items, pre-tax ordinary income declined 3% to €9.5 million over the period, representing a margin of 6.3%.

exceet – Sales growth of 0.3%

(Equity accounted)

In H1 2013, exceet posted a 0.3% uptick in sales to €90.8 million, and a 7.4% decline organically. Sales rose 7.2% in the second quarter to €47.8 million, and organic growth returned to positive territory (1.9%).
EBITDA totaled €8.2 million, up 23.7% from H1 2012 (€6.6 million), reflecting the combined effect of cost adjustment plans and more sales of high-margin products.

exceet expects to see strong growth in the second half and is confident it will return to organic growth and growth in EBITDA compared with 2012.

Mecatherm – Rise in sales and record order intake

(Full consolidation)

Mecatherm's sales totaled €32.1 million in the first half of 2013, up 8.5% from the year-earlier period. EBITDA totaled €3.2 million, representing a significant recovery from H1 2012 (€0.8 million).
The recovery in orders observed since Q3 2012 continued, with order intake reaching a record level of €109 million as of end-June 2013 (12-month basis). Mecatherm is reaping the benefits of the reorganization and its intensive sales & marketing efforts. It is continuing to expand on new markets. Prospection efforts are underway in South America, with a focus on Brazil. In addition, Mecatherm has opened its first foreign branch, in Dubai, which will enable it to better cover the Africa/Middle East region.
To support these efforts, Mecatherm has also introduced new, facilitated financing solutions for its customers and will present three production line innovations at the IBIE trade show in Las Vegas.

IHS – More than $1 billion raised over the last 12 months

(Equity accounted since May 2013)

With more than 8,500 towers under management, IHS Holding is the leader in telecom tower infrastructure for mobile phone operators in Africa. At the end of July, Wendel increased its investment in IHS Holding by taking part in a $242 million capital increase. Wendel invested an additional $100 million via Oranje-Nassau Développement, bringing its total investment to $276 million.

Over the last 12 months, IHS has raised more than $1 billion in equity and debt to finance its very rapid development in Africa. IHS's two-month contribution to Wendel's H1 2013 net income from business sectors was €-3 million, reflecting the rapid deployment and depreciation of its new towers.

Other significant events since the beginning of 2013

- **Wendel is IHS Holding's largest shareholder**

Wendel has made its first investment in Africa via Oranje-Nassau Développement, taking a stake in IHS Holding, leader in telecom tower infrastructure in Africa. As of July 24, 2013, Wendel had invested $276 million, i.e. more than the initial $125 million. This amount will enable IHS to step up its development, in particular through the construction of additional towers in Nigeria. With more than 35% of IHS's capital, Wendel is now IHS's largest shareholder and has three seats on the company's Board of Directors.
In addition, IHS signed a 15-year agreement with Orange on April 2, 2013 to manage more than 2,000 towers in Côte d'Ivoire and Cameroon. The terms of this agreement will enable IHS to strengthen its presence in these two countries as well as to lease available space on these towers to other operators. With this agreement, IHS is now the largest manager of telecom towers in Côte d'Ivoire and Cameroon.

- **Divestment of Wendel's remaining stake in Legrand, after 11 years of support**

Wendel successfully sold all of the 14.4 million shares it still held in Legrand, representing 5.4% of the capital, at €35.92 per share. The proceeds of the transaction totaled around €520 million, and Wendel realized a capital gain of around €370 million.
Over an 11-year period, Wendel's investment in Legrand generated an IRR of 19% and increased in value 3.9 times.

- **S&P has upgraded Wendel's rating to BB+**

On April 24, 2013, Standard & Poor's announced that it had upgraded its credit rating for Wendel from "BB" to "BB+", with a stable outlook. This decision was motivated by the decline in Wendel's loan-to-value ratio and by the overall improvement in Wendel's risk profile. This was the second upgrade in Wendel's rating, following the one in April 2012. Wendel confirms its intention to further strengthen its financial structure so as to return to investment grade status by the beginning of 2017.

- **Two successful bond placements at very favorable terms**

Also on April 24, 2013, Wendel announced two successful, simultaneous bond placements, totaling €300 million. Of this amount, €200 million forms a single series with the existing bonds due 2018, and €100 million forms a single series with the existing bonds due 2019. As a result of the transaction, the 2018 series now has a par value of €500 million and the 2019 series also has a par value of €500 million.
These two transactions were very well received by the market. The transaction on the 2018 series was increased from €100 million to €200 million in order to satisfy investor demand. Overall, the two transactions were more than five times oversubscribed.
The bonds were placed with more than 100 international investors, including French (53%), UK (12%), German (12%) and Scandinavian (9%).

- **Full repayment of 2013-14 syndicated loan**

Wendel has repaid the €250 million outstanding under the syndicated loan maturing in 2013-14. The Company has thus repaid this loan in its entirety and no longer has any debt maturing before November 2014.

- **New bank line of credit increased from €400 million to €600 million**

As announced on March 28, 2013, Wendel is continuing to renew and extend the maturity of its various financing lines. An agreement has been reached with eight banks to increase the amount of a syndicated credit line available until 2018 to €600 million, vs. the €400 million announced on March 28, 2013. This financing replaces the existing, undrawn €1.2 billion syndicated credit line maturing in 2013-14.

- **Repayment of €100 million in debt related to Saint-Gobain and monetization of 1.9 million Saint-Gobain shares acquired in August 2011**

Wendel has repaid the €100 million in debt related to Saint-Gobain, maturing in 2015, and has sold 1.9 million Saint-Gobain shares for €68 million. These shares, acquired in August 2011, were classified for accounting purposes as “Financial assets”.

- **Management of puts on Saint-Gobain**

The initial expiry dates of the 6.1 million puts issued on Saint-Gobain were extended during the first half of 2013. Currently, 2.6 million puts are due to expire in December 2013, 1.3 million in March 2014 and 2.2 million in September 2015.

- **Share buyback: cancellation of 2% of shares**

Wendel has repurchased 904,133 of its own shares this year so as to take advantage of the high discount in the share price compared with NAV. On August 28, 2013, the Board of Directors authorized the Executive Board to cancel 2% of share capital. Accordingly, the Executive Board reduced share capital by canceling 991,860 shares. Wendel had already canceled 2% of its share capital in 2012.

2 – Other information

Financial risk management procedures, information on **related parties** and **changes in the scope** of consolidation are detailed in the notes to the condensed consolidated first-half financial statements.
Operational risks are detailed in the 2012 Registration Document, on page 80.

Net Asset Value (NAV)

Wendel's Net Asset Value (NAV) as of August 20, 2013

Net Asset Value came to €6,765 million or €136.4 per share as of August 20, 2013 (see detail below), representing a 50.4% rise from €90.7 on August 21, 2012. Since the start of the year, NAV has advanced 17.4%. The discount to NAV was 35.1% as of August 20, 2013.

The calculation methodology was detailed on August 31, 2009 and remains unchanged. It conforms to the recommendations of the European Venture Capital Association.

(in millions of euros)			5/16/2013	8/20/2013
Listed equity investments	Number of shares (millions)	Share price[1]	**8,464**	**8,237**
• Bureau Veritas	225.2 (after 4-for-1 share split in June 2013)	€22.5	5,115	5,061
• Saint-Gobain	89.8 (August 2013) / 91.7 (May 2013)	€35.4	2,832	3,176
• Legrand	0.0 (August 2013) / 14.4 (May 2013)		517	0
Unlisted equity investments (Materis, Stahl) and Oranje-Nassau Développement[2]			1,070	1,289
Other assets and liabilities of Wendel and holding companies[3]			170	202
Cash and marketable securities [4]			680	1,122
Gross assets, revalued			**10,384**	**10,850**
Wendel bond debt			(3,415)	(3,396)
Bank debt related to Saint-Gobain financing			(627)	(528)
Value of puts issued on Saint-Gobain[5]			(191)	(162)
Net asset value			**6,151**	**6,765**
Number of shares			49,551,450	49,592,990
Net asset value per share			**€124.1**	**€136.4**
Average of 20 most recent Wendel share prices			€82.7	€88.5
Premium (discount) on NAV			(33.4%)	(35.1%)

(1) Average of 20 most recent closing prices, calculated as of August 20, 2013
(2) Mecatherm, Parcours, VGG, exceet, IHS and indirect investments
(3) Includes 2,463,109 shares held in treasury as of August 20, 2013 (before cancellation of 991,860 treasury shares on August 28)
(4) Cash and financial investments of Wendel and Saint-Gobain acquisition holding companies include €0.79 billion in short-term cash positions, €0.32 billion in liquid financial investments and €0.01 billion in pledged cash.
(5) 6.1 million puts issued as of August 20, 2013

Condensed consolidated financial statements H1 2013

BALANCE SHEET - CONSOLIDATED FINANCIAL POSITION

ASSETS

In millions of euros	Note	6/30/2013	12/31/2012
Goodwill	6	2,861.2	2,889.1
Intangible assets, net		1,410.2	1,459.3
Property, plant & equipment, net		1,570.6	1,556.0
Non-current financial assets	9	116.6	114.6
Pledged cash and cash equivalents	8	-	3.4
Equity-accounted investments	7	4,258.1	4,434.1
Deferred tax assets		200.6	189.5
Total non-current assets		**10,417.3**	**10,646.0**
Assets of operations held for sale		**5.3**	**10.6**
Inventories		381.2	366.7
Trade receivables		1,569.3	1,412.8
Other current assets		235.3	205.0
Current income tax		64.3	87.4
Other current financial assets	9	554.7	455.5
Cash and cash equivalents	8	1,189.4	845.9
Total current assets		**3,994.3**	**3,373.4**
Total assets		**14,416.9**	**14,030.0**

The notes to the financial statements are an integral part of the consolidated statements.

LIABILITIES AND SHAREHOLDERS' EQUITY

In millions of euros	Note	6/30/2013	12/31/2012
Share capital		198.2	198.2
Premiums		184.7	184.4
Retained earnings & other reserves		2,096.4	2,070.7
Net income for the period - Group share		323.4	221.1
		2,802.7	2,674.4
Non-controlling interests		513.3	617.9
Total shareholders' equity	10	**3,316.0**	**3,292.3**
Provisions	11	300.9	302.8
Financial debt	12	7,603.5	7,483.1
Other financial liabilities	9	144.3	129.2
Deferred tax liabilities		580.8	590.0
Total non-current liabilities		**8,629.5**	**8,505.1**
Liabilities of operations held for sale		**-**	**1.0**
Provisions	11	6.6	7.0
Financial debt	12	754.0	551.3
Other financial liabilities	9	207.2	226.3
Trade payables		653.5	579.3
Other current liabilities		766.5	782.4
Current income tax		83.7	85.4
Total current liabilities		**2,471.4**	**2,231.6**
Total liabilities and shareholders' equity		**14,416.9**	**14,030.0**

The notes to the financial statements are an integral part of the consolidated statements.

CONSOLIDATED INCOME STATEMENT

In millions of euros	Note	H1 2013	H1 2012
Net sales	13	3,357.1	3,259.9
Other income from operations		3.2	3.1
Operating expenses		-2,994.1	-2,922.1
Income from ordinary activities		***366.2***	***340.8***
Other operating income and expenses	14	-21.7	-12.3
Operating income		***344.5***	***328.5***
Income from cash and cash equivalents		4.2	5.3
Finance costs, gross		-228.1	-235.0
Finance costs, net	15	*-223.9*	*-229.7*
Other financial income and expense	16	30.4	1.4
Tax expense	17	-81.8	-74.9
Net income from equity-accounted investments	18	331.4	68.7
Net income from continuing operations		***400.6***	***94.0***
Net income from discontinued operations and operations held for sale	19	-	706.6
Net income		***400.6***	***800.7***
Net income – non-controlling interests		77.1	75.9
Net income – Group share		**323.4**	**724.8**

In euros		H1 2013	H1 2012
Basic earnings per share (in euros)	20	6.81	14.96
Diluted earnings per share (in euros)	20	6.64	14.71
Basic earnings per share from continuing operations (in euros)	20	6.81	0.39
Diluted earnings per share from continuing operations (in euros)	20	6.64	0.32
Basic earnings per share from discontinued operations (in euros)	20	0.00	14.57
Diluted earnings per share from discontinued operations (in euros)	20	0.00	14.39

The notes to the financial statements are an integral part of the consolidated statements.

STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	H1 2013 Gross amounts	H1 2013 Tax effect	H1 2013 Net amounts	H1 2012 Gross amounts	H1 2012 Tax effect	H1 2012 Net amounts
Items recyclable into net income						
Currency translation reserves (1)	-192.1	-	-192.1	76.5	-	76.5
Gains and losses on qualified hedges	-3.2	0.2	-3.0	-5.4	-1.0	-6.4
Gains and losses on assets available for sale	15.6	-	15.6	-0.7	-	-0.7
Earnings previously recognized in shareholders' equity taken to the income statement	1.6	-	1.6	18.0	-	18.0
Items non-recyclable into net income						
Actuarial gains and losses (2)	127.9	-43.5	84.4	-70.3	22.3	-48.1
Income and expenses recognized directly in shareholders' equity (A)	**-50.3**	**-43.3**	**-93.6**	**18.1**	**21.2**	**39.3**
Net income for the period (B)			400.6			800.7
TOTAL INCOME AND EXPENSES RECOGNIZED FOR THE PERIOD (A)+(B)			**307.0**			**840.0**
Attributable to:						
- shareholders of Wendel			280.9			742.5
- non-controlling interests			26.0			97.5

(1) Includes €-75.0 million related to Saint-Gobain (€+40.7 million in H1 2012) and €-98.9 million related to Bureau Veritas (€+18.8 million in H1 2012).

(2) The main impact is €125.3 million due to Saint-Gobain (before taxes, Wendel’s share), vs. €-68.0 million in H1 2012.

The notes to the financial statements are an integral part of the consolidated statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In millions of euros	Number of shares outstanding	Share capital	Premiums	Treasury shares	Retained earnings & other reserves	Currency translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
Shareholders' equity as of December 31, 2011	**48,446,820**	**202.2**	**252.5**	**-130.2**	**2,292.1**	**77.2**	**2,693.9**	**604.0**	**3,298.0**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-122.2	-32.1	-154.4	-27.3	-181.7
Net income for the period (B)					221.1	-	221.1	115.9	337.1
Total income and expenses recognized during the period (A)+(B) (1)		-	-	-	98.9	-32.1	66.8	88.6	155.4
Dividends paid (2)					-87.1		-87.1	-73.8	-160.9
Treasury shares	376,657			-60.4			-60.4		-60.4
Cancellation of treasury shares	-1,079,013	-4.3	-70.3	74.7			-		-
Capital increase									
exercise of stock options	26,262	0.1	0.9				1.0		1.0
company savings plan	35,417	0.1	1.4				1.5		1.5
Share-based payments (including equity-accounted investments)					19.3		19.3	8.3	27.6
Changes in scope of consolidation					0.1	0.8	0.9	14.3	15.2
Other					38.5		38.5	-23.5	15.0
Shareholders' equity as of December 31, 2012, reported basis	**47,806,143**	**198.2**	**184.4**	**-116.0**	**2,361.9**	**45.9**	**2,674.4**	**617.9**	**3,292.3**
IAS 19 restatement (3)		**-**		**-**	**-3.5**	**-**	**-3.5**	**-**	**-3.5**
Shareholders' equity as of December 31, 2012 after IAS 19 restatement (3)	**47,806,143**	**198.2**	**184.4**	**-116.0**	**2,358.5**	**45.9**	**2,670.9**	**617.9**	**3,288.8**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	98.1	-140.6	-42.5	-51.1	-93.6
Net income for the period (B)					323.4	-	323.4	77.1	400.6
Total income and expenses recognized during the period (A)+(B) (1)		-	-	-	421.6	-140.6	280.9	26.0	307.0
Dividends paid (2)					-83.0		-83.0	-104.7	-187.7
Treasury shares	-665,682			-57.1			-57.1		-57.1
Capital increase									
exercise of stock options	8,323	0.0	0.3				0.3		0.3
company savings plan	-	-	-				-		-
Share-based payments (including equity-accounted investments)					8.6		8.6	4.4	13.0
Change in scope of consolidation (4)					-30.1	10.8	-19.3	-30.6	-49.9
Other					1.3	0.0	1.3	0.3	1.6
Balance as of June 30, 2013	**47,148,784**	**198.2**	**184.7**	**-173.1**	**2,676.9**	**-83.9**	**2,802.7**	**513.3**	**3,316.0**

(1) See "Statement of comprehensive income".

(2) In H1 2013, Wendel paid a dividend of €1.75 per share, for a total of €83.0 million. In 2012, Wendel paid a dividend of €1.30 per share, plus one Legrand share for every 50 Wendel shares held and a cash payment in lieu of fractional shares, if any, for a total of €87.1 million.

(3) The impact of the amendment to IAS 19 "Employee Benefits" is described in Note 1 "Accounting principles".

(4) Changes in scope included the impact of Bureau Veritas' net share buybacks (€-25.2 million, Group share), as well as a reversal of currency translation reserves when Legrand was sold (€-10.8 million).

The notes to the financial statements are an integral part of the consolidated statements.

CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	Note	H1 2013	H1 2012
Cash flows from operating activities			
Net income		400.6	800.7
Share of net income/loss from equity-accounted investments		-331.4	-68.7
Net income from discontinued operations and operations held for sale		-	-706.6
Depreciation, amortization, provisions and other non-cash items		210.8	185.6
Non-cash income and expense related to stock options and similar items		11.3	9.6
Expenses on investments and divestments		-0.1	2.3
Gains/losses on divestments		2.1	-0.6
Financial income and expense		193.5	228.2
Taxes (current & deferred)		81.8	74.9
Cash flow from consolidated companies before tax		568.4	525.4
Change in working capital requirement related to operating activities		-135.1	-202.5
Net cash flows from operating activities, excluding tax	5	**433.4**	**322.9**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	21	-239.7	-210.9
Disposal of property, plant & equipment and intangible assets	22	45.3	39.9
Acquisition of equity investments	23	-173.9	-303.8
Disposal of equity investments	24	524.6	966.0
Impact of changes in scope of consolidation and of operations held for sale		4.6	10.8
Changes in other financial assets and liabilities and other	25	37.0	-88.2
Dividends received from equity-accounted investments and unconsolidated companies	26	14.8	128.3
Change in working capital requirements related to investment activities		-18.6	57.7
Net cash flows from investing activities, excluding tax	5	**193.9**	**599.7**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		0.3	0.2
Contribution of non-controlling shareholders		1.3	8.4
Share buybacks			
- Wendel		-57.1	-25.6
- Subsidiaries		-57.1	-20.7
Dividends paid by Wendel (1)		-83.0	-63.3
Dividends paid to non-controlling shareholders of subsidiaries		-104.7	-72.0
New borrowings	27	876.8	1,256.0
Repayment of borrowings	27	-611.2	-1,697.5
Net finance costs		-203.3	-215.0
Other financial income/expense		-18.7	-10.3
Change in working capital requirements related to financing activities		53.7	57.1
Net cash flows from financing activities, excluding tax	5	**-203.0**	**-782.6**
Cash flows related to taxes			
Current tax expense		-103.9	-99.9
Change in tax assets and liabilities (excl. deferred taxes)		21.3	-12.3
Net cash flows related to taxes	5	**-82.6**	**-112.2**
Effect of currency fluctuations		-1.6	1.7
Net change in cash and cash equivalents		**340.1**	**29.5**
Cash and cash equivalents at the beginning of the year		849.3	943.3
Cash and cash equivalents at the end of the period	**8**	**1,189.4**	**972.7**

(1) The dividend paid by Wendel in 2012 included a portion paid in Legrand shares (see "Changes in shareholders' equity"). Only the cash dividend of €62.9 million and the cash payment in lieu of fractional shares of €0.4 million are presented in the cash flow statement.

The principal components of the consolidated cash flow statement are detailed beginning with Note 21.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are provided in Note 8 “Cash and cash equivalents”. As of June 30, 2013, cash and cash equivalents did not include any pledged cash recognized under non-current financial assets (as of June 30, 2012, cash and cash equivalents included €151.8 million in pledged cash). Cash and cash equivalents were solely composed of €1,189.4 million in available cash recognized under current financial assets (€820.9 million as of June 30, 2012).

H1 2012 cash flows do not include those of Deutsch, which was sold during H1 2012.

The notes to the financial statements are an integral part of the consolidated statements.

GENERAL PRINCIPLES

Wendel is a *société anonyme* (public limited company) with an Executive Board and a Supervisory Board. It is governed by French law and has the Paris commercial registry number 572 174 035. Its head office is located at 89 rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

Wendel's condensed consolidated first-half 2013 financial statements cover the six-month period from January 1 to June 30, 2013 and are expressed in millions of euros. They include:

- the balance sheet (statement of financial position),
- the income statement and statement of comprehensive income,
- the statement of changes in shareholders' equity,
- the cash flow statement,
- the notes to the financial statements.

These financial statements were finalized by Wendel's Executive Board on August 21, 2013.

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

This set of consolidated financial statements for the first half of 2013 has been prepared in accordance with IAS 34 "Interim Financial Reporting". These financial statements should be read in conjunction with the financial statements for the 2012 fiscal year included in the Registration Document filed with the AMF on April 8, 2013 under number D.13-0311.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2013, these accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2012. They correspond to the International Financial Reporting Standards as adopted by the European Union, which are available on the European Commission's website:

“http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm”.

The following standards and interpretations became applicable to the Wendel group on January 1, 2013:

- IAS 1 "Presentation of Financial Statements", applied in advance to the 2012 consolidated financial statements;
- Amendment to IFRS 7 "Financial instruments: Disclosures”;
- Amendment to IAS 12 "Deferred taxes: recovery of underlying assets";
- Amendment to IAS 19 "Employee benefits”; and
- IFRS 13 "Fair value measurement";

The application of the amendments to IFRS 7 and IAS 12 did not have a material impact on the condensed consolidated first-half 2013 financial statements.

The amendment to IAS 19, applied retrospectively, resulted in a net decrease of €3.5 million in Group share of shareholders’ equity as of December 31, 2012. This impact was exclusively related to operating subsidiaries and associates and came about because:

- Past service costs resulting from changes in pension plans can no longer be amortized over the remaining service periods of the employees concerned; and
- The discount rates applied to employee-related liabilities are used to evaluate the expected yield on plan assets.

As the impact of this amendment is not material, no modifications were made to the presentation of the 2012 consolidated balance sheet and income statement.

The application of IFRS 13 required a disclosure of how the fair value of financial instruments is determined, presented in Note 9-3.C on derivative instruments.

Wendel did not opt for early adoption of the new standards, amendments to existing standards and interpretations that were not mandatory for 2013:

- IFRS 10 “Consolidated financial statements";
- IFRS 11 "Joint arrangements";
- IFRS 12 "Disclosure of interests in other entities";
- IAS 28 "Investments in associates and joint ventures";
- IAS 27 "Separate financial statements”; and
- Amendments to IAS 32 "Offsetting financial assets and financial liabilities”.

Wendel is currently assessing the potential impact of the application of these texts on its financial statements.

NOTE 2. CHANGES IN SCOPE OF CONSOLIDATION DURING H1 2013

As of June 30, 2013, the Wendel group was composed of:

- fully-consolidated operating companies: Bureau Veritas (51.44% net of treasury shares), Materis (75.54%), Stahl (92.15%) and companies held by Oranje-Nassau Développement, i.e. Parcours (95.74%) and Mecatherm (98.14%);
- operating companies accounted for by the equity method: Saint-Gobain (16.38% net of treasury shares) and companies held by Oranje-Nassau Développement, i.e. exceet (28.44% net of treasury shares) and IHS (38.13%); and
- Wendel and its holding companies.

Note 2 - 1.1 Investment in IHS (mobile telephone infrastructure in Africa)

During the first half of 2013, Wendel made its first investment in Africa via Oranje-Nassau Développement, taking a stake in IHS Holding.

IHS is a fast-growing provider of telecom tower infrastructure for mobile phone operators in Africa. Its business consists in building, leasing and managing telecommunications towers for its own account and on behalf of third parties. The members of its multicultural, entrepreneurial management team have extensive experience in the telecoms sector in Africa and around the world. IHS maintains long-term relationships with its customers. The group manages 8,500 towers in Africa, of which it owns 3,000.

This investment was part of capital increases to support IHS in its pan-African expansion strategy including via the acquisition of telecom towers in Côte d’Ivoire and Cameroon from MTN Group during H1 2013 as well as through an agreement entered into with Orange in these same countries. The other shareholders that participated in the capital increases are top-tier private equity companies in Africa and an Asian sovereign fund.

As of the June 30, 2013 closing, the Group’s investment totaled $176 million. In July 2013, a further $100 million was invested, bringing the Group's total investment to $276 million. In accordance with the policy of Wendel managers participating in Group investments (see Note 4-1 to the 2012 consolidated statements on page 167 of the 2012 Registration Document), 0.5% of the investment was made by Wendel managers.

Wendel is now IHS’s largest shareholder, owning almost 35% of its capital, and has three seats on IHS’s Board of Directors. The Wendel group now has a significant influence over IHS, which has been consolidated by the equity method since the end of April 2013 (IHS's closing date nearest the date of the investment). Consequently, two months of activity have been consolidated in the Group's H1 2013 consolidated income statement. The opening balance is being analyzed, and goodwill will be allocated to identifiable assets and liabilities and to contingent liabilities during the 12 months following the investment, in compliance with IFRS standards.

Note 2 - 1.2 Sale of the Group's residual investment in Legrand (products and systems for low voltage installations)

On June 11, 2013, Wendel successfully sold all of the 14.4 million shares it still held in Legrand, representing 5.4% of the capital, at €36 per share. The proceeds of the transaction totaled €520 million, and Wendel realized a capital gain of €369 million (net of sales fees). This capital gain has been recognized in the income statement under "Net income from equity-accounted investments".

Over an 11-year period, Wendel's investment in Legrand generated an IRR of 19% and increased in value 3.9 times.

In H1 2013, Legrand achieved sales of €2,254 million, up 1.4%, adjusted operating income of €457.5 million and net profit, group share of €269.8 million.

Due to the significant influence Wendel exercised over Legrand, with seats on the Board of Directors, the Strategy Committee, the Audit Committee and the Nominating and Compensation Committee, its investment was accounted for by the equity method until the date it sold its stake in the company. 5.4% of Legrand's earnings were therefore consolidated under "Equity-accounted investments" until the date Legrand was sold.

Note 2 - 1.3 Investment in Saint-Gobain (production, transformation and distribution of building materials)

As of June 30, 2013, Wendel held 91,722,635 Saint-Gobain shares, representing 16.7% of the capital (net of treasury shares) and 25.9% of the voting rights.

Consistent with the opening of the fiscal year, 89,812,635 of these shares, or 16.4% of share capital (net of treasury shares), are recognized as equity-accounted investments. Wendel's significant influence over Saint-Gobain is shown by its representation on the Board of Directors (three seats out of 16), the Financial Statements Committee, the Strategic Committee and the Compensation Committee. Wendel and Saint-Gobain published the principles and objectives of their 10-year cooperation agreement on May 26, 2011. Under the terms of this agreement, Wendel is guaranteed three seats on the Board of Saint-Gobain so long as it holds more than 10% of the voting rights of Saint-Gobain.

Over the first half of 2013, the percentage of Wendel's ownership of equity-accounted investments fell slightly by 0.7%. This dilution derived from:

- the capital increase reserved for employees and stock-option exercises, which were partially offset by share buybacks carried out by Saint-Gobain; and
- the dividend paid by Saint-Gobain in 2013, with beneficiaries having the option of receiving the dividend in cash (€1.24 per share) or in shares (issue price: €28.12 per share). 72.5% of shareholders chose to receive the dividend in shares. Wendel opted to receive its dividends in shares and sold all of the shares thus received under the terms of a bank financing agreement. As a result of this sale, Wendel received (after the H1 2013 accounts were closed) the equivalent of a dividend in cash (€1.24 per share) for the shares held, plus a premium of €12.5

million (including the premium relating to the dividend on the 1,910,000 shares recognized as current financial assets, see below).

Overall, these transactions led to a dilution loss of €88.9 million (of which €64.3 million for the share dividends), which is recognized under “Net income from equity-accounted investments”. Please note that the capital increase following the payment of dividend in shares was only formally recognized in July 2013, but was considered as having taken place as of June 30, 2013 for the publication of the H1 consolidated financial statements. The dilution loss relates to the difference between the carrying value of the shares on the Group's consolidated balance sheet and the subscription price of the shares issued by Saint-Gobain in these transactions.

Additionally, as was the case at the opening of the fiscal year, 1,910,000 shares purchased in August 2011 were recognized at their market price as current financial assets. As such, any change in their fair value is recognized on the income statement. This treatment is consistent with the Group's initial, announced objective not to hold the 1,910,000 shares over the long term (see Note 9 "Financial assets and liabilities"). These shares were sold during the summer of 2013 (after the H1 2013 close) for €68.3 million, with Wendel achieving a gain of 16% on this investment since August 2011 (including dividends received).

Following this sale, Wendel held 16.4% of the capital (net of treasury shares) and 25.6% of the voting rights.

Note 2 - 1.4 Principal changes in scope of consolidation of subsidiaries and associates

1. Changes in scope of consolidation of the Bureau Veritas group (compliance evaluation and certification services)

In H1 2013, Bureau Veritas continued to follow its acquisition strategy and completed two transactions:

- 7Layers (Consumer products), a German company specialized in the testing and certification of mobile electronics devices and wireless technologies. This acquisition positions Bureau Veritas among the global leaders by doubling the size of its activities in this segment; and
- LVQ-WP Werkstoffprüfung GmbH (Manufacturing), a German group specialized in non-destructive testing and industrial inspection services.

On an annual basis, these two acquisitions had combined revenue estimated at more than €33 million in 2012.

Bureau Veritas also increased its stake in Inspectorate Italia Srl (Raw materials) from 90% to 100%.

The cost of the acquisitions carried out during H1 totaled €49.8 million (of which €3.5 million was to be paid after the close). The resulting goodwill amounted to €30.6 million. The goodwill amount will become definitive once valuation of the identifiable assets and liabilities and the contingent liabilities of the companies acquired is completed over the next 12 months, in line with accounting standards.

Subsequent to the closing of the accounts on June 30, 2013, Bureau Veritas finalized its acquisition of two new companies:

- Sievert Group, a leading company in non-destructive testing and industrial inspection. Based in Mumbai, Sievert has a strong presence in India, South-East Asia and the Middle East. Sievert's revenue totaled $42 million in 2012/13 (fiscal year ending March 31, 2013).
- Kanagawa Building Inspection (KBI), a Japanese building inspection and certification company. KBI primarily provides compliance assessment of buildings, from design review to construction inspection, as well as quality assurance of existing buildings and structural assessment calculations. KBI has five offices in the Greater Tokyo area. In the 2012/13 fiscal year (at end-March 2013), it generated revenue of around €7.5 million (JPY 913 million).

Finally, Bureau Veritas carried out the sale of assets and liabilities identified as discontinued operations and operations held for sale as of December 31, 2012:

- in the Construction division, predominantly in Spain, the Paymacotas group of subsidiaries, manager of the Infrastructure activity; and
- in the In-Service Inspection and Verification division, the subsidiary Analytical Solutions, manager of the Environment activity in Brazil.

As of June 30, 2013, a gain of €3.1 million was recognized in the income statement as a result of these sales (see Note 14 "Other operating income and expenses").

2. Changes in scope of consolidation by the Saint-Gobain group (production, transformation and distribution of building materials), an equity-accounted investment

On January 17, 2013 Saint-Gobain accepted the purchase offer of Ardagh on Verallia North America for an enterprise value of $1,694 million (around €1,275 million), representing 6.5 times 2012 EBITDA (around $261 million). This transaction is subject to authorization by the United States anti-trust authorities. On July 1, 2013, the FTC (Federal Trade Commission) filed a complaint in Federal Court seeking to prevent the sale being consummated. On July 2, 2013, Saint-Gobain stated that the parties — Ardagh and Saint-Gobain – were disappointed by the action taken by the Commission and intended to vigorously defend the transaction in litigation, whilst at the same time working with the FTC to seek to resolve its concerns.

On March 7, 2013, Saint-Gobain signed an agreement for the sale of its U.S.-based PVC Pipe & Foundations business to North American Pipe Corporation, a subsidiary of Westlake Chemical Corporation. The sale was finalized on May 1, 2013 after receiving authorization from US regulatory review.

NOTE 3. RELATED PARTIES

Wendel's related parties are:
- Saint-Gobain, Legrand (until the date it was sold), IHS and exceet, which are accounted for by the equity method;
- the members of Wendel's Supervisory Board and Executive Board; and
- Wendel-Participations, which is the Group's control structure.

In accordance with the policy of Wendel managers participating in Group investments, the management team (including the Executive Board) has co-invested 0.5% of the Group's total investment in IHS (see Note 2 on changes in scope of consolidation). This co-investment is subject to the principles applicable to investments carried out between 2011 and April 2013, described in Note 4 of the 2012 consolidated financial statements, on page 167 of the 2012 Registration Document.

Moreover, as explained during the Shareholders' Meeting of May 2013, two changes to the co-investment principles are planned in order to take into account an increased pace of investment:
- A new pooled portion: half of Wendel's return (whose minimum remains the same at 7%)and capital gain would be calculated on the basis of how all new investments perform during the period; and
- For the other half, Wendel's minimum return would be raised, calculated on an investment-per-investment basis. Wendel's annual return would now have to be at least 10% vs. 7% in the principles set out in 2011, in order for the co-investors to be entitled to a fraction of the gain.

The *pari passu* portion with Wendel would be kept at 30%. These changes would be applied to any new investments Wendel makes between April 2013 and April 2017.

There were no other significant changes during the period in transactions with related parties as detailed in the section entitled "Related parties" in the 2012 consolidated financial statements (see Note 3, p.166 of the 2012 Registration Document).

