



# Letter to shareholders

2014 FULL-YEAR RESULTS

APRIL 2015

## Key figures

- NAV is more than €7 billion  
€147.4/share  
(+2.4% over 12 months)  
as of March 16, 2015
- 2014 consolidated sales:  
€5,914 million  
up +8.5%
- Net income from business sectors:  
€372.5 million
- Consolidated net income  
€197.8 million
- Dividend: €2.00 per share\*  
(up 8.1%)

\* To be proposed  
at the Annual Meeting  
of June 5, 2015



Frédéric Lemoine, Chairman of the Executive Board

Dear Shareholders,

We are very satisfied with 2014 and the beginning of 2015, during which your company took part in important transactions.

On the investment side, we stepped up the pace in 2014. Wendel announced €1.2 billion in investments in very promising, unlisted companies. We reinvested in IHS in Africa, acquired CSP Technologies in the United States and France, and acquired Constantia Flexibles in Austria. Our 2013-17 investment strategy is thus well underway. We also reduced our exposure to listed companies. With 40.1% of the shares of Bureau Veritas (56% of the voting rights) and 11.7% of the shares of Saint-Gobain, we retain the degree of influence and corporate governance we want in these two forward-looking companies.

Our companies have also successfully carried out major transformations. IHS has become a world leader in telecom towers in the space of 18 months and was named "African Company of the Year 2015", Materis has completely refocused on its Paints activity, and Stahl has exceeded expectations in the integration of Clariant Leather Services.

We also achieved an important financial milestone in 2014 with our return to investment grade status. This enables us to obtain exceptionally favorable refinancing terms.

We have thus made significant strides on our 2013-17 strategic plan; we are three-fourths of the way toward reaching our target of investing €2 billion by 2017. In the next few months, we will continue to develop the companies we have invested in and will focus on identifying new investment opportunities, with priority on North America. As a result of these favorable results, we will propose that shareholders approve an 8% increase in the dividend to €2.00 at their upcoming Annual Meeting.

Frédéric Lemoine, Chairman of the Executive Board

## ► Net Asset Value: €147.4 as of March 16, 2015

(in millions of euros)			24/11/2014	03/16/2015
<b>Listed equity investments</b>		Number of shares (millions)	<b>6,677</b>	<b>6,268</b>
• Bureau Veritas		225.2 (11/24/14) / 177.2 (3/16/15)	4,410	3,602
• Saint-Gobain		65.8	2,267	2,666
<b>Unlisted equity investments (Materis Paints, Stahl and IHS) and Oranje-Nassau Développement<sup>(2)</sup></b>			<b>2,017</b>	<b>2,542</b>
<b>Other assets and liabilities of Wendel and holding companies<sup>(3)</sup></b>			<b>158</b>	<b>164</b>
Cash and marketable securities <sup>(4)</sup>			1,038	2,371
<b>Gross assets, revalued</b>			<b>9,890</b>	<b>11,344</b>
Wendel bond debt and accrued interest			(3,551)	(4,290)
Value of puts issued on Saint-Gobain <sup>(5)</sup>			(169)	-
<b>Net Asset Value</b>			<b>6,169</b>	<b>7,054</b>
Number of shares			47,796,535	47,863,660
<b>Net asset value per share</b>			<b>129.1 €</b>	<b>147.4 €</b>
Average of 20 most recent Wendel share prices			89.8 €	108.9 €
<b>Premium (Discount) to NAV</b>			<b>(30.4%)</b>	<b>(26.1%)</b>

(1) Average of 20 most recent closing prices calculated as of March 16, 2015  
(2) NOP, Saham, Mecatherm, Parcouris, VGG, exeeet, CSP Technologies, indirect investments and unlisted debt (Kerneos)  
(3) Includes 1,637,554 Wendel shares held in treasury as of March 16, 2015.  
(4) Cash and marketable securities owned by Wendel and holding companies. Includes €2,034 million in cash on hand (after accounting for the amounts to be paid in connection with the unwinding of puts written, finalized on March 16, 2015) and €337 million in liquid financial investments.  
(5) This position was unwound on March 16, 2015.

Net asset value was €7,054 million or €147.4 per share as of March 16, 2015, a 2.4% rise from €144.0 per share as of March 17, 2014. The discount to NAV was 26.1% as of March 16, 2015.