NOTE 4. MANAGING FINANCIAL RISKS

Note 4 - 1. Managing equity market risks

Note 4 - 1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas and exceet) and others are unlisted (Materis, Stahl, Parcours, Mecatherm and IHS). The Group also holds non-controlling interests, such as in VGG, whose amounts are relatively insignificant.

The value of these investments is based mainly on:
- their economic and financial performance;

- their prospects for business development and profitability;
- their ability to identify risks and opportunities in their environment;
- equity market trends, directly in the case of listed companies and indirectly in the case of unlisted companies, whose valuations may be influenced by market parameters.

Growth in Wendel's Net Asset Value (NAV) depends on its managers' capacity to select, buy, develop and then resell companies able to distinguish themselves as leaders in their sectors.

Wendel makes its decisions on the basis of its investment teams' expertise and in-depth strategic, accounting / financial, legal, tax and environmental analysis. These processes identify the operating, competitive, financial and legal opportunities and threats likely to have an impact on the value of an investment.

Wendel monitors and analyzes each company's operating and financial performance and the risks to which they are subject, alongside the managers of the companies, during regular in-depth operational review meetings or meetings of these companies' governance entities. In addition, knowledge sharing with the management team makes it possible to develop true sectoral expertise and thus to prepare an analysis of future prospects at regular intervals. This regular review also enables Wendel to better analyze developments in each investment and play its role of principal shareholder.

Wendel's company-specific approach is supplemented at the Group level through an overall analysis of the distribution of Wendel's subsidiaries and investments by economic activity, in order to ensure sufficient diversification, not only sectorally, but also from the point of view of competitive positioning and of the resilience of the companies to economic hardship.

Nevertheless, there is a risk that the subsidiary's economic results will not meet Wendel's expectations. This risk is significant amid the current high volatility on the financial markets and the after-effects of the global recession, which continues to generate much uncertainty about economic trends.

The financial structure of LBO investments (Materis, Stahl, VGG and Mecatherm) accentuates the valuation risk of these investments. While leverage makes high internal rates of return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in economic activity by restricting their access to liquidity and by subjecting them to the risk that financial covenants will trigger accelerated maturity of their financial debt (see Note 4 - 2 "Managing liquidity risk"). Moreover, the financial crisis has shown that banks' own difficulties (e.g. access to liquidity, prudential ratios) could create obstacles in refinancing the debt of these companies. To forecast and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. Moreover, Wendel and its subsidiaries are in close contact with bank lenders, in order to more effectively manage the restrictions on these financing agreements.

The value of these investments is therefore subject to the risk that their economic and financial performance and prospects for business development and profitability will be undermined by difficulties related to their organization, financial structure, economic sector and/or the global economic environment. It is also subject to financial market risk, and equity market risk in particular.

However, Wendel is a long-term shareholder with no short-term demands on the value of its assets at a specific point in time, even though it monitors NAV trends very closely.

Note 4 - 1.2 Equity derivatives

Wendel may use equity or index derivatives to manage or hedge the risk on its asset portfolio. Wendel issued (wrote) 6.1 million European puts on Saint-Gobain in 2007 (see Note 9 - 4 “Put options issued (written) on Saint-Gobain shares").

These instruments are monitored regularly by the Finance department, which evaluates the associated risk and presents it to the Executive Board.

Note 4 - 1.3 Short-term financial investments indexed to equity markets

As part of its cash management (see Note 4 -2 “Managing liquidity risk”), Wendel uses liquid, short-term financial investments, a small portion of which are indexed to equity markets (equity funds). This small portion is therefore exposed to equity market risk. Such investments, which offer higher expected yields than cash instruments, but also greater risk of loss in value, are monitored regularly by the Group VP in charge of finance and by the Executive Board.

Note 4 - 1.4 Equity market risk

Equity market risk relates to:

- Consolidated and equity-accounted securities, whose recoverable values used for impairment tests are based on market parameters, including the discount rate used in calculating “value in use” or the market price used in calculating “fair value”;
- The puts issued (written) on Saint-Gobain shares, which are recognized at their fair value on the balance sheet. When Saint-Gobain's share price declines, the liability related to these puts increases, generating a loss in the income statement, and vice-versa. As an indication, as of June 30, 2013, a +/-5% change in the price of Saint-Gobain shares would have an impact of about +/-€9 million on the income statement (see Note 9-4 “Put options issued (written) on Saint-Gobain shares”);
- The Saint-Gobain shares purchased in the summer of 2011, classified as current financial assets (see Note 9 "Financial assets and liabilities") and whose value was €59.4 million as of the end of June 2013. A +/-5% variation in the equity markets would have had an impact of about +/- €3 million on the value of these shares and on the income statement. These shares were sold during the summer of 2013 (after the H1 2013 close), see Note 2, "Changes in scope of consolidation";
- Short-term financial investments indexed to the equity markets, the total value of which was €62 million as of June 30, 2013. Such investments are classified under current financial assets, and any change in their fair value is recognized on the income statement. A +/-5% variation in the equity markets would have an impact of about +/- €3 million on the value of these investments and on the income statement;

- Margin calls on Saint-Gobain financing. These depend on the price of the shares serving as collateral. These margin calls could have an impact on Wendel's available cash and are described in Note 4 - 2 "Managing liquidity risk". This risk has been significantly reduced by the very large reduction in financing with margin calls, which has fallen from €3,464 million at the beginning of 2009, to €625 million as of June 30, 2013 (€525 million after the repayment of €100 million during the summer of 2013 after the H1 2013 close);
- The covenants under Wendel's syndicated credit facility. These covenants are based on ratios of financial debt to the value of assets and are described in Note 4 - 2 "Managing liquidity risk". As of June 30, 2013, this credit was undrawn and Wendel was in compliance with these covenants.
- The degree of financial leverage of Wendel and its holding companies (i.e. net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond borrowings (See Note 4 - 2 "Managing liquidity risk").

In millions of euros	Net book value (Group share)	Market value (closing share price)	Share price change of < 5%	***Balance sheet note***	Impact of changes in value and impairment tests on the income statement
Equity-accounted investments					
Saint-Gobain	4,070.3	2,793.2	-139.7	**7**	(1)
Oranje-Nassau Développement – exceet	54.3	28.0	-1.4	**7**	(1)
Oranje-Nassau Développement – IHS	130.3	NA	NA		(2)
Consolidated investments					
Bureau Veritas	1,044.6	4,479.8	-224.0		(4)
Materis	-329.5	NA	NA		
Shareholder loan and Materis liquidity line (3)	310.6				
	-19.0				(4)
Stahl	19.2	NA	NA		
Stahl shareholder loan (3)	73.9				
	93.2				(4)
Oranje-Nassau Développement					
- Parcours	122.0	NA	NA		(4)
- Mecatherm (incl. liquidity line (3))	117.3	NA	NA		(4)
Financial instruments					
Puts issued (written) on Saint-Gobain	-184.1	-184.1	-9.0	**9**	change of +/- 5% in Saint-Gobain: +/- €9M
Other financial assets					
Unconsolidated Saint-Gobain shares	59.4	59.4	-3.0	**9**	change of +/- 5% in Saint-Gobain: +/- €3.0M
Short-term financial investments indexed to the equity markets	61.6	61.6	-3.1		change of +/- 5% in short-term investments: +/- €3.1M

(1) Impairment tests are based on value in use (discounted future cash flows). See Note 7 "Equity-accounted investments".
(2) No impairment test was carried out because the investment is recent;
(3) Eliminated on consolidation;
(4) As there was no indication of a loss in value, no test was performed as of June 30, 2013 on these CGUs. The annual test required under IFRS will be performed at the year-end closing.
(5) These shares were sold during the summer of 2013 after the June 30, 2013 closing.

Note 4 - 2. Managing liquidity risk

Note 4 - 2.1 Wendel's and the holding companies' liquidity risk

Wendel needs cash to make investments, service debt, pay operating expenses and dividends and meet margin calls on Saint-Gobain financing. These needs are covered by asset rotation, bank and bond financing and by dividends received from subsidiaries and associates.

1. Position and monitoring of cash and short-term financial investments

1.1. Cash and short-term financial investments as of June 30, 2013

As of June 30, 2013, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Available *denominated in €*	Available *denominated in $*	Pledged *denominated in €*	Total
Money-market mutual funds (1)	497			497
Bank accounts and bank certificates of deposit (1)	290	61		351
Diversified, equity and bond funds (2)	33	30		63
Funds managed by financial institutions (2)	253			253
Short-dated bonds (2)	4			4
Total	**1,076**	**91**	**0**	**1,167** (3)
	1,167			

(1) Classified under cash and cash equivalents within current assets.
(2) Classified under other current financial assets.
(3) Before receipt of proceeds from monetizing Saint-Gobain share dividends (€113.7 million) in July 2013.

1.2. Monitoring cash and short-term financial investments

Every month cash & equivalents (including short-term financial investments) and cash flow are displayed on a chart summarizing the changes during the month and the month-end position. This chart is systematically presented to the Executive Board. The chart also includes a breakdown between pledged and unpledged cash, the detail of the various cash and short-term financial investment vehicles, as well as counterparty information. Finally, another chart indicating the expected cash flows over the coming months and years is prepared and used to determine when financing needs will arise under various scenarios.

Cash investment vehicles consist of short-term bank deposits and low-volatility, money-market mutual funds (classified under "Cash and cash equivalents"), funds managed by financial institutions, and equity, bond and diversified funds (classified under "Other financial assets"). These investments are valued daily (or in some cases weekly). Amounts allocated to more volatile funds, potentially generating higher returns, represent an insignificant portion of cash and short-term financial investments. Wendel has a formal procedure for monitoring the net asset values of these more volatile funds on a weekly basis. In choosing the various types of investments, Wendel takes into account the compatibility of their term with its debt repayment obligations and those of its holding companies.

2. Managing debt maturities and refinancing

2.1. Debt position as of June 30, 2013

As of June 30, 2013, gross debt with recourse to Wendel was composed of €3,314 million in Wendel bonds with maturities ranging from 2014 to 2019 (see details in Note 12 "Financial debt").

Moreover, bank debt financing Saint-Gobain shares without recourse to Wendel totaled €625 million as of end-June 2013, of which €100 million was repaid on the nearest maturity after the June 2013 closing. Following this most recent repayment, maturities are June 2015 (€100 million), January 2016 (€212.5 million), and January 2017 (€212.5 million). This debt is subject to margin calls (see Note 4 - 2.4.3 "Margin calls on Saint-Gobain financing").

The average maturity of this financing is 3.5 years and the next maturity date is in November 2014.

Available, undrawn lines are made up of:

- a new €600 million syndicated credit line maturing in May 2018, arranged in H1 2013 in replacement of the previous line of €1,200 million, maturing in 2013/14; and
- bank lines intended to finance Saint-Gobain shares, of which €1,150 million are available and undrawn. Of these lines, €225 million will mature in 2016 and €925 million in 2017. These lines of credit can be used to refinance existing Saint-Gobain debt, to finance the acquisition of new Saint-Gobain shares or to finance the 76.7 million Saint-Gobain shares not already pledged or linked to a financing arrangement as of June 30, 2013 (number of Saint-Gobain shares available after repayment of €100 million of bank debt with margin calls, as described above, and the sale of 1.9 million Saint-Gobain shares, as described in the note on changes in the scope of consolidation during the period).

2.2. Managing debt

To manage debt maturities, Wendel must find the necessary resources to cover the repayment of its financial obligations at their maturity. These resources can derive from available cash, asset rotation, or new financing. This latter resource is limited by:

- the availability of bank and bond lending sources, which has been restricted by the current financial crisis and by pressure from financial institution regulators (Basel 3, Solvency 2); and
- the level of financial leverage of Wendel and its holding companies (i.e. net debt/assets), which is a key credit risk indicator tracked by Wendel's lenders and by Standard & Poor's, which rates the Group's financial structure. Leverage depends in particular on asset values, and is thus subject to equity market risk (see Note 4 - 1 "Managing equity market risk").

To manage refinancing risk, Wendel seeks to align the maturities of its bond and bank financing with its long-term investor outlook. Wendel therefore secures medium to long-term financing and extends existing maturities when market conditions allow and when Wendel management deems it necessary to do so.

Wendel also has available credit lines that enable it to ensure the repayment of the nearest maturities. Finally, Wendel can take the opportunity to sell assets so as to pay off some of its financial debt and reduce financial leverage.

Wendel took advantage of favorable market conditions to manage its maturities and increase the 2018 and 2019 bond series by €200 million and €100 million respectively, with implied yields of 3.768% and 4.098% respectively. Furthermore, when the new syndicated credit line of €600 million maturing in 2018 was set up, the previous syndicated line, maturing earlier (2013/14) was fully repaid (€250 million) and canceled. Finally, Wendel continued to repurchase bonds with upcoming maturities (2014 and 2015) and repaid €100 million on its Saint-Gobain financing with the shortest maturity, maturing in July 2013. These transactions have enabled Wendel to extended the average maturity of the financing available to it and its holding companies, and adjust the amount of this financing to the Group's needs. During H1 2013, Wendel announced its intention to further strengthen its financial structure so as to return to investment grade status in the next four years.

In April 2013, Standard & Poor's upgraded its long-term rating for Wendel from BB to BB+ with a stable outlook. The short-term rating is B.

3. Managing risk related to the financial covenants of the syndicated credit

The new syndicated credit line, undrawn as of June 30, 2013, is subject to the same financial covenants as the previous one. They are based principally on the market value of Wendel's assets and on the amount of net debt (see Note 4 - 2.4.2 "Wendel's syndicated credit (undrawn) - Documentation and covenants"). As such, the covenants are sensitive to changes in the equity markets.

Wendel regularly carries out simulations to analyze the impact of fluctuations in the value of its assets, of the amount of collateral granted and of cash flow projections on the level of the syndicated credit covenants.

Nevertheless, only the syndicated credit is subject to these covenants, in contrast with Wendel's bonds and the financing of Saint-Gobain shares, which are not subject to financial covenants.

4. Managing the risk related to margin calls on the Saint-Gobain investment financing

The mechanisms for margin calls on Saint-Gobain financing are described in Note 4 - 2.4.3 "Margin calls on Saint-Gobain financing". Wendel responds to the margin calls, which therefore have a direct impact on Wendel's liquidity. Nevertheless, Wendel can decide not to respond to additional margin calls. In this case, the related financing would be in default and the collateral already provided would be exercised by the bank, but the bank would have no further recourse to Wendel.

Given that bank facilities with margin calls have been repaid in the last few years, the impact of margin calls on available cash has been significantly reduced. As of June 30, 2013, no cash was provided as collateral against this financing.

Note 4 - 2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt and liquidity risk of that entity.

Cash and debt levels are reported regularly to Wendel. Forecasts of bank covenant compliance for the coming year and over the lifetime of the business plan are prepared several times a year and any time an event occurs that could have a material impact on the covenants. These forecasts and calculations of covenant compliance are presented regularly to Wendel.

2. Impact of liquidity risk of subsidiaries on Wendel

Debt of operating subsidiaries and associates is without recourse to Wendel. As such, these subsidiaries' liquidity risk affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support those of its operating subsidiaries and associates that might experience cash flow difficulties. Similarly, they have no mutual support obligation between them. As a result, Wendel's liquidity is affected only if Wendel decides to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries and new investments. In 2012, Wendel provided Materis with a liquidity line of €50 million (drawn down by €20 million as of June 30, 2013) as part of the renegotiation of the terms of Materis' bank debt. Wendel also extended a €5 million liquidity line to Mecatherm and provided a guarantee of €15 million to Mecatherm's lenders in return for the easing of its bank documentation covenants. Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial situation of subsidiaries has an impact on their value and this value figures in the calculation of Wendel's financial leverage (see Note 4–2.1 "Managing debt maturities" of Wendel and its holding companies).

Note 4 - 2.3 Wendel’s liquidity outlook

Wendel’s liquidity risk for the 12 months following the June 30, 2013 closing is low, given the high level of cash and short-term financial investments, the undrawn available credit lines and the lack of debt repayment dates before the end of 2014.

Note 4 - 2.4 Financing agreements and covenants of Wendel and its holding companies

1. Bonds issued by Wendel – documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc).

2. Wendel's syndicated credit (undrawn) – Documentation and covenants

The syndicated credit facility has financial covenants associated with it, based primarily on the market value of Wendel’s assets and on the amount of its net debt.

Calculation of net debt is limited to the debt of the Group's financial holding companies and does not include that of operating companies or holding companies set up for the purpose of acquisitions (in particular the Saint-Gobain financing structure). As of June 30, 2013 the net debt taken into account corresponds to Wendel bonds less available cash (any pledged cash is lodged in the Saint-Gobain financing structure).

Net debt of the Saint-Gobain, Bureau Veritas, Legrand, Materis, Stahl, Parcours, exceet, Mecatherm and IHS groups, as well as the debt related to the financing of Saint-Gobain shares (less any cash pledged), are deducted from the gross revalued assets of these companies inasmuch as they are without recourse to Wendel.

These covenants are as follows:
- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:
  (i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and its financial holding companies,

to
(ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow),
shall not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of June 30, 2013 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc).

3. Margin calls on Saint-Gobain financing

Bank debt financing Saint-Gobain shares are subject to margin calls. The value of collateral given under these financing arrangements (Saint-Gobain shares, Bureau Veritas shares and cash) must remain at the level required under bank agreement covenants, based in turn on the amount of debt. Should this value decline, the bank demands further collateral; should it increase, a portion of the collateral is freed up. As Wendel finances these margin calls, so its liquidity may be affected by a decline in the price of shares given as collateral for this financing.

This debt is without recourse to Wendel. Wendel can therefore decide not to respond to additional collateral calls. This would put the related financing contract in default, and the bank could then exercise the collateral already provided.

As of June 30, 2013, collateral was comprised of €557 million in Saint-Gobain shares (17.9 million shares at the closing share price) and €602 million in Bureau Veritas shares. The volume of bank debt subject to margin calls has been reduced by more than 80% compared to the amount as of the beginning of 2009. At the end of H1 2013, Wendel had sufficient assets (listed shares and cash) to enable it to meet additional margin calls in the event of a decline in the financial markets.

Note 4 - 2.5 Financial debt of operating subsidiaries – documentation and covenants

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of June 30, 2013, the gross face value of Bureau Veritas' financial debt was €1,612 million (including accrued interest and excluding issuing costs; see details on maturity dates in Note 12 "Financial debt"). Its cash balance was €226 million.

At that date, Bureau Veritas also had the following undrawn lines of credit:

- €340 million was undrawn and available under a syndicated credit totaling €450 million, as €110 million was drawn as of June 30, 2013; After taking into account €126 million for the commercial paper program, however, €214 million remained available;
- €100 million undrawn and available under the French private placement;
- $100 million undrawn and available under the US private placement, maturing in 2021. This amount is available subject to prior approval by the lender.

Bureau Veritas also set up a €300 million commercial paper program in February 2013 to optimize its short-term cash management and to limit its use of other undrawn financing.

As of June 30, 2013, the same financial covenants were applicable as those in force as of December 31, 2012. Wendel was in compliance with these covenants as of both June 30, 2013 and December 31, 2012.

2. Materis financial debt

This debt is without recourse to Wendel.

As of June 30, 2013, the gross face value of Materis' bank debt was €2,046.9 million (including accrued interest and the liquidity line granted by Wendel, and excluding issuance costs and shareholder loans; see details on maturity dates in Note 12 "Financial debt"). Its cash balance was €83.3 million.

As part of the renegotiation with Materis' lenders in 2012, Wendel also extended a €50 million interest-bearing cash facility to Materis, which will be canceled and repaid in the event a business activity is divested. As of June 30, 2013, €20 million was drawn down under this line.

The Materis group is subject to the following covenants:

- LTM EBITDA divided by net cash interest expense must be greater than 1.90 as of June 30, 2013. This minimum rises to 2.11 in 2015. This ratio is calculated on a rolling 12-month basis;
- the ratio between consolidated net debt (excluding shareholder loans) and LTM EBITDA must be less than 8.21 as of June 30, 2013. This ceiling falls to 6.69 in 2015;
- the ratio of cash flow after capex and dividends (plus available cash up to €35 million) to total debt serviced (cash interest payable plus scheduled principal repayment) must be greater than 1. This ratio is calculated on a rolling 12-month basis;
- capex must not exceed 4.5% of consolidated sales (plus any capex roll-over) in fiscal years 2013 through 2016.

These covenants are tested quarterly and Materis was in compliance with them as of June 30, 2013.

The credit agreements entered into by Materis contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, exiting from Wendel's tax consolidation group, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require the prior approval of the lending banks.

3. Stahl financial debt

This debt is without recourse to Wendel.

As of June 30, 2013, the gross face value of Stahl's bank debt was €178.7 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates under Note 12 "Financial debt"). Its cash balance was €24 million.

The Stahl group is subject to the following covenants:

- the ratio of consolidated net debt (excluding shareholder loans) to LTM EBITDA must be less than or equal to 5.80 (this ceiling falls to 5.00 on September 30, 2014). This ratio is tested quarterly;
- the ratio of LTM EBITDA to net interest expense paid must be greater than or equal to 2.90 as of June 30, 2013. This minimum rises to 3.05 on September 30, 2014. This ratio is calculated on a rolling 12-month basis and is tested quarterly;
- the ratio of cash flow after capex and dividends to total debt service, i.e. interest payable plus scheduled principal repayment, must be greater than or equal to 1.40 until December 31, 2014. This ratio is calculated on a rolling 12-month basis and is tested every six months.

Capex must not exceed €13 million (this ceiling rises to €14 million in 2014). This ratio is tested annually.

As of June 30, 2013, Stahl was in compliance with these covenants.

The credit agreements entered into by Stahl contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require prior approval of the lending banks.

4. Parcours financial debt

This debt is without recourse to Wendel.

As of June 30, 2013, Parcours' gross bank debt was €431.7 million. It consisted essentially of credit lines used to finance the vehicles leased to customers. These credit lines are provided by around 25 financial institutions and no single bank extends more than 25% of total outstandings. Every year, the Parcours group negotiates an annual drawdown limit with each of its banking partners, which it can use to finance the purchase of vehicles it leases under new contracts. Parcours draws down when it purchases the vehicles and repays the loans linearly over 36 months. Certain lines are fully or partially collateralized by the financed vehicles and/or by the lease payments. In addition, part of the debt is subject to annually-calculated financial ratios (net financial debt/shareholders' equity, financial debt/EBITDA, financial debt/cash flow, financial debt/PP&E, net interest expense/EBITDA). As of December 31, 2012 Parcours was in compliance with these financial ratios.

5. Mecatherm financial debt

This debt is without recourse to Wendel.

As of June 30, 2013, the gross face value of Mecatherm's debt was €68.7 million (including accrued interest, non-recourse discounting and a €5 million liquidity line granted by Wendel, and excluding issuance costs; see details on maturity dates in Note 12 "Financial debt"). Its cash balance was €7.5 million.

Given the particularly volatile economic context, Mecatherm and its bank lenders agreed to suspend financial covenant tests for 18 months, beginning on June 30, 2012. As part of this agreement, Wendel has committed to providing a €5 million liquidity line until March 31, 2014, to enable Mecatherm to finance its general corporate needs, and to grant a €15 million on-demand guarantee to the banks to cover the servicing of Mecatherm's bank debt until December 31, 2013. Under certain conditions, the term of the guarantee can be extended.

Note 4 - 3. Managing interest-rate risk

Each subsidiary manages its interest-rate exposure by taking into account factors such as the restrictions imposed by its financing agreements. Wendel nonetheless tracks the Group's overall position. Simulations of sensitivity of financing costs to interest-rate trends are analyzed regularly and whenever an event occurs that is likely to have an impact on interest-rate exposure. On the basis of these analyses, Wendel and its subsidiaries may decide to set up swaps, caps, collars or any other derivative for hedging purposes.

As of June 30, 2013, the exposure of the Wendel group (Wendel, its holding companies and fully-consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.6		3.7
Cash and short-term investments (1)	-0.3		-1.2
Impact of derivatives	0.7	1.4	-2.1
Interest-rate exposure	**5.0**	**1.4**	**0.5**
	73%	*20%*	*7%*

(1) excluding €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments is weighted by the portion of the 12 months following June 30, 2013 during which they will hedge interest-rate risk.

As of December 31, 2012, the exposure of the Wendel group (Wendel, its holding companies and fully-consolidated operating subsidiaries, except for Deutsch which was classified under operations held for sale) to interest rates was also limited.

In billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	4.2		3.8
Cash and short-term investments (1)	-0.3		-0.9
Impact of derivatives	0.9	0.9	-1.8
Interest-rate exposure	**4.9**	**0.9**	**1.2**
	70%	*13%*	*17%*

(1) excluding €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2012 during which they will hedge interest-rate risk.

Derivatives covering interest rate risk are described in Note 9 "Financial assets and liabilities".

A +100 basis point change in the interest rates to which the Group's interest rate exposure is indexed would have an impact in the region of €-15 million (€-17 million as of December 31, 2012) on net finance costs before tax over the 12 months after June 30, 2013, based on net financial debt as of June 30, 2013, interest rates on that date and the maturities of interest-rate hedging derivatives. Given the historically low yield curve, the sensitivity of net finance costs before tax is presented in the scenario of an interest rate rise only.

Note 4 - 4. Managing credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk, and the receivables for which a risk of non-payment exists are subject to write-down. As of the closing date, owing to the Group's geographical and sectoral diversification, there was no significant concentration of credit risk in trade receivables.

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. For short-term investments in funds managed by financial institutions, or bond, equity or diversified funds, an analysis is carried out on the signature risk. By tracking cash and short-term financial investments, Wendel regularly measures its exposure to each counterparty. However, given the high amount of cash and short-term financial investments as of June 30, 2013 (see Note 4-2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution.

Derivative contracts are entered into with top-ranking financial institutions.

Note 4 - 5. Managing currency risk

Note 4 - 5.1 Wendel

As of June 30, 2013, Wendel held €91 million in short-term financial investments denominated in US dollars. These financial assets were recognized at fair value. As such a 5% decline in the value of the US dollar compared with the euro would have a negative impact of €5 million on Wendel's income statement.

Bureau Veritas and Stahl operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, in particular the US dollar and currencies pegged to it. The other operating subsidiaries have little exposure to currency risk.

Note 4 - 5.2 Bureau Veritas

Because of the international nature of its businesses, Bureau Veritas is exposed to currency risk in several foreign currencies.

During H1 2013, more than two-thirds of Bureau Veritas' net sales were in currencies other than the euro, including 12% in US dollars, 6% in Australian dollars, 5% in Chinese yuans, 4% in Brazilian reals and 4% in Hong Kong dollars. No other currency individually accounts for more than 5% of Bureau Veritas' net sales. This trend is a result of the strong growth of Bureau Veritas' businesses outside the euro zone, in Asia and notably in the US and in dollar-zone currencies. However, as a general rule, natural hedges are in place, as services are supplied locally and costs are therefore proportional to income in most countries where Bureau Veritas operates. As a result, Bureau Veritas has limited exposure to currency risk from transactions in different currencies.

A 1% fluctuation in the euro against the US dollar would have had an impact of 0.13% on Bureau Veritas' operating income in H1 2013. A 1% fluctuation in the euro against the Australian dollar would have had a 0.03% impact; a 1% fluctuation in the euro against the Chinese yuan would have had a 0.11% impact; a 1% fluctuation in the euro against the Brazilian real would have had a 0.03% impact; and a 1% fluctuation in the euro against the Hong Kong dollar would have had a 0.05% impact.

Part of the Bureau Veritas US private placement, with tranches in pounds sterling, has been synthetically converted into euros (see Note 9-3.C "Derivatives").

Finally, the impact on income before tax of a +/-1% fluctuation in the US dollar on USD-denominated financial assets and liabilities held by entities having a non-USD operating currency is +/-€1.0 million.

Note 4 - 5.3 Stahl

During H1 2013, 57% of Stahl's net sales were in currencies other than the euro, including 17% in US dollars, 13% in Singapore dollars, 5% in Brazilian reals and 6% in Indian rupees. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of +/-1.7% on Stahl’s H1 2013 income from ordinary activities before depreciation and amortization (excluding goodwill allocation and non-recurring expenses), or less than €1 million. In addition, Stahl has financial debt of about €139 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a currency translation impact of about -/+€7 million would be recognized in net financial expense.

Note 4 - 6. Managing commodity risk

Certain of the Group’s investments are exposed to the risk of changes in commodity prices.

Materis purchased around €468 million of raw materials in H1 2013. A 10% increase in the price of the raw materials used by Materis would have led to a theoretical increase in the cost of these raw materials of around €47 million on a half-year basis. Materis nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such raw material price increases. Materis continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products. In addition, Materis may make use of specific operational hedges for limited amounts and maturities in order to cover a portion of its risk related to an unfavorable trend in the price of certain raw materials, notably alumina. Materis did not enter into any such hedging contracts during H1 2013.

Stahl purchased around €94 million of raw materials in H1 2013. A 10% increase in the price of the raw materials used by Stahl would have led to a theoretical increase in the cost of these raw materials of around €9 million on a half-year basis. Stahl nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such raw material price increases. Stahl did not enter into any contracts to hedge movements in raw material prices during H1 2013.

NOTE 5. SEGMENT INFORMATION

The business sectors monitored by the Group correspond to each of its operating subsidiaries and investments: Bureau Veritas, Materis, Stahl, Oranje-Nassau Développement, Saint-Gobain, Legrand (until it was sold in 2013) and the holding companies.

Analysis of the income statement by operating segment is divided into two parts: “net income from business sectors”, non-recurring items and the impact of goodwill.

Net income from business sectors

Net income from business sectors is the Group's "recurring" income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, as defined below:

- "Net income from investments" is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Materis, Stahl, as well as the Oranje-Nassau Développement subsidiaries Parcours and Mecatherm) and Wendel's share in the net income of investments accounted for by the equity method (Saint-Gobain, Legrand until June 11, 2013, the date on which it was sold, and Oranje-Nassau Développement’s investments IHS and exceet) before non-recurring items and the impact of goodwill allocations.
- net income from holding companies includes the operating expenses of Wendel and holding companies, the cost of net debt contracted to finance Wendel and its holding companies, the cost of financing the Saint-Gobain investment structure and the related income tax items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

“Non-recurring income” includes, for the entire scope of consolidation, the net after-tax amounts not linked to the operating activity of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- restructuring costs considered exceptional;
- exceptional legal disputes, notably those that are not linked to operating activities;

- interest income and expenses on shareholder loans, as these are linked to the structure of the financial instruments used to invest in the subsidiaries and associates. These items do not usually give rise to a settlement in cash prior to divestment. The tax impact related to these items is considered recurring inasmuch as it has a structural impact on the tax to be paid;
- changes in “fair value”;
- impairment losses on assets, and in particular on the value of goodwill;
- currency impact on financial liabilities;
- financial restructuring expenses and the income and expenses related to extinguishing debt;
- any other significant item unconnected with the Group’s recurring operations.

Impact of goodwill allocation

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of the acquisition (or from changes to these valuations within 12 months after the transaction). The affected items are primarily:

- inventories and work-in-process;
- property, plant & equipment;
- intangible assets, including brands and contracts;
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (because the accounting entries relate to the companies’ acquisition prices and not their business activities).

Note 5 - 1. Income statement by operating segment for H1 2013

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Equity-accounted investments		Holding companies	Total Operations
					Saint-Gobain	Legrand		
Net income from business sectors								
Net sales	**1,957.5**	**1,042.2**	**175.7**	**181.8**			**-**	**3,357.1**
EBITDA	**N/A**	**135.9**	**30.3**	**N/A**				
Adjusted operating income (1)	**313.2**	**100.2**	**25.4**	**15.2**				
Other recurring operating items	-	-1.0	-0.6	-0.4				
Operating income	**313.2**	**99.2**	**24.8**	**14.8**			**-23.5**	**428.5**
Finance costs, net	-31.6	-70.8	-6.0	-4.9			-98.9	**-212.2**
Other financial income and expense	-2.1	-0.7	-	-0.2			-	**-3.0**
Tax expense	-80.8	-19.4	-5.6	-3.5			0.4	**-108.9**
Share in net income of equity-accounted investments	-0.1	0.0	0.1	-2.2	71.5	13.8	-	**83.2**
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-	-	-
Recurring net income from business sectors	**198.6**	**8.3**	**13.3**	**4.0**	**71.5**	**13.8**	**-122.0**	**187.6**
Recurring net income from business sectors – non-controlling interests	99.8	1.8	1.0	0.3	-	-	-	**102.9**
Recurring net income from business sectors - Group share	**98.8**	**6.5**	**12.3**	**3.8**	**71.5**	**13.8**	**-122.0**	**84.7**
Non-recurring income								
Operating income	-36.5	-36.7	-6.5	-2.6	-	-	-1.7	**-84.0**
Net financial income	-0.0	-24.4	-5.2	0.3	-	-	50.9	**21.7**
Tax expense	10.0	9.9	6.5	0.8	-	-	-	**27.1**
Share in net income of equity-accounted investments	-	-	-	-0.3	-118.3	-2.2	369.0	**248.2**
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-	-	-
Non-recurring net income	**-26.5**	**-51.2**	**-5.2**	**-1.8**	**-118.3**	**-2.2**	**418.2**	**213.0**
of which:								
- Non-recurring items	**-3.5**	**-32.3**	**-1.7**	**1.2**	**(2) -85.3**	**-1.7**	**(3) 418.2**	**294.8**
- Impact of goodwill allocation	**-23.0**	**-10.4**	**-3.5**	**-3.0**	**-14.1**	**-0.5**	**-**	**-54.5**
- Asset impairment	**-**	**-8.5**	**-**	**-**	**-18.8**	**-**	**-**	**-27.3**
Non-recurring net income – non-controlling interests	-12.9	-12.5	-0.4	-0.1	-	-	0.1	**-25.8**
Non-recurring net income – Group share	**-13.6**	**-38.7**	**-4.8**	**-1.8**	**-118.3**	**-2.2**	**418.2**	**238.8**
Consolidated net income	**172.1**	**-42.9**	**8.1**	**2.2**	**-46.7**	**11.6**	**296.2**	**400.6**
Consolidated net income – non-controlling interests	86.9	-10.7	0.6	0.2	-	-	0.1	**77.1**
Consolidated net income – Group share	**85.1**	**-32.2**	**7.5**	**2.0**	**-46.7**	**11.6**	**296.2**	**323.4**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) Includes impact of dilution on the Saint-Gobain investment (€-88.9 million); see Note 7 “Equity-accounted investments”.