## ► 2014 Full-Year Results

Wendel's consolidated sales totaled €5,914.2 million, up 8.5% overall and up 2.9% organically. The overall contribution of the Group's companies to net income from business sectors was €599.0 million, down 8.4% from 2013. This decline resulted from changes in Wendel's scope of consolidation. Wendel sold 24 million Saint-Gobain shares in May 2014, reducing that company's contribution, and sold all of the remaining Legrand shares in 2013. In addition, IHS generated very high depreciation expense as a result of acquiring a large number

of telecom towers, and the company posted a net contribution of €-42.2 million.

The total of finance costs, operating expenses and taxes was €226.5 million, down compared with 2013 (€244.0 million). This came about because reduced finance costs and currency gains (€21.2 million) more than offset the structural costs related to greater investment activity in 2014 and the opening of Wendel's new offices in Africa, North America and Singapore to support its investment strategy.

Net non-recurring items totaled €-56.0 million vs. €+186.5 million in 2013. In 2013, non-recurring items had included principally a €369.0 million gain from the sale of Legrand shares and a dilution loss on Saint-Gobain shares of €97 million. In 2014, the €329.6 million gain on the sale of three divisions of Materis did not offset the €106.7 million loss on the sale of Saint-Gobain shares, plus asset impairment of €127.3 million and other non-recurring expenses of €151.6 million.

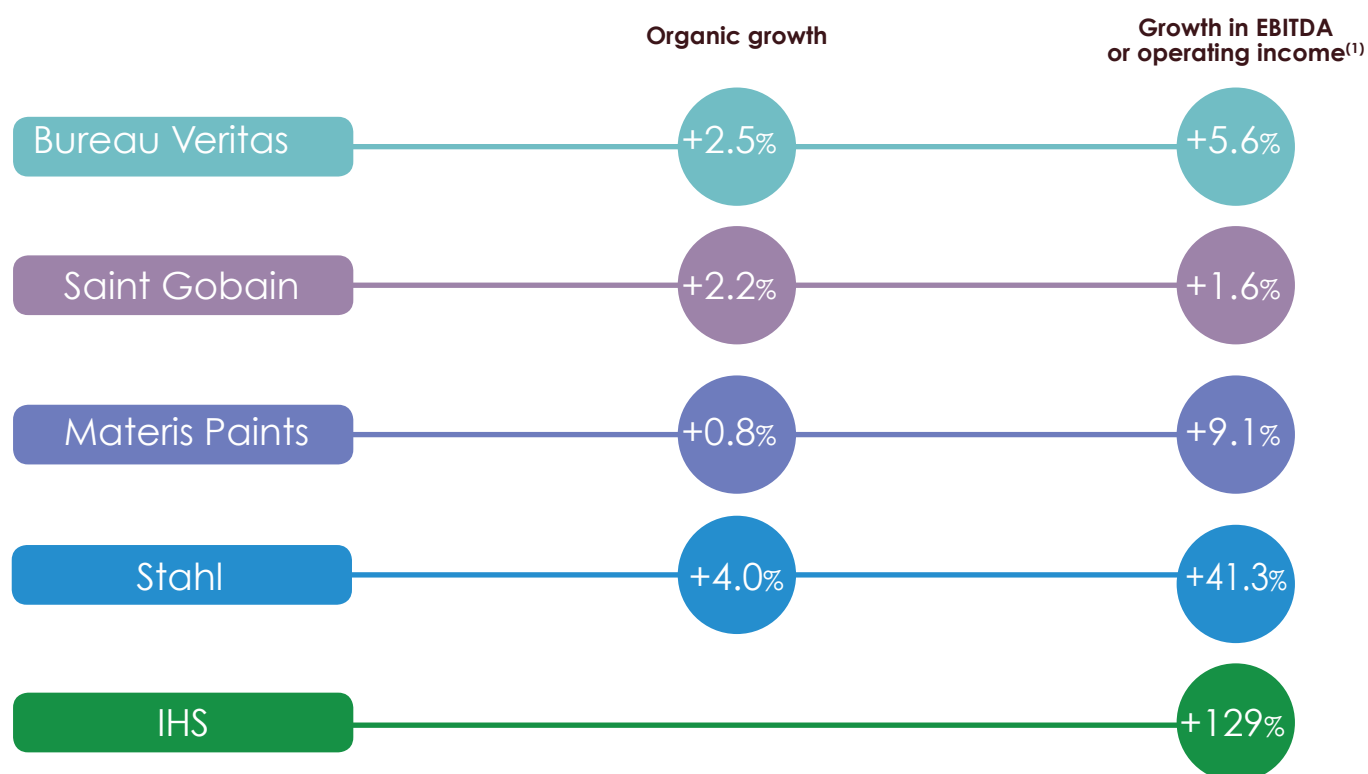
Wendel's net income, Group share, was thus €19.6 million in 2014, compared with €333.7 million in 2013.