(3) Includes gain on the sale of Legrand shares (€369.0 million)

The contribution of Oranje-Nassau Développement to the H1 2013 income statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	IHS	Oranje-Nassau Développement
Net income from business sectors					
Net sales	**149.7**	**32.1**	**-**	**-**	**181.8**
EBITDA	**N/A**	**3.2**	**-**	**-**	
Adjusted operating income (1)	**N/A**	**2.5**	**-**	**-**	
Other recurring operating items	-0.1	-0.3	-	-	**-0.4**
Operating income	**12.5**	**2.3**	**-**	**-**	**14.8**
Finance costs, net	-3.1	-1.9	-	-	**-4.9**
Other financial income and expense	-	-0.2	-	-	**-0.2**
Pre-tax income, including management fees	**9.5**	**N/A**			
Tax expense	-3.6	0.1	-	-	**-3.5**
Share in net income of equity-accounted investments	-	-	0.8	-3.0	**-2.2**
Net income from discontinued operations and operations held for sale	-	-	-	-	**-**
Recurring net income from business sectors	**5.9**	**0.3**	**0.8**	**-3.0**	**4.0**
Recurring net income from business sectors – non-controlling interests	0.3	0.0	-	-	**0.3**
Recurring net income from business sectors - Group share	**5.6**	**0.3**	**0.8**	**-3.0**	**3.8**

Non-recurring income					
Operating income	-1.9	-0.7	-	-	**-2.6**
Net financial income	-	0.3	-	-	**0.3**
Tax expense	0.6	0.1	-	-	**0.8**
Share in net income of equity-accounted investments	-	-	-0.3	-	**-0.3**
Net income from discontinued operations and operations held for sale	-	-	-	-	**-**
Non-recurring net income	**-1.3**	**-0.2**	**-0.3**	**-**	**-1.8**
of which:					
- Non-recurring items	-	**0.2**	**1.0**	**-**	**1.2**
- Impact of goodwill allocation	**-1.3**	**-0.4**	**-1.3**	**-**	**-3.0**
- Asset impairment	-	-	-	-	**-**
Non-recurring net income – non-controlling interests	-0.1	-0.0	-	-	**-0.1**
Non-recurring net income – Group share	**-1.2**	**-0.2**	**-0.3**	**-**	**-1.8**

Consolidated net income	**4.6**	**0.1**	**0.5**	**-3.0**	**2.2**
Consolidated net income – non-controlling interests	0.2	0.0	-	-	**0.2**
Consolidated net income – Group share	**4.4**	**0.1**	**0.5**	**-3.0**	**2.0**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 5 - 2. Income statement by operating segment for H1 2012

In millions of euros	Bureau Veritas	Materis	Deutsch	Stahl	Oranje-Nassau Développement	Equity-accounted investments		Holding companies	Total Operations
						Saint-Gobain	Legrand		
Net income from business sectors									
Net sales	**1,861.6**	**1,043.1**	**-**	**184.6**	**170.6**			**-**	**3,259.9**
EBITDA	**N/A**	**129.7**	**-**	**27.8**	**N/A**				
Adjusted operating income (1)	**295.6**	**95.9**	**-**	**24.4**	**13.9**				
Other recurring operating items	-	-1.0	-	-0.7	-0.4				
Operating income	**295.6**	**94.9**	**-**	**23.7**	**13.5**			**-24.6**	**403.0**
Finance costs, net	-25.9	-73.4	-	-6.6	-5.7			-101.7	**-213.3**
Other financial income and expense	-2.3	-0.6	-	-	0.3			-	**-2.6**
Tax expense	-72.9	-21.5	-	-4.1	-3.1			2.2	**-99.5**
Share in net income of equity-accounted investments	-0.0	-	-	0.1	0.2	111.0	16.8	-	**128.1**
Net income from discontinued operations and operations held for sale	-	-	24.9	-	-	-	-	0.3	**25.3**
Recurring net income from business sectors	**194.5**	**-0.8**	**24.9**	**13.1**	**5.2**	**111.0**	**16.8**	**-123.8**	**241.0**
Recurring net income from business sectors – non-controlling interests	97.8	0.3	2.6	1.1	0.2	-	-	-	**102.0**
Recurring net income from business sectors - Group share	**96.7**	**-1.1**	**22.3**	**12.0**	**5.0**	**111.0**	**16.8**	**-123.8**	**139.0**
Non-recurring income									
Operating income	-42.4	-22.3	-	-4.9	-2.8	-	-	-2.1	**-74.5**
Net financial income	0.0	-18.2	-	-3.4	-0.5	-	-	9.7	**-12.3**
Tax expense	9.8	6.4	-	7.3	1.1	-	-	-	**24.6**
Share in net income of equity-accounted investments	-	-	-	-	-3.3	-69.0	-1.7	14.6	**-59.5**
Net income from discontinued operations and operations held for sale	-	-	-18.2	-	-	-	-	699.6	**681.4**
Non-recurring net income	**-32.6**	**-34.1**	**-18.2**	**-1.0**	**-5.5**	**-69.0**	**-1.7**	**721.7**	**559.6**
of which:									
- Non-recurring items	**-0.1**	**-23.3**	**-14.7**	**2.5**	**-0.5**	**5.1**	**-1.2**	**(2) 721.7**	**689.4**
- Impact of goodwill allocation	**-24.5**	**-10.7**	**-3.5**	**-3.5**	**-5.0**	**-39.8**	**-0.5**	**-**	**-87.5**
- Asset impairment	**-8.0**	**-**	**-**	**-**	**-**	**-34.3**	**-**	**-**	**-42.3**
Non-recurring net income – non-controlling interests	-15.9	-8.3	-1.9	-0.1	-0.1	-	-	0.1	**-26.1**
Non-recurring net income – Group share	**-16.7**	**-25.7**	**-16.3**	**-0.9**	**-5.4**	**-69.0**	**-1.7**	**721.6**	**585.8**
Consolidated net income	**161.9**	**-34.8**	**6.7**	**12.1**	**-0.3**	**42.0**	**15.1**	**598.0**	**800.7**
Consolidated net income – non-controlling interests	81.9	-8.0	0.7	1.0	0.2	-	-	0.1	**75.9**
Consolidated net income – Group share	**80.0**	**-26.8**	**6.0**	**11.0**	**-0.4**	**42.0**	**15.1**	**597.8**	**724.8**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) This amount includes:

- the €689.2 million gain on the sale of Deutsch; and
- the €14.6 million gain on the sale of Legrand shares, which served to pay Wendel's dividend in kind.

The contribution of Oranje-Nassau Développement to the H1 2012 income statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Net income from business sectors				
Net sales	**141.0**	**29.6**	-	**170.6**
EBITDA	**N/A**	**0.8**	-	
Adjusted operating income (1)	**N/A**	**0.0**	-	
Other recurring operating items	-	-	-	-
Operating income	**13.4**	**0.0**	-	**13.5**
Finance costs, net	-3.7	-1.9	-	**-5.7**
Other financial income and expense	-	0.3	-	**0.3**
Pre-tax income, including management fees	**9.7**	**N/A**		
Tax expense	-3.2	0.1	-	**-3.1**
Share in net income of equity-accounted investments	-	-	0.2	**0.2**
Net income from discontinued operations and operations held for sale	-	-	-	-
Recurring net income from business sectors	**6.5**	**-1.5**	**0.2**	**5.2**
Recurring net income from business sectors – non-controlling interests	0.3	-0.0	-	**0.2**
Recurring net income from business sectors - Group share	**6.3**	**-1.5**	**0.2**	**5.0**

Non-recurring income				
Operating income	-2.0	-0.8	-	**-2.8**
Net financial income	-	-0.5	-	**-0.5**
Tax expense	0.7	0.4	-	**1.1**
Share in net income of equity-accounted investments	-	-	-3.3	**-3.3**
Net income from discontinued operations and operations held for sale	-	-	-	-
Non-recurring net income	**-1.4**	**-0.8**	**-3.3**	**-5.5**
of which:				
- Non-recurring items	-	**-0.3**	**-0.2**	**-0.5**
- Impact of goodwill allocation	**-1.4**	**-0.5**	**-3.1**	**-5.0**
- Asset impairment	-	-	-	-
Non-recurring net income – non-controlling interests	-0.1	-0.0	-	**-0.1**
Non-recurring net income – Group share	**-1.3**	**-0.8**	**-3.3**	**-5.4**

Consolidated net income	**5.2**	**-2.3**	**-3.1**	**-0.3**
Consolidated net income – non-controlling interests	0.2	-0.0	-	**0.2**
Consolidated net income – Group share	**5.0**	**-2.3**	**-3.1**	**-0.4**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 5 - 3. Balance sheet by operating segment as of June 30, 2013

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	Wendel and holding companies	**Consolidated**
Goodwill	1,930.6	768.4	24.1	138.1	-	-	2,861.2
Intangible assets, net	578.8	681.5	66.5	83.4	-	0.1	1,410.2
Property, plant & equipment, net	390.6	535.0	88.2	545.8	-	11.0	1,570.6
Non-current financial assets	52.1	9.9	-	2.2	-	52.4	116.6
Pledged cash and cash equivalents	-	-	-	-	-	-	-
Equity-accounted investments	0.6	0.4	2.2	184.6	4,070.3	-	4,258.1
Deferred tax assets	116.0	54.2	15.4	12.2	-	2.9	200.6
Total non-current assets	**3,068.7**	**2,049.3**	**196.3**	**966.3**	**4,070.3**	**66.4**	**10,417.3**
Assets and operations held for sale	**0.0**	**-**	**5.3**	**-**	**-**	**-**	**5.3**
Inventories and work-in-process	9.1	290.3	47.9	34.0	-	-	381.2
Trade receivables	1,004.6	416.5	71.2	76.8	-	0.2	1,569.3
Other current assets	124.2	81.2	12.2	15.5	-	2.3	235.3
Current income tax	39.2	-	3.7	2.6	-	18.9	64.3
Other current financial assets	7.4	0.3	-	0.4	-	546.5	554.7
Cash and cash equivalents	226.1	83.3	24.0	8.6	-	847.4	1,189.4
Total current assets	**1,410.6**	**871.6**	**158.9**	**137.8**	**-**	**1,415.4**	**3,994.3**
Total assets							**14,416.9**
Shareholders' equity - Group share							2,802.7
Non-controlling interests							513.3
Total shareholders' equity							**3,316.0**
Provisions	193.8	66.6	6.6	2.5	-	31.5	300.9
Financial debt	1,284.3	1,967.6	170.5	245.9	-	3,935.2	7,603.5
Other financial liabilities	28.3	-	2.5	2.0	-	111.5	144.3
Deferred tax liabilities	163.9	364.5	17.6	34.8	-	-	580.8
Total non-current liabilities	**1,670.2**	**2,398.7**	**197.1**	**285.1**	**-**	**4,078.3**	**8,629.5**
Liabilities held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provisions	-	2.5	0.2	3.9	-	-	6.6
Financial debt	319.7	83.5	13.1	247.3	-	90.4	754.0
Other financial liabilities	33.7	16.3	-	2.6	-	154.6	207.2
Trade payables	249.4	283.4	31.3	83.4	-	5.9	653.5
Other liabilities	527.2	177.5	20.6	31.8	-	9.3	766.5
Current income tax	71.7	7.2	2.0	3.2	-	-0.3	83.7
Total current liabilities	**1,201.7**	**570.5**	**67.2**	**372.1**	**-**	**259.9**	**2,471.4**
Total liabilities and shareholders' equity							**14,416.9**

As of June 30, 2013, the contribution of Oranje-Nassau Développement to the balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	IHS	Oranje-Nassau Développement
Goodwill	35.8	102.3	-	-	138.1
Intangible assets, net	14.4	69.0	-	-	83.4
Property, plant & equipment, net	539.9	5.9	-	-	545.8
Non-current financial assets	1.8	0.4	-	-	2.2
Pledged cash and cash equivalents	-	-	-	-	-
Equity-accounted investments	-	-	54.3	130.3	184.6
Deferred tax assets	7.1	5.0	-	-	12.2
Total non-current assets	**599.0**	**182.7**	**54.3**	**130.3**	**966.3**
Assets and operations held for sale	**-**	**-**	**-**	**-**	**-**
Inventories and work-in-process	24.7	9.2	-	-	34.0
Trade receivables	38.7	38.1	-	-	76.8
Other current assets	12.2	3.3	-	-	15.5
Current income tax	-	2.6	-	-	2.6
Other current financial assets	0.4	-	-	-	0.4
Cash and cash equivalents	1.1	7.5	-	-	8.6
Total current assets	**77.1**	**60.6**	**-**	**-**	**137.8**
Provisions	0.3	2.2	-	-	2.5
Financial debt	194.9	51.0	-	-	245.9
Other financial liabilities	1.0	1.0	-	-	2.0
Deferred tax liabilities	10.2	24.6	-	-	34.8
Total non-current liabilities	**206.3**	**78.8**	**-**	**-**	**285.1**
Liabilities held for sale	**-**	**-**	**-**	**-**	**-**
Provisions	0.8	3.1	-	-	3.9
Financial debt	236.8	10.5	-	-	247.3
Other financial liabilities	2.6	-	-	-	2.6
Trade payables	72.2	11.2	-	-	83.4
Other liabilities	13.1	18.7	-	-	31.8
Current income tax	3.2	-	-	-	3.2
Total current liabilities	**328.7**	**43.5**	**-**	**-**	**372.1**

Note 5 - 4. Balance sheet by operating segment as of December 31, 2012

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand	Wendel and holding companies	Consolidated
Goodwill, net	1,959.3	767.5	24.1	138.1	-	-	-	2,889.1
Intangible assets, net	608.9	696.3	69.1	84.8	-	-	0.2	1,459.3
Property, plant & equipment, net	379.4	564.7	91.4	513.2	-	-	7.3	1,556.0
Non-current financial assets	68.1	9.0	-	3.0	-	-	34.5	114.6
Pledged cash and cash equivalents	-	-	-	-	-	-	3.4	3.4
Equity-accounted investments	0.7	3.8	2.1	53.8	4,228.4	145.3	-	4,434.1
Deferred tax assets	110.4	50.3	14.3	11.6	-	-	2.9	189.5
Total non-current assets	**3,126.8**	**2,091.6**	**201.0**	**804.5**	**4,228.4**	**145.3**	**48.4**	**10,646.0**
Assets and operations held for sale	**5.4**	**-**	**5.3**	**-**	**-**	**-**	**-**	**10.6**
Inventories and work-in-process	8.6	274.7	47.9	35.6	-	-	-	366.7
Trade receivables	940.7	334.2	66.2	71.5	-	-	0.1	1,412.8
Other current assets	111.3	66.8	13.7	10.5	-	-	2.9	205.0
Current income tax	55.0	-	3.9	3.3	-	-	25.2	87.4
Other current financial assets	10.3	0.4	-	0.7	-	-	444.0	455.5
Cash and cash equivalents	243.5	71.4	33.7	11.3	-	-	486.1	845.9
Total current assets	**1,369.4**	**747.4**	**165.4**	**132.9**	**-**	**-**	**958.4**	**3,373.4**
Total assets								**14,030.0**
Shareholders' equity - Group share								2,674.4
Non-controlling interests								617.9
Total shareholders' equity								**3,292.3**
Provisions	195.8	65.3	7.8	2.6	-	-	31.3	302.8
Financial debt	1,282.7	1,916.0	173.8	241.3	-	-	3,869.2	7,483.1
Other financial liabilities	24.2	-	3.4	3.4	-	-	98.1	129.2
Deferred tax liabilities	166.6	370.1	18.1	35.2	-	-	-	590.0
Total non-current liabilities	**1,669.3**	**2,351.4**	**203.2**	**282.6**	**-**	**-**	**3,998.7**	**8,505.1**
Liabilities held for sale	**1.0**	**-**	**-**	**-**	**-**	**-**	**-**	**1.0**
Provisions	-	2.2	0.3	4.6	-	-	-	7.0
Financial debt	128.3	95.9	24.6	234.7	-	-	67.8	551.3
Other financial liabilities	52.2	22.8	-	1.8	-	-	149.5	226.3
Trade payables	240.7	236.2	28.1	69.9	-	-	4.4	579.3
Other liabilities	547.0	171.3	25.9	26.9	-	-	11.1	782.4
Current income tax	75.8	3.1	4.4	1.8	-	-	0.2	85.4
Total current liabilities	**1,043.9**	**531.6**	**83.4**	**339.7**	**-**	**-**	**233.0**	**2,231.6**
Total liabilities and shareholders' equity								**14,030.0**