(in millions of euros)	2013	2014
Consolidated subsidiaries	653.7	599.0
Financing, operating expenses and tax	-244.0	-226.5
Net income from business sectors <sup>(1)</sup>	409.7	372.5
Net income from business sectors, <sup>(1)</sup> Group share	199.3	154.9
Non-recurring income	186.5	-56.0
Impact of goodwill allocation	-106.2	-118.8
Total net income	490.0	197.8
<b>Net income, Group share</b>	<b>333.7</b>	<b>19.6</b>

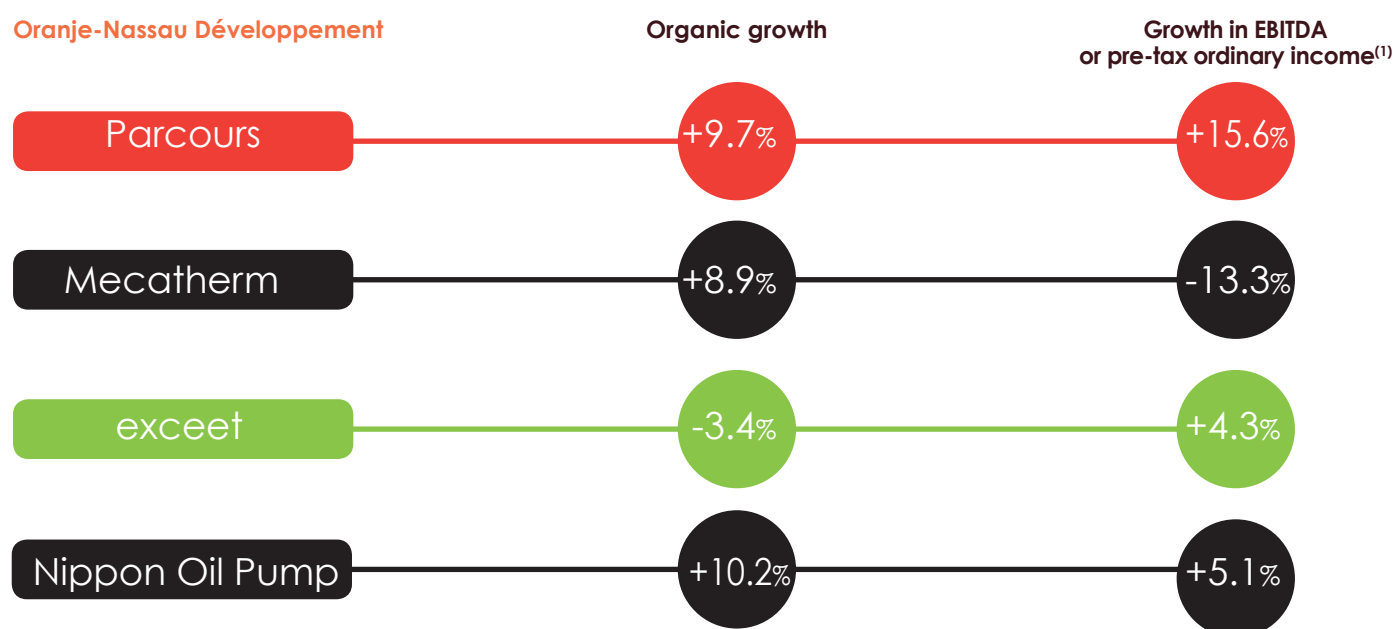
(1) Net income before goodwill allocation entries and non-recurring items.