As of December 31, 2012, the contribution of Oranje-Nassau Développement to the balance sheet by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	-	138.1
Intangible assets, net	16.0	68.8	-	84.8
Property, plant & equipment, net	507.1	6.1	-	513.2
Non-current financial assets	2.5	0.4	-	3.0
Pledged cash and cash equivalents	-	-	-	-
Equity-accounted investments	-	-	53.8	53.8
Deferred tax assets	6.9	4.7	-	11.6
Total non-current assets	**568.4**	**182.4**	**53.8**	**804.5**
Assets and operations held for sale	-	-	-	-
Inventories and work-in-process	28.2	7.3	-	35.6
Trade receivables	33.1	38.4	-	71.5
Other current assets	8.3	2.2	-	10.5
Current income tax	-0.0	3.3	-	3.3
Other current financial assets	0.7	-	-	0.7
Cash and cash equivalents	1.6	9.7	-	11.3
Total current assets	**72.0**	**60.9**	**-**	**132.9**
Provisions	0.3	2.3	-	2.6
Financial debt	186.1	55.3	-	241.3
Other financial liabilities	1.7	1.7	-	3.4
Deferred tax liabilities	10.6	24.6	-	35.2
Total non-current liabilities	**198.7**	**83.9**	**-**	**282.6**
Liabilities held for sale	-	-	-	-
Provisions	0.6	3.9	-	4.6
Financial debt	223.1	11.6	-	234.7
Other financial liabilities	1.8	-	-	1.8
Trade payables	61.5	8.4	-	69.9
Other liabilities	12.4	14.5	-	26.9
Current income tax	1.7	0.2	-	1.8
Total current liabilities	**301.1**	**38.6**	**-**	**339.7**

Note 5 - 5. Cash flow statement by operating segment for H1 2013

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développe-ment	Wendel and holding companies	Elimina-tions and unallocated	Group total
Net cash flows from operating activities, excluding tax	285.7	66.2	19.9	83.0	-21.4	-	433.4
Net cash flows from investing activities, excluding tax	-127.7	-33.5	-3.7	-92.5	554.4	-103.0	193.9
Net cash flows from financing activities, excluding tax	-111.5	-3.6	-22.8	11.1	-179.3	103.0	-203.0
Net cash flows related to taxes	-64.3	-15.4	-2.9	-4.3	4.3	-	-82.6

The contribution of Oranje-Nassau Développement to the H1 2013 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	77.0	6.0	83.0
Net cash flows from investing activities, excluding tax	-90.7	-1.8	-92.5
Net cash flows from financing activities, excluding tax	18.4	-7.2	11.1
Net cash flows related to taxes	-5.2	0.8	-4.3

Note 5 - 6. Cash flow statement by operating segment for H1 2012

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développe-ment	Wendel and holding companies	Elimina-tions and unallocated	Group total
Net cash flows from operating activities, excluding tax	231.0	27.9	14.4	68.4	-18.9	-	322.9
Net cash flows from investing activities, excluding tax	-275.5	-53.9	-3.1	-82.2	1,086.0	-71.5	599.7
Net cash flows from financing activities, excluding tax	130.6	94.6	-12.3	14.2	-1,081.1	71.5	-782.6
Net cash flows related to taxes	-87.6	-16.3	-2.2	-4.9	-1.3	-	-112.2

The contribution of Oranje-Nassau Développement to the H1 2012 cash flow statement by business sector broke down as follows:

In millions of euros	Parcours	Mecatherm	Total Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	73.1	-4.7	68.4
Net cash flows from investing activities, excluding tax	-80.8	-1.4	-82.2
Net cash flows from financing activities, excluding tax	10.6	3.5	14.2
Net cash flows related to taxes	-3.7	-1.2	-4.9

NOTE 6. GOODWILL

In millions of euros	6/30/2013		
	Gross amount	Impairment	Net amount
Bureau Veritas	1,988.5	57.8	1,930.6
Materis	1,099.3	330.9	768.4
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
Total	**3,249.9**	**388.7**	**2,861.2**

In millions of euros	12/31/2012		
	Gross amount	Impairment	Net amount
Bureau Veritas	2,017.2	57.9	1,959.3
Materis	1,095.8	328.3	767.5
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
Total	**3,275.2**	**386.2**	**2,889.1**

The principal changes during the period were as follows:

In millions of euros	H1 2013
Net amount at beginning of year	2,889.1
Business combinations (1)	35.0
Impact of changes in currency translation adjustments and other	-60.8
Impairment for the period (2)	-2.0
Net amount at the end of the period	**2,861.2**

(1) Included €30.6 million in acquisitions made by Bureau Veritas in H1 2013.

(2) Included €2.0 million in impairment recognized by Materis on its own CGUs in H1 2013.

Goodwill impairment tests

No significant indication of impairment was identified for the CGUs at Wendel's level (Bureau Veritas, Materis, Stahl, Parcours and Mecatherm). The principal indicators are adherence to the budget and business plan and the listed share price compared with the carrying value for Bureau Veritas, which is listed. Concerning unlisted investments, for which tests are based on the present value of future cash flows (value in use), analysis of the business of these investments and the projections available as of June 30, 2013 do not call into question the tests performed as of December 31, 2012. At that date, the tests performed had not required impairment to be recognized at the level of Wendel's consolidation. As a result, impairment tests were not carried out on these CGUs as of the June 30, 2013 closing. Accounting standards require such tests to be performed only once a year, unless there is an indication of loss in value. The test with respect to Bureau Veritas, a listed company, is generally performed on the basis of fair value (market price), which remained significantly above the carrying value as of June 30, 2013. The mandatory annual test will be performed as of December 31, 2013.

NOTE 7. EQUITY-ACCOUNTED INVESTMENTS

In millions of euros	6/30/2013	12/31/2012
Saint-Gobain	4,070.3	4,228.4
Legrand	-	145.3
IHS - Oranje-Nassau Développement	130.3	-
exceet - Oranje-Nassau Développement	54.3	53.8
Investments of Bureau Veritas	0.6	0.7
Investments of Materis	0.4	3.8
Investments of Stahl	2.2	2.1
Total	**4,258.1**	**4,434.1**

The change in equity-accounted investments broke down as follows:

In millions of euros	H1 2013
Amount at beginning of year	4,434.1
Share in net income for the period	
Saint-Gobain	42.1
Legrand (1)	12.9
IHS (1)	-3.0
exceet	0.5
Other	-0.0
Dividends paid by equity-accounted companies	-125.8
Impact of changes in currency translation adjustments	-81.7
Impact of dilution on the Saint-Gobain investment (1)	-88.9
Sale of Legrand shares (1)	-138.8
Investment in IHS (1)	134.1
Other (2)	72.5
Net amount at the end of the period	**4,258.1**

(1) See Note 2 "Changes in scope of consolidation".

(2) Includes €82.7 million in actuarial differences, net of tax, related to Saint-Gobain.

Note 7 - 1. Additional information on Saint-Gobain

In millions of euros	6/30/2013	12/31/2012
Carrying values at 100%		
Total assets (Saint-Gobain) (1)	46,976	47,523
Impact of the revaluation of acquired assets and liabilities	3,968	4,052
Residual goodwill (excluding goodwill in Saint-Gobain's balance sheet) (2)	3,192	3,293
Non-controlling interests	361	412
Total liabilities (1)	28,919	29,672
	H1 2013	**H1 2012 restated for IAS 19 (4)**
Net sales (1) (3)	20,771	21,590
Operating income (1)	1,260	1,494
Business income (1)	974	1,135
Recurring net income, group share (1)	422	651
Net income, group share (1)	332	463
Impact of the revaluation of acquired assets and liabilities	-83	-234

(1) In Saint-Gobain's books, at 100%.

(2) In H1 2013, sales declined by 3.8% unadjusted and by 3.2% at constant scope and exchange rates.

(3) Value of residual goodwill after impairment, see Note 7-4.1 "Impairment test on Saint-Gobain, accounted for by the equity method".

(4) Restatement derives from the IAS 19 amendment related to employee benefits.

Note 7 - 2. Additional information on IHS

In millions of euros	6/30/2013
Carrying values at 100%	
Total assets (IHS) (1)	659.3
Goodwill adjustment (Wendel) (2)	60.8
Non-controlling interests (1)	41.5
Total liabilities (1)	336.9

	2-month period to end-June 2013 (3)
Net sales (1)	25.4
EBITDA (1)	6.3
Net income, group share (1)	-7.8
Impact of the revaluation of acquired assets and liabilities (2)	-

(1) In IHS's books, at 100%

(2) See Note 2 "Changes in scope of consolidation during H1 2013". The opening balance sheet is being analyzed and goodwill will be allocated to identifiable assets and liabilities and to contingent liabilities during the 12 months following the investment.

(3) The closing date of IHS closest to the investment date was April 30, 2013. As a result, two months of operation were included in the consolidated earnings of the Wendel group.

Note 7 - 3. Additional information on exceet

In millions of euros	6/30/2013	12/31/2012 restated for IAS 19 (2)
Carrying values at 100%		
Total assets (exceet) (1)	176.8	179.1
Goodwill adjustment (Wendel)	96.9	100.2
Non-controlling interests	-	-
Total liabilities (1)	82.8	88.8

	H1 2013	H1 2012 restated for IAS 19 (2)
Net sales (1) (3)	90.8	90.6
EBITDA (1)	8.2	6.6
Net income, group share (1)	5.0	-3.8
Impact of the revaluation of acquired assets and liabilities	-3.3	-5.3

(1) In exceet's books, at 100%

(2) Restatement derives from the IAS 19 amendment related to employee benefits.

(3) In H1 2013, sales were stable (up 0.3%) with an organic contribution of -7.4%.

Oranje-Nassau Développement's percentage interest in exceet Group SE is subject to the potentially dilutive effect of financial instruments issued by exceet (see Note 9-3 "Additional information on exceet", on pages 184-85 of the 2012 Registration Document).

Note 7 - 4. Impairment tests on equity-accounted investments

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were approved on situations existing at the end of June 2013. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-June 2013 balance sheet date.

Note 7 - 4.1 Impairment test on Saint-Gobain shares, accounted for by the equity method

An impairment test was performed on the Saint-Gobain shares, as their carrying amount in Wendel's consolidated financial statements, calculated according to the equity method, was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at the balance sheet date (€31.1 per share, or €2,793.2 million for the 89.8 million equity-accounted Saint-Gobain shares); and (2) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The five-year business plan used in this calculation was prepared by Wendel using, among other things, research on the sector published by leading forecasters, Wendel's internal analyses and studies carried out by Wendel. The assumptions underlying the business plan (trends in underlying markets, price effects, etc.) were developed by sector and by country. The updated business plan used for the June 2013 calculation took into account the divestment of Verallia North America (valued at sales price in the value in use calculation), as it did at December 31, 2013. With the exception of Verallia North America, the business plan included no potential divestments relating to packaging activities; and in accordance with IAS 36, no strategic acquisitions were included. Finally, the assumptions used in calculating post-business plan cash flows (i.e. growth in sales and normative profitability) were based on an analysis of the historical performances of Saint-Gobain's activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used as of December 31, 2012: 2%. The discount rate used was also identical to that used as of December 31, 2012: 8%. It is based in particular on market parameters (risk-free rate, market premium, peer-group beta) and on the specific risk of the business plan used.

After the test was performed as of December 31, 2012, an impairment of €4.6 per share or €414 million was recognized on all of the equity-accounted shares. After taking into account H1 2013 earnings, changes in consolidated reserves, the payment of dividends and dilution effects (see the note on changes in scope of consolidation), the gross carrying value was €49.9 per share as of June 30, 2013 and the value net of the impairment recognized at end-2012 was €45.3 per share (€4,070 million for all equity-accounted shares). The value in use estimated as of the June 2013 closing was €46.7 per share, or slightly above the net carrying value. On this basis, and given that significant new information affecting Saint-Gobain's financial condition has called into question the impairment recognized on the opening balance sheet, this impairment has been maintained as of June 30, 2013. The difference between the market price and the carrying value reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

A sensitivity analysis shows that:

- if the discount rate were 0.5% higher, an additional impairment of €352 million would have to be recognized,
- and if the long-term growth rate were 0.5% lower, an additional impairment of €226 million would have to be recognized, and

- if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, an additional impairment charge of €577 million would have to be recognized.

Finally, the model as a whole is sensitive to the assumptions of the five-year business plan.

Note 7 - 4.2 Impairment test on exceet shares, accounted for by the equity method

An impairment test was performed on these equity-accounted shares inasmuch as their carrying value was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at the balance sheet date (€28 million for the 5.7 million shares held), and (2) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The business plan used covers an eight-year period, and in accordance with IAS 36, no strategic acquisitions are included in its assumptions. As in 2012, the long-term growth rate applied to post-business plan cash flows was 2% and the discount rate was 10%. The impact of dilutive instruments in exceet's capital was taken into account.

The calculated value in use was higher than the carrying value of the shares held. As a result, no impairment was recognized.

Sensitivity analysis shows that if the discount rate were 0.5% higher, if the long-term growth rate were 0.5% lower, or if the normative margin used for cash flows after the end of the eight-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized. For an impairment charge to be recognized, the discount rate would have to exceed 10.75% or the long-term growth rate would have to be less than 0.4%.

NOTE 8. CASH AND CASH EQUIVALENTS

In millions of euros	6/30/2013 Net amount	12/31/2012 Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets	-	3.4
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	847.4	486.1
Cash and cash equivalents of Wendel and its holding companies (1)	**847.4**	**489.5**
Bureau Veritas	226.1	243.5
Materis	83.3	71.4
Stahl	24.0	33.7
Oranje-Nassau Développement	8.6	11.3
Cash and cash equivalents of subsidiaries classified as current assets	**341.9**	**359.8**
Total	**1,189.4**	**849.3**
of which non-current assets	**-**	**3.4**
of which current assets	**1,189.4**	**845.9**

(1) In addition to this cash, Wendel had €319.1 million in short-term financial investments as of June 30, 2013 and €340.5 million as of December 31, 2012 (see Note 4 - 2.1 "Wendel's liquidity risk").

NOTE 9. FINANCIAL ASSETS AND LIABILITIES (EXCL. FINANCIAL DEBT AND OPERATING RECEIVABLES AND PAYABLES)

Note 9 - 1. Financial assets

In millions of euros	Method for recognizing changes	Level	6/30/2013	12/31/2012
Pledged cash and cash equivalents of Wendel and its holding companies - A	Income statement (1)	1	-	3.4
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	847.4	486.1
Wendel's short-term financial investments	Income statement (1)	1	315.3	329.2
Assets held until maturity	Amortized cost	N/A	3.8	11.2
Cash and short-term financial investments of Wendel and its holding companies			**1,166.5**	**829.9**
Cash and cash equivalents of subsidiaries	Income statement (1)	1	341.9	359.8
Assets available for sale	Shareholders' equity (2)	3	26.3	5.9
Financial assets at fair value through profit or loss – B	Income statement (1)	1	78.0	81.2
Loans	Amortized cost	N/A	10.5	20.3
Deposits and guarantees	Amortized cost	N/A	66.1	55.2
Derivatives - C	Income statement (1)/ Sh. equity (2)	See C	49.3	40.2
Other - D			122.0	26.8
Total			**1,860.7**	**1,419.4**
of which non-current financial assets, including pledged cash and cash equivalents			***116.6***	***118.0***
of which current financial assets, including cash and cash equivalents			***1,744.1***	***1,301.4***

(1) Change in fair value through profit or loss.

(2) Change in fair value through shareholders' equity.

Note 9 - 2. Financial liabilities

In millions of euros	Method for recognizing changes	Level	6/30/2013	12/31/2012
Derivatives - C	Income statement (1)/ Sh. equity (2)	See C	252.2	235.9
Other (incl. puts held by non-controlling shareholders) – E	N/A	N/A	99.3	119.6
Total			**351.5**	**355.5**
of which non-current financial liabilities			***144.3***	***129.2***
of which current financial liabilities			***207.2***	***226.3***

(1) Change in fair value through profit or loss.

(2) Change in fair value through shareholders' equity.

Note 9 - 3. Details of financial assets and liabilities

A – Cash and cash equivalents (pledged and unpledged): Pledged cash and cash equivalents are presented as non-current financial assets as they were not immediately available (see Note 8 "Cash and cash equivalents").

B – Includes 1,910,000 Saint-Gobain shares (0.4% of share capital) purchased on the market in August 2011 for €63.1 million. This acquisition was carried out to take advantage of the price of Saint-Gobain shares resulting from the drop in financial markets in the summer of 2011 and as a sign of Wendel's confidence in Saint-Gobain's future outlook. As Wendel's objective was to resell these shares when an opportunity presented itself rather than to hold them for the long term, they were not equity-accounted like the other Saint-Gobain shares held by the Group. Rather, they were recognized as current financial assets, measured at fair value (market price) at each closing. They were therefore valued at €59.4 million as of June 30, 2013, vs. €61.5 million at the opening date. The €2.1 million decrease in fair value was recognized on the income statement. These shares were sold during the summer of 2013 (after the H1 2013 close) for €68.3 million, with Wendel achieving a gain of 16% on this investment since August 2011 (including dividends received).