# Performance of our companies

## ► Strong performance of Group companies



### Oranje-Nassau Développement



>> For more information

(1) Adjusted EBITDA for all companies, except Bureau Veritas and Saint-Gobain (operating income) and Parours (pre-tax ordinary income). For Mecatherm, recurrent EBITDA before €3.2 million in exceptional costs. For NOP, calculation based on Japanese GAAP figures.



## Wendel is to acquire Constantia Flexibles group in Austria, a world leader in flexible packaging

Wendel has acquired Constantia Flexibles group in Austria, a world leader in flexible packaging, for an enterprise value of €2.3 billion, or around nine times 2014 EBITDA. Pursuant to this transaction, Wendel invested €640 million in equity<sup>(1)</sup> and holds 73% of the share capital of the company.

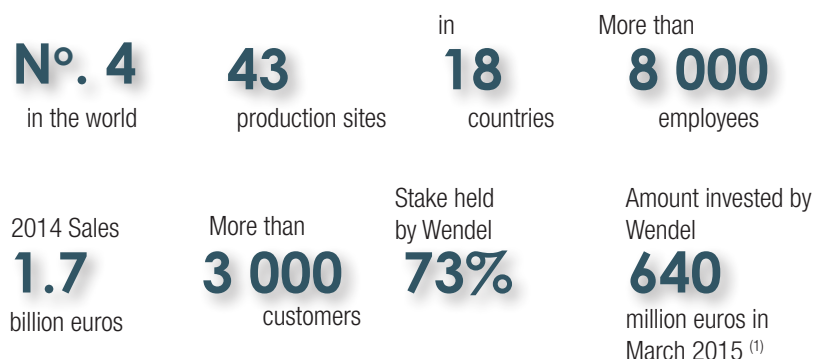
Founded by Herbert Turnauer in the 1960s, the Vienna-based Constantia Flexibles group produces flexible packaging solutions, primarily for the agri-food and pharmaceutical industries. Constantia Flexibles has successfully developed its activity outside Europe and over the last five years has become a global leader in flexible packaging.

The H. Turnauer Foundation will also support Constantia Flexibles in its growth and development as a significant minority shareholder, investing €240 million for an ownership stake of approximately 27%.



Frédéric Lemoine, Chairman of the Executive Board of Wendel and now Chairman of the Supervisory Board of Constantia Flexibles and Thomas Unger, Chairman of the Executive Board of Constantia Flexibles, when the acquisition of Constantia Flexibles was finalized and signed on March 27, 2015 in Vienna.

## Constantia Flexibles in brief



New Constantia Flexibles Supervisory Board as of March 27, 2015

<sup>(1)</sup> Before any new co-investor

## New corporate governance

A new Supervisory Board was officially approved at the Board's first meeting in Vienna on March 27, 2015.

Frédéric Lemoine was appointed as Chairman of the Supervisory Board of Constantia Flexibles, Bernard Gautier Vice Chairman, and Roland Lienau, Patrick Tanguy and Albrecht von Alvensleben, members of Wendel's investment team, were appointed as Board members. Wolfgang Pfarl and Ulrich Koestlin, members of the previous Supervisory Board representing the H. Turnauer Foundation, were reappointed as members of the new Supervisory Board. As such, they represent the 27% ownership stake the Foundation has maintained in the capital of Constantia Flexibles. The two independent members, Jan Homan, former Constantia Flexibles chief executive and Mathias Hlubek, former CFO of Deutsche Boerse, will remain as members of the new Supervisory Board.

## Wendel is a partner to “Ami, Entends-tu?”



As part of the 70th anniversary commemoration of the liberation of France, Wendel will support a show honoring the memory of the French Resistance. The show tells the story of 16 young Resistance fighters unknown to the general public, using the London-based French radio broadcasts of the period as a framework. It will be performed in the main courtyard of the Hôtel des Invalides on May 8 and 9, in the presence of the President of France.

>> For more information  
<http://ami-entends-tu.org/>

## Inauguration of our new offices in Luxembourg

On March 10, 2015, Frédéric Lemoine and Bernard Gautier inaugurated the Wendel Group's new offices in Luxembourg, in a ceremony attended by Xavier Bettel, Prime Minister of Luxembourg. François de Wendel and Frédéric Lemoine took advantage of the opportunity to reaffirm the ties that have linked Wendel to Luxembourg for more than 80 years.



Xavier Bettel, Prime Minister of Luxembourg



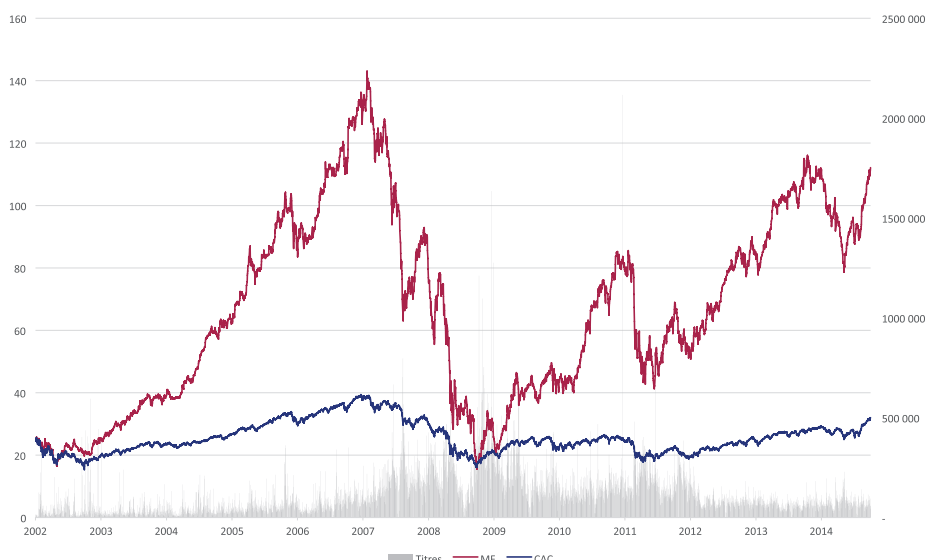
François de Wendel, Chairman of Wendel's Supervisory Board



Frédéric Lemoine, Chairman of Wendel's Executive Board

# Shareholder information

## Share price



### SHARE PRICE

(for French wealth tax purposes)

Closing price as of 12/31/2014: €92.94

Average Wendel share price for the last 30 trading days in 2014: €92.50\*

\* Indicative "30-day average" share price

Comparison of total shareholder return on Wendel shares and the CAC 40, since the CGIP/Marine-Wendel merger (Source: Factset)

Performance from 6/13/2002 to 3/16/2015 (dividends reinvested)	Total return over the period	Annualized return over the period
<b>Wendel</b>	<b>341.6 %</b>	<b>15.0 %</b>
<b>CAC 40</b>	<b>27.9 %</b>	<b>6.4 %</b>

## Dividend

The Executive Board, with authorization from the Supervisory Board, will propose to shareholders at their Annual Meeting on June 5, 2015, an ordinary dividend of €2 per share, to be paid in cash, an increase of 8.1% over the ordinary dividend paid in 2014 on 2013 earnings. The ex-dividend date is set for June 10, 2015, and the dividend will be paid on June 12, 2015.



## NEXT ON THE AGENDA

**Friday, June 5, 2015**

Shareholders' Meeting / publication of NAV and trading update (pre-market release)

**Thursday, September 10, 2015**

H1 2015 earnings / Publication of NAV (pre-market release)

**Thursday, December 3, 2015**

Shareholders' Meeting / publication of NAV and trading update (pre-market release)

## Contact us

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## 2015 Annual Shareholders' Meeting

The next Combined Shareholders' Meeting will be held on June 5, 2015 at 3:30 PM at the Palais Brongniart, 28 Place de la Bourse, 75002 Paris (France). The notice inviting shareholders to the meeting was published in the BALO (Bulletin of legal announcements) ([www.journal-officiel.gouv.fr/balo](http://www.journal-officiel.gouv.fr/balo)) on April 10, 2015. It will also be available from Wendel's website ([www.wendelgroup.com](http://www.wendelgroup.com)), under «Shareholders' portal», «General Meeting».

The 2014 Registration Document was filed with the Autorité des Marchés Financiers (AMF) on April 15, 2015. It can be viewed on Wendel's website ([www.wendelgroup.com](http://www.wendelgroup.com)) under «Shareholders' portal», «Annual reports».



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**WENDEL**

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