C – Derivatives:

In millions of euros		6/30/2013		12/31/2012	
	Level	Assets	Liabilities	Assets	Liabilities
Saint-Gobain puts (written) (1)	2	-	184.1	-	182.4
Economically neutral put positions, August 2013 maturity	2	32.2	32.2	-	-
Interest rate swaps - hedging of cash flows (2)	2	-	13.5	20.6	13.9
Interest rate swaps - not qualifying for hedge accounting (2)	2	13.5	21.2	14.7	37.6
Other derivatives – not qualifying for hedge accounting	2	3.6	1.2	4.9	2.0
Total		**49.3**	**252.2**	**40.2**	**235.9**
Of which:					
Non-current portion		15.4	96.4	37.1	83.2
Current portion		34.0	155.8	3.1	152.6

(1) See description of puts in the following note.
(2) See description of swaps in the following note.

D – Other financial assets: Includes €113.7 million in receivables from the monetization of Saint-Gobain shares received as share dividends from Saint-Gobain (see Note 2, "Changes in scope of consolidation").

E – Other financial liabilities: Includes €41.3 million in earn-outs in the Group's operating subsidiaries.

Note 9 - 4. Puts issued (written) on Saint-Gobain shares

Wendel issued (wrote) 6.1 million puts on Saint-Gobain in 2007, whose value at the end of June 2013 was a liability of €186.7 million, vs. a liability of €182.4 million at the opening date. In accordance with IFRS 13, “Fair value measurement”, these values were adjusted for the impact of Wendel’s own credit risk, which resulted in an increase of €2.6 million as of June 30, 2013 (see accounting principles). The net liability represented by the puts was therefore €184.1 million as of June 30, 2013. The change in value of these puts and the adjustment related to Wendel’s credit risk are recognized on the income statement.

Their carrying value is based on a mathematical model used to value options, which takes into account the market parameters prevailing at the balance sheet date, including share price, volatility, and liquidity of the underlyings. A change of +/-5% in Saint-Gobain’s share price would have led to a change in the carrying value as of the closing date of approximately +/- €9 million, recognized on the income statement.

The earliest expiry dates of these puts were extended during H1 2013. As of June 30, 2013, the expiry dates were as follows:

- 2,595,360 puts expiring in December 2013,
- 1,341,858 puts expiring in March 2014,
- 2,152,560 puts expiring in September 2015.

Note 9 - 5. Interest rate swaps and foreign exchange hedges

The value of interest rate swaps is calculated by the counterparties on the basis of the yield curve at the balance sheet date and the present value of cash flows expected from the contracts. In accordance with IFRS 13, "Fair value measurement", the value of the swaps was adjusted for the impact of Wendel's own credit risk, which resulted in an increase of €0.1 million as of June 30, 2013 (see accounting principles). The change in value of these swaps was recognized on the income statement.

Notional	Characteristics (1)	Qualified as	Start (1)	Maturity (1)	6/30/2013	12/31/2012
	Sign convention: (+) asset, (-) liability					
Hedging of bonds carried by Wendel						
€100M	Pay 3.98% against 4.21%		pre-closing	05-2016	0.7	0.8
€300M	Pay 12-month Euribor+0.93% between 1.70% and 2.60%, 3.40% if < 1.70% and 3.53% if > 2.60%. Against 3.49%		pre-closing	08-2017	1.6	0.8
					2.3	1.5
Hedging of bank debt of Wendel and its holding companies (2)						
€200M	Pay 1.77% against Euribor	Hedge	pre-closing	02-2014	-1.8	-3.5
€400M	Pay 1.06% against Euribor	Hedge	01-2014	01-2016	-3.5	-5.3
€800M	Pay 1.69% against Euribor		pre-closing	12-2013	-5.6	-11.9
€400M	Pay 1.02% against Euribor		02-2014	02-2016	-2.9	-4.8
					-13.8	-25.5
Hedging of subsidiaries' debt						
€900M	1.53% cap on Euribor		pre-closing	04-2014	0.5	-
€750M	0.93% cap on Euribor		12-2013	04-2015	1.1	-
$95M	Pay 2.73% against Libor		pre-closing	12-2014	-2.5	-
€39M	Pay 1.38% against Euribor		pre-closing	01-2015	-0.7	-
					-1.6	-9.0
	Cross currency swaps (3)	Hedge			-8.2	17.7
	Cross currency swaps (3)				-	-0.9
Total					**-21.3**	**-16.2**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.

(2) These swaps cover the risk of fluctuation in interest rates paid on floating rate bank debt. The net value of all swaps as of June 30, 2013 was €-13.8 million, vs. €-25.5 million at end-2012. The change in value of all swaps qualified as hedges and recognized under shareholders' equity was €+3.4 million for H1 2013. The change in the value of non-qualified instruments and partially-effective hedges recognized through profit or loss was €+8.3 million.

(3) Bureau Veritas: A currency hedge was set up on the US private placement debt (see Note 12 "Financial debt") denominated in pounds sterling, so as to convert the debt into euros. Any change in the value of these instruments is recognized in shareholders' equity and passed through profit or loss over the life of the loans.

NOTE 10. SHAREHOLDERS' EQUITY

	Par value	Total number of shares	Treasury shares	Number of shares outstanding
As of 12/31/2012	4 €	49,543,641	1,737,498	47,806,143
As of 6/30/2013	4 €	49,551,964	2,403,180	47,148,784

Note 10 - 1. Number of shares outstanding

The change of 8,323 in the number of shares outstanding derived from the exercise of stock options during H1 2013.

Note 10 - 2. Treasury shares

The number of shares held in the context of the liquidity contract was 172,000 as of June 30, 2013 (unit cost: €83.09), vs. 150,000 as of December 31, 2012, an increase of 22,000 during H1 2013.

As of June 30, 2013, Wendel held 2,231,180 of its shares in treasury outside of the context of the liquidity contract (1,587,498 as of December 31, 2012). These treasury shares are allocated to cover stock option exercises, grants of bonus and performance shares and other objectives of the share buyback program.

The net increase of 643,682 shares derived from:

- the purchase of 694,939 shares during the first half; and
- the sale of 51,257 shares to meet the exercise of stock options.

In total, shares held in treasury represented 4.85% of the share capital as of June 30, 2013.

Note 10 - 3. Principal items in the statement of comprehensive income

In millions of euros	Assets available for sale	Qualified hedges	Deferred taxes	Total Group share	Non-controlling interests	Total shareholders' equity
As of 12/31/2011	3.5	-6.0	-4.7	**-7.2**	32.6	**25.4**
Changes in fair value during the period	-1.3	-3.9	0.2	**-5.0**	-4.9	**-9.9**
Amount recognized on the income statement	-	13.6	-	**13.6**	-	**13.6**
Other	-	-4.1	-	**-4.1**	-	**-4.1**
As of 12/31/2012	2.2	-0.4	-4.5	**-2.7**	27.7	**25.0**
Changes in fair value during the period	15.6	2.3	-0.1	**17.8**	-1.6	**16.2**
Amount recognized on the income statement	-	1.6	-	**1.6**	-	**1.6**
Other	-	-4.9	-	**-4.9**	-	**-4.9**
As of 6/30/2013	17.8	-1.5	-4.6	**11.7**	26.1	**37.9**

NOTE 11. PROVISIONS

In millions of euros	6/30/2013	12/31/2012
Provisions for risks and contingencies (1)	112.8	116.9
Employee benefits (1)	194.6	192.8
Total	**307.4**	**309.8**
Of which non-current	*300.9*	*302.8*
Of which current	*6.6*	*7.0*

(1) Provisions for risks and contingencies and provisions for employee benefits relating to all fully consolidated companies, including operating companies.

Note 11 - 1. Provisions for risks and contingencies

In millions of euros	6/30/2013	12/31/2012
Bureau Veritas (1)	67.7	71.2
Materis	16.9	16.7
Stahl	0.9	0.8
Oranje-Nassau Développement	4.0	4.8
Wendel and holding companies (2)	23.4	23.4
Total	**112.8**	**116.9**
Of which non-current	*106.2*	*109.9*
Of which current	*6.6*	*7.0*

(1) Provisions for risks and contingencies on Bureau Veritas' June 30, 2013 balance sheet included the following principal claims:

- a claim relating to the construction of a hotel and retail complex in Turkey; and
- a claim pertaining to the crash of a Gabon Express flight.

There are no other governmental, administrative, judicial or arbitration proceedings (including any proceedings of which Bureau Veritas is aware that are pending or with which Bureau Veritas is threatened) that may have, or have had, during the previous six months, significant effects on the financial position or profitability of Bureau Veritas.

(2) The principal disputes, claims and risks identified for Wendel and its holding companies are described in Note 15-1 "Provisions for risks and contingencies" on page 193 of the 2012 Registration Document. Significant events took place during the first half with regard to the following disputes:

- Certain former management-level employees are claiming a total of €40 million in damages (subject to adjustment) in the courts from several defendants, including Wendel, for the losses they allege to have suffered as a result of the unwinding of a mechanism enabling Wendel executives to benefit from the Group's performance. Wendel has raised counterclaims, notably for the damage caused to its image by these actions. These various cases are pending. The Company considers the claims of these former employees to be unfounded and has not recognized any provision against them.
- Wendel and certain Group holding companies have received proposed tax adjustments from the tax authority. These tax adjustments have been accepted, with the exception of an adjustment related to VAT, on which Wendel has reserved the right to bring an action before the competent authorities. The adjustments accepted, which mainly relate to corporate tax, principally concern the treatment of intragroup provisions. The

provisions are thus no longer deductible for tax purposes but will be the subject of future tax exemption recoveries, meaning that these adjustments have a neutral effect overall. In the first instance, these provisions affect only the tax loss carryforwards. They have no impact on the cash position. Provisions have been recognized for the adjustments relating to taxes other than corporate tax (withholding tax, payroll tax, VAT). Overall, taking all of the adjustments into account, Wendel does not expect to have any significant final cash outflow. None of the adjustments is either directly or indirectly related to Wendel's divestment of Solfur; the tax authority's examination of the terms of this transaction did not lead to any further action on their part.

Note 11 - 2. Employee benefits

In millions of euros	6/30/2013	12/31/2012
Bureau Veritas	126.1	124.6
Materis	52.1	50.8
Stahl	5.9	7.2
Oranje-Nassau Développement	2.4	2.3
Wendel and holding companies	8.1	7.9
	194.6	**192.8**

NOTE 12. FINANCIAL DEBT

For a description of the terms of financial debt and related covenants, see Note 4 – 2 "Managing liquidity risk".

In millions of euros	Currency	Rate - Coupon	Effective interest rate (2)	Maturity	Repayment	Overall line	6/30/2013	12/31/2012
Wendel								
2014 bonds	EUR	4.875%	4.930%	11-2014	at maturity		276.8	291.9
2014 bonds – tranche 2	EUR	4.875%	8.777%	11-2014	at maturity		300.0	300.0
2015 bonds	EUR	4.875%	4.910%	09-2015	at maturity		391.5	400.0
2016 bonds	EUR	4.875%	5.020%	05-2016	at maturity		354.2	354.2
2016 bonds – tranche 2	EUR	4.875%	6.142%	05-2016	at maturity		300.0	300.0
2017 bonds	EUR	4.375%	4.460%	08-2017	at maturity		292.0	292.0
2017 bonds – tranche 2	EUR	4.375%	5.730%	08-2017	at maturity		400.0	400.0
2018 bonds	EUR	6.750%	6.949%	04-2018	at maturity		300.0	300.0
2018 bonds – tranche 2	EUR	6.750%	3.895%	04-2018	at maturity		200.0	-
2019 bonds	EUR	5.875%	5.982%	09-2019	at maturity		400.0	400.0
2019 bonds – tranche 2	EUR	5.875%	4.207%	09-2019	at maturity		100.0	-
Syndicated loan	EUR	Euribor+margin		09-2013, 09-2014	revolving credit	€0M	-	250.0
	EUR	Euribor+margin		05-2018	revolving credit	€100M	-	-
Amortized cost of bonds and syndicated loan fees							-18.0	-56.7
Accrued interest							85.6	59.5
							3,382.1	**3,291.0**
Holding companies - Financing of the Saint-Gobain investment								
Bank debt (1)	EUR	Euribor+margin		01-2016, 01-2017	amortizing	€875M	425.0	425.0
Bank debt (1)	EUR	Euribor+margin		06-2015	at maturity		200.0	200.0
Bank debt (1)	EUR	Euribor+margin		07-2017	revolving credit	€700M	-	-
Deferred issuance costs							-1.4	-1.6
Accrued interest							4.7	8.3
							628.3	**631.7**
Holding companies								
Loans from non-controlling shareholders							15.2	14.4
							15.2	**14.4**
Bureau Veritas								
2017 bonds	EUR	3.750%		05-2017	at maturity		500.0	500.0
Borrowings and debt from lending institutions maturing in less than 1 year							319.7	128.3
Borrowings and debt from lending institutions maturing in 1 to 5 years							167.0	164.2
Borrowings and debt from lending institutions maturing in more than 5 years							617.3	618.5
							1,604.0	**1,411.0**
Materis								
Bank debt (maturity not extended)	EUR	Euribor+margin		04-2013 to 10-2015	amortizing		72.3	125.6
Bank debt (mezzanine PIK)	EUR	Euribor+margin		12-2016	at maturity		460.1	425.7
Bank debt (second lien)	EUR	Euribor+margin		03-2016	at maturity		139.7	138.3
Bank debt (senior A)	EUR	Euribor+margin		09-2015	at maturity		148.8	146.6
Bank debt (senior B)	EUR	Euribor+margin		01-2016	at maturity		342.7	338.1
Bank debt (senior C)	EUR	Euribor+margin		01-2016	at maturity		383.8	378.6
Bank debt	EUR	Euribor+margin		09-2015	at maturity	€133.2M	99.2	62.7
Bank debt (revolving credit 2)	EUR	Euribor+margin		09-2015	revolving credit	€111.5M	73.6	54.8
Bank debt (acquisition)	EUR	Euribor+margin		09-2015	at maturity		109.8	108.5
Bank debt (acquisition 2)	EUR	Euribor+margin		01-2016	at maturity	€100M	90.0	88.8
Deferred issuance costs							-27.9	-33.0
Shareholder loans							64.2	60.6
Other debt and accrued interest							95.0	116.7
							2,051.2	**2,011.9**
Stahl								
Bank debt (second lien PIK)	USD	Fixed		12-2017	at maturity		48.3	57.1
Bank debt (senior A)	USD	Libor+margin		12-2014	amortizing		90.9	94.8
Bank debt (senior B)	EUR	Euribor+margin		12-2014	amortizing		38.0	40.2
Bank debt (revolving credit)	USD	Libor+margin		11-2014	revolving credit	$36M	-	-
Shareholder loans							4.9	4.7
Other debt and accrued interest							1.4	1.6
							183.6	**198.5**
Parcours								
Bank debt	EUR	Euribor+margin			amortizing		410.1	396.9
Other debt and accrued interest							21.5	12.2
							431.7	**409.2**
Mecatherm								
Bank debt (senior)	EUR	Euribor+margin			amortizing		59.0	62.7
Bank debt					revolving credit		2.0	2.6
Deferred issuance costs							-2.1	-2.4
Other debt and accrued interest							2.7	4.0
							61.5	**66.9**
Total							**8,357.5**	**8,034.4**
of which non-current portion							***7,603.5***	***7,483.1***
of which current portion							***754.0***	***551.3***

(1) These loans were granted by the banks in the form of combined financial instruments, contractually and indissociably linked so as to enable the repayment of the funds made available by the banks. The combination of these instruments is equivalent to a conventional bank loan.
(2) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issuance fees.

Note 12 - 1. Principal changes during H1 2013

Note 12 - 1.1 Wendel

The €250 million outstanding under the previous syndicated loan (maturity 2013/14) at the start of the fiscal year was repaid in May 2013 when it was replaced by a new syndicated loan of €600 million, maturing in May 2018. This new syndicated loan was undrawn as of June 30, 2013.

In addition, in April 2013, Wendel carried out two simultaneous bond placements at favorable terms, totaling €300 million. Of this amount, €200 million forms a single series with the existing 2018 bonds, and €100 million forms a single series with the existing 2019 bonds. The implied yields of these issues is 3.768% and 4.098%, respectively, and the issue prices were 113.3% and 109.8%, respectively. The issue premiums will be amortized over the life of the bonds, using the effective interest method, in accordance with accounting standards. As a result of these transactions, the par value of the 2018 and 2019 series were each increased to €500 million.

Finally, Wendel continued to repurchase and cancel part of its outstanding bonds during the first half of 2013:

- €15.15 million (par value) of the 2014 bonds were repurchased for €15.86 million, reducing the par value of these bonds still outstanding to €576.79 million as of end-June 2013; and
- €8.5 million (par value) of the 2015 bonds were repurchased for €8.9 million, reducing the par value of these bonds still outstanding to €391.5 million as of end-June 2013.

The difference between the par value and the repurchase price was recognized under financial income.
Bond repurchases continued in July 2013, reducing the outstanding par value of the 2014 bonds to €571.29 million.

All of these transactions had the effect of extending the average maturity of the financing of Wendel and its holding companies.

Note 12 - 1.2 Financing of Saint-Gobain shares

There was no change in the financing of Saint-Gobain shares during the first half of 2013. After the June 30, 2013 closing, €100 million of the nearest maturity (June 2015) were repaid, reducing its amount to €100 million.

Note 12 - 2. Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Wendel par value (1)	-	-2,814.5	-500.0	-3,314.5
Par value of financing related to the acquisition of Saint-Gobain shares	-	-625.0	-	-625.0
Interest of Wendel and of financing related to the acquisition of Saint-Gobain shares	-300.6	-497.0	-35.7	-833.3
Investments				
- par value	-665.4	-2,969.4	-636.3	-4,271.2
- interest (2)	-138.6	-593.0	-47.1	-778.7
TOTAL	**-1,104.6**	**-7,498.9**	**-1,219.1**	**-9,822.7**

(1) The schedule showing the par values of Wendel's debt does not take into account the puts issued. The amount to be paid out on these puts depends on the Saint-Gobain share price at maturity. As of June 30, 2013, the market value of these puts represented a liability of €184.1 million. Of this amount, €115.0 million had a maturity of less than one year.

(2) Interest was calculated on the basis of the yield curve prevailing on June 30, 2013. Interest on debt and interest-rate hedges does not reflect interest earned on invested cash.

NOTE 13. NET SALES

In millions of euros	H1 2013	H1 2012	% Change	Organic growth
Bureau Veritas	1,957.5	1,861.6	5.1%	4.7%
Materis	1,042.2	1,043.1	-0.1%	0.6%
Stahl	175.7	184.6	-4.8%	-4.6%
Oranje-Nassau Développement				
- Parcours	149.7	141.0	6.1%	6.1%
- Mecatherm	32.1	29.6	8.5%	8.5%
Total	**3,357.1**	**3,259.9**	**3.0%**	**3.0%**

NOTE 14. OTHER OPERATING INCOME AND EXPENSES

In millions of euros	H1 2013	H1 2012
Net gains on sale of intangible assets and property, plant & equipment	0.7	4.7
Net gains (losses) on divestment of consolidated investments	1.3	-
Restructuring costs	-7.5	-5.8
Impairment of assets (1)	-11.5	-8.0
Other income and expenses	-4.7	-3.3
Total	**-21.7**	**-12.3**

(1) Asset impairment (goodwill, other intangibles and property, plant and equipment) at Materis totaling €11.5 million in H1 2013. In H1 2012, this amount corresponded essentially to asset impairment at Bureau Veritas.

NOTE 15. FINANCE COSTS, NET

In millions of euros	H1 2013	H1 2012
Income from cash and cash equivalents (1)	4.2	5.3
	4.2	5.3
Finance costs, gross		
Interest expense	-205.6	-216.0
Interest expense on shareholder loans from non-controlling interests	-5.1	-4.3
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-17.5	-14.7
	-228.1	-235.0
Total	**-223.9**	**-229.7**

(1) Includes €3.1 million at the level of Wendel and its holding companies. An additional €5.7 million in income on short-term investments is recognized under "Other financial income and expenses", comprising total income of €8.7 million in H1 2013 (€12.8 million in H1 2012) on cash and short-term financial investments of Wendel and its holding companies.

NOTE 16. OTHER FINANCIAL INCOME AND EXPENSE

In millions of euros	H1 2013	H1 2012
Gains (losses) on disposals of assets available for sale	-0.3	1.0
Dividends received from unconsolidated companies	2.7	2.7
Net income on interest rate, currency and equity derivatives	11.0	-4.7
Interest on other financial assets	4.9	4.1
Net currency exchange gains (losses)	-7.4	-1.3
Impact of discounting	-1.2	-2.8
Gain on buyback of debt	4.4	0.2
Other (1)	16.3	2.3
Total	**30.4**	**1.4**

(1) In H1 2013, this amount included a €12.5 million premium on the sale of Saint-Gobain shares received in 2013 as a dividend paid by Saint-Gobain.

NOTE 17. TAX EXPENSE

In millions of euros	H1 2013	H1 2012
Current income tax	-103.9	-100.1
Deferred taxes	22.2	25.2
Total	**-81.8**	**-74.9**

The portion of CVAE (value added) tax was recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French national accounting council) of January 14, 2010.

NOTE 18. NET INCOME FROM EQUITY-ACCOUNTED INVESTMENTS

In millions of euros	H1 2013	H1 2012
Net income including impact of goodwill allocation		
Saint-Gobain	42.1	46.4
Legrand	12.9	15.7
IHS (1)	-3.0	-
exceet	0.5	-3.1
Other companies	-0.0	0.1
Sale of Legrand shares (1)	369.0	14.6
Impact of Legrand dilution	-1.3	-0.6
Impact of dilution on the Saint-Gobain investment	-88.9	-4.5
Total	**331.4**	**68.7**

(1) See Note 2 “Changes in scope of consolidation” with respect to Legrand and IHS.

NOTE 19. NET INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE

In H1 2012, Wendel sold the Deutsch group. The gain on sale (€689.2 million), the Deutsch group’s net income for the period (€6.7 million) plus interest on loans to the Deutsch group (€10.7 million) were presented under net income of discontinued operations and operations held for sale (total of €706.6 million).

NOTE 20. EARNINGS PER SHARE

In euros and millions of euros	H1 2013	H1 2012
Net income - Group share	323.4	724.8
Impact of dilutive instruments on subsidiaries	-4.1	-3.5
Diluted net income	**319.3**	**721.3**
Average number of shares, net of treasury shares	47,475,754	48,434,465
Potential dilution due to Wendel stock options (1)	650,018	588,115
Diluted number of shares	**48,125,771**	**49,022,580**
Basic earnings per share (in euros)	6.81	14.96
Diluted earnings per share (in euros)	6.64	14.71
Basic earnings per share from continuing operations (in euros)	6.81	0.39
Diluted earnings per share from continuing operations (in euros)	6.64	0.32
Basic earnings per share from discontinued operations (in euros)	0.00	14.57
Diluted earnings per share from discontinued operations (in euros)	0.00	14.39

(1) According to the "treasury stock" method, it is assumed that the cash received from the exercise of dilutive instruments would be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact.

Basic earnings per share from continuing operations and diluted earnings per share from continuing operations include the gain on the sale of Legrand as well as the Group’s share in Legrand’s earnings during the period. These two items were recognized in the income statement under "Share of net income from equity-accounted investments".

NOTE 21. ACQUISITION OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

In millions of euros	H1 2013	H1 2012
By Bureau Veritas	72.3	56.3
By Materis	23.2	33.3
By Stahl	3.9	3.2
By Oranje-Nassau Développement (1)	136.3	117.6
By Wendel and holding companies	4.0	0.4
Total	**239.7**	**210.9**

(1) Includes €131.2 million of vehicles purchased for leasing by Parcours in H1 2013, compared with €115.6 million in H1 2012.

NOTE 22. DISPOSAL OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Disposals of property, plant & equipment and intangible assets included principally €38.0 million in sales of Parcours' second-hand vehicles (€33.9 million in H1 2012).

NOTE 23. ACQUISITION OF EQUITY INVESTMENTS

In millions of euros	H1 2013	H1 2012
By Oranje-Nassau Développement:		
- IHS	114.6	-
By Wendel and its holding companies	5.2	-
By Bureau Veritas (1)	49.8	275.6
By Materis	4.3	28.2
Total	**173.9**	**303.8**

(1) In H1 2013, acquisition of LVQ-WP and 7Layers. See Note 2 "Changes in scope of consolidation" with respect to Bureau Veritas.

NOTE 24. DISPOSAL OF EQUITY INVESTMENTS

In millions of euros	H1 2013	H1 2012
Sales of Legrand (1)	518.6	-
Sale of Deutsch	-	959.6
Divestments by Bureau Veritas	4.3	6.4
Divestments by Materis	1.7	-
Total	**524.6**	**966.0**

(1) See Note 2 “Changes in scope of consolidation” with respect to Legrand.

NOTE 25. CHANGES IN OTHER FINANCIAL ASSETS AND LIABILITIES AND OTHER

In H1 2013, this item consisted mainly of €27.1 million in Wendel’s net purchases of short-term financial investments, vs. net sales of €75.7 million in H1 2012 (classified under current financial assets; see the section on Wendel's liquidity).

NOTE 26. DIVIDENDS RECEIVED FROM EQUITY-ACCOUNTED INVESTMENTS AND UNCONSOLIDATED COMPANIES

Dividends received in H1 2013 principally included €14.4 million from Legrand. In H1 2012, dividends received from Legrand totaled €14.3 million and from Saint-Gobain €103.3 million.

Beneficiaries of the dividend paid by Saint-Gobain in 2013 had the option of receiving the dividend in shares or in cash. Wendel opted to receive its dividends in shares and sold all of the shares thus received as part of a financial agreement. Through this sale, Wendel received in July 2013 (i.e. after the closing) the equivalent of the dividend it would have received had it opted for the dividend in cash, or €113.7 million, plus a premium of €12.5 million under the agreement.

The €103.0 million dividend received from Bureau Veritas was eliminated upon consolidation (€71.5 million in H1 2012).

NOTE 27. NET CHANGE IN BORROWING AND OTHER FINANCIAL LIABILITIES

Details of financial debt are shown in Note 12 “Financial debt”.

In millions of euros	H1 2013	H1 2012
New borrowings by:		
Wendel - bond issue	336.4	-
Bureau Veritas	295.5	897.3
Materis	91.4	215.6
Stahl	-	-
Oranje-Nassau Développement (1)	153.5	143.0
	876.8	**1,256.0**
Borrowings repaid by:		
Wendel – repurchase of bonds	24.8	68.8
Wendel – syndicated credit facility	250.0	250.0
Financing of Saint-Gobain shares	-	560.0
Bureau Veritas	97.6	585.9
Materis	83.3	100.0
Stahl	20.2	9.2
Oranje-Nassau Développement (1)	135.4	123.5
	611.2	**1,697.5**
Total	**265.5**	**-441.6**

(1) These amounts essentially represented Parcours' operating loans, which finance the company's fleet of vehicles leased out to customers.

NOTE 28. OFF-BALANCE-SHEET COMMITMENTS

As of June 30, 2013, there were no commitments likely to have a significant impact on the Group's financial position, other than leases and the commitments mentioned below (see the section on leasing in the 2012 Registration Document, page 223).

Note 28 - 1. Collateral and other security given in connection with financing

	6/30/2013	12/31/2012
(i) Pledge by Materis Parent (Materis group) of shares of the principal companies of the Materis group and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Materis group	2,014.9	1,984.3
(ii) Pledge by Stahl Group SA of shares of the principal companies of the Stahl group and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl group	178.7	193.8
(iii) Security given by Parcours (Oranje-Nassau Développement) under its bank borrowing arrangements, including the financed vehicles and the lease payments received.	409.3	388.4
(iv) Pledge by Mecatherm (Oranje-Nassau Développement) of shares of the companies in the Mecatherm group as collateral for the repayment of the debt owed by the Mecatherm group. Note that Wendel provided a first-demand guarantee of €15 million in favor of the banks (see Note 4-2.5)	59.0	62.7
(v) Pledge of listed shares in connection with the Saint-Gobain investment financing structure (market value) (1)	1,159.0	1,215.7
(vi) Pledge of cash in connection with the Saint-Gobain investment financing structure (1)	-	3.4
Total	**3,820.8**	**3,848.3**

(1) These items are detailed in Note 4-2 "Managing liquidity risk" relative to the Saint-Gobain investment financing structure.

Note 28 - 2. Guarantees given as part of asset sales

Guarantees given in connection with the sale of Deutsch cover a limited number of standard warranties (ownership and validity of the securities sold, operations during the period leading up to the sale, no fraudulent activity etc.). No claim with respect to these warranties has been received to date.

Tax guarantees given in connection with the divestment of Oranje-Nassau Energie's oil & gas activities in 2009 and expiring in May 2016 were limited to a theoretical maximum of €240.0 million as of June 30, 2013. There were no guarantees of environmental risks or site remediation costs connected with the divestment. No claim with respect to these warranties has been received to date.

Guarantees given in connection with the divestment of Editis in 2008 covering standard warranties as well as tax risks and risks of employee-related costs were limited to a theoretical maximum of €52.3 million as of June 30, 2013. As of January 2012, claims may no longer be submitted under these guarantees. As of the date these financial statements were finalized, no amount had been paid out under this guarantee.

No provisions have been recognized for these guarantees.

Note 28 - 3. Guarantees received in connection with asset acquisitions

Guarantees received in connection with the acquisition of Parcours and Mecatherm cover standard warranties as well as tax risks and risks of employee-related costs up to a total of €11 million as of June 30, 2013.

Note 28 - 4. Off-balance-sheet commitments given and received related to operating activities

	6/30/2013	12/31/2012
Market counter-guarantees and other commitments given		
by Bureau Veritas (1)	219.8	196.2
by Materis	14.5	11.6
by Stahl	-	0.4
by Oranje-Nassau Développement (Mecatherm)	13.0	4.0
Total commitments given	**247.3**	**212.2**
Other commitments received (2)	394.3	377.5
Total commitments received	**394.3**	**377.5**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent-company guarantees.

(2) As of June 30, 2013, primarily at Parcours. Commitments received were composed principally of lease payments to be received by Parcours (Oranje-Nassau Développement) on its portfolio of lease contracts in force (€186.0 million with a term of less than one year and €208.3 million with a term of 1-5 years).

Note 28 - 5. Shareholder agreements and co-investment mechanisms

As of June 30, 2013, the Wendel group was party to numerous agreements governing its relations with its co-shareholders in Materis, Stahl, Parcours, Mecatherm and IHS, be they non-controlling investors or the managers of these companies, under co-investment mechanisms (as described in Note 4 “Participation of managers in Group investments” on page 167 of the 2012 Registration Document).

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies, veto rights and rights to information);
- terms of share transfers (lock-up periods, right of first refusal);
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO;
- executive departures (commitment to sell to Wendel group in the event the subsidiary executive resigns and/or commitment to buy from executives in certain special cases);
- liquidity of the investment in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time following Wendel's initial investment.

As part of the liquidity commitments under these agreements and of those entered into with Wendel managers as part of co-investment mechanisms, if no liquidity event (divestment or IPO) has taken place before certain predetermined dates, the Wendel group may be required to buy back the shares held by subsidiary managers in Materis, Stahl, Parcours and Mecatherm, and those held by Wendel managers in Materis, Stahl, VGG, Parcours, Mecatherm and IHS (via Winvest International and Oranje-Nassau Développement). The value applied to these liquidity commitments would be market value, as determined by an appraiser, or a value calculated on the basis of a profitability multiple.

As of June 30, 2013, on the basis of the value of investments included in the calculation of Net Asset Value, the value of the *pari passu* portion of the investment made by managers (under the same risk and return conditions as Wendel) was €100 million, and the value of the portion of managers' investments having dilutive effects on Wendel's ownership interest was €53 million. In accordance with accounting principles relating to puts held by non-controlling interests and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€19 million as of June 30, 2013).

Co-investment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

Other agreements

Subordinated (mezzanine and second-lien) lenders to Stahl who forfeited their claims as creditors during the 2010 restructuring received an earn-out right exercisable only upon the total or partial divestment of Wendel's stake in Stahl. This right is exercisable if Wendel's overall return is more than 2.5 times its 2010 re-investment, and is equivalent to the allocation of 1 to 2 bonus shares per share held by these ex-subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, as the exercise of this right depends on Wendel's decision to divest.

NOTE 29. SUBSEQUENT EVENTS

1. Monetization of 1.9 million Saint-Gobain shares

The Saint-Gobain shares acquired in August 2011 (1.9 million shares or 0.4% of the capital) and recognized under current financial assets as of June 30, 2013 were fully monetized after the closing, in line with the Group's objectives. Proceeds from the sale of these shares totaled €68.3 million.

As a result, Wendel now owns 16.4% of the shares of Saint-Gobain (net of treasury shares) and 25.6% of the voting rights.

2. Additional investment in IHS

In July 2013, a further $100 million was invested in IHS, bringing the Group's total investment to $276 million (see Note 2 "Changes in scope of consolidation").

Statutory Auditors' report

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

ERNST & YOUNG Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1

STATUTORY AUDITORS' REVIEW REPORT ON THE 2013 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

WENDEL
89, rue Taitbout
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier)*, we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Wendel, for the six months ended June 30, 2013;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Executive Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to Note 7-4 "Impairment tests on equity-accounted investments” to the condensed interim consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held in Saint-Gobain for impairment at June 30, 2013, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and the normative profitability taken into account for the computation of cash flows beyond the five-year business plan.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 28, 2013

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

Certification

The Chairman of the Executive Board

Certification

I hereby certify, that to the best of my knowledge, the condensed consolidated financial statements for the first half of the year have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the accompanying interim management report presents a true and fair picture of the important events that occurred during the first half of the year, their impact on the financial statements and the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Paris, August 28, 2013.

Frédéric Lemoine

English version: Traduction financière et économique sarl “Trafine”

“The English language version of this text is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.”