

**WENDEL: 15% INCREASE IN CONSOLIDATED  
Q1 2012 SALES**

- **1<sup>st</sup> quarter 2012 consolidated sales: €1,517.0 million, up 15.1% and 6.4% organically, with a strong first quarter of Bureau Veritas**
- **Financial structure further strengthened:**
  - **sale of Deutsch finalized for €959 million;**
  - **gross debt reduced by €363 million since start of year;**
  - **Wendel's rating (S&P) upgraded to BB, with stable outlook, on April 11.**

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

*"In the early part of 2012, Wendel faced contrasting economic conditions, from one region to another and from one sector to another. The performance of our companies results from their leadership positions on promising markets, rigorous price management and the quality and determination of their management teams. Wendel's companies continued to strengthen their growth profile, carrying out 12 acquisitions.*

*Wendel's efforts to rationalize its financial structure since 2009 have been recognized by Standard & Poor's, which has upgraded Wendel's rating to BB, with a stable outlook, compared with BB- and a negative outlook previously. With the sale of Deutsch to TE Connectivity having been finalized on April 3, 2012, Wendel will be able to take advantage of new investment opportunities, while continuing to improve its financial structure."*

**Contribution of Group companies to 1<sup>st</sup> quarter 2012 sales.**

<b>Consolidated sales</b> (in millions of euros)	<b>Q1 2011</b>	<b>Q1 2012</b>	<b>Δ</b>	<b>organic Δ</b>
Bureau Veritas	775.0	868.3	12.0%	8.6%
Materis	459.5	483.2	5.1%	3.1%
Stahl <sup>(1)</sup>	83.0	87.3	5.1%	5.0%
Oranje-Nassau Développement <sup>(1)</sup>	-	78.1	n.s.	n.s.
<b>Consolidated sales</b>	<b>1,317.5</b>	<b>1,517.0</b>	<b>15.1%</b>	<b>6.4%</b>

**Sales of companies accounted for by the  
equity method**

(in millions of euros)	<b>Q1 2011</b>	<b>Q1 2012</b>	<b>Δ</b>	<b>organic Δ</b>
Saint-Gobain	9,799	10,162	3.7%	0.9%
Legrand	1,036	1,086	4.8%	-0.9%
except (Oranje-Nassau Développement) <sup>(2)</sup>	35.6	46.1	29.3%	3%

(1) OND: includes Parcours, acquired on April 15, 2011 and Mecatherm, acquired on October 4, 2011

(2) except accounted for by the equity method from July 26, 2011; 3-month contribution in 2011 and 2012

## Sales of Group companies in the first three months of 2012

### **Bureau Veritas – Sales up 12%, acquisition of seven companies, arrival of a new CEO**

*(Full consolidation)*

Q1 2012 revenue rose by 12.0% to €868.3 million and broke down as follows:

- Organic growth of 8.6%, well ahead of the 2011 level;
- A 1.2% change in the scope of consolidation, primarily driven by the acquisitions of AcmeLabs (Commodities), Civil-Aid and HuaXia (Construction), and Pockrandt and Scientige (Industry);
- A 2.2% positive impact from currency fluctuations, prompted mainly by beneficial moves in the US dollar, the Australian dollar and the Chinese yuan.

Since January 1, 2012, Bureau Veritas has undertaken a series of strategic acquisitions enabling it to round out its services offering and its geographical presence in niche markets with high growth potential. Combined revenue from these acquisitions totaled more than €110 million based on full-year 2011 figures, representing 3% additional growth for the Group. The main acquisitions were:

AcmeLabs, the Canadian no. 3 in upstream minerals testing, HuaXia, the leader in the petrochemicals plant construction supervision market in China. and TH Hill, a worldwide leader in oil & gas drilling failure prevention and analysis services.

Revenue in the **Marine** business fell 1.0% in the 1<sup>st</sup> quarter. The New Construction business (51% of the Marine business revenue) took 0.84 million gross tonnes (GRT) in orders, representing 221 ships. The Ships in Service business saw modest growth, with the fleet classed by Bureau Veritas increasing by 4.3% to 9,992 ships.

Revenue in the **Industry** business rose sharply in all segments and all geographical regions, with revenue advancing 20.5% organically and 24.6% overall. Momentum remained robust and Bureau Veritas benefited from the significant contracts it obtained in 2011, in particular in the oil & gas and wind turbine segments.

Revenue in the **In-Service Inspection & Verification** business rose 5.3% organically during the quarter. Sales increased in all geographies, with the exception of Spain.

The **Construction** business declined 1.4% on a constant-scope and constant-currency basis, but rose 1.9% overall. Growth was modest in France and more robust in Japan, but remained difficult in Spain. Conversely, business in high-growth countries is booming.

With organic growth of 6.5%, the **Certification** division benefited from its bolstered presence in fast-growing geographies, growth in major global contracts and the development of new services related to energy efficiency and sustainable development.

The organic growth of 13.8% posted by the **Commodities** business derived principally from the Metals & Minerals segment and from robust growth in the Oil and Petrochemicals segments. Overall, the division's revenue rose 21.3% and represented 18% of Bureau Veritas's total revenue.

Business in the **Consumer products** business, which saw organic growth of 3.1%, gradually improved over the quarter (+6% in March). The group is beginning to benefit from the improvement in its positions with regional distribution channels in Asia and growth initiatives launched in 2011.

Revenue in the **Government services & International trade** division saw organic growth of 19.0%, resulting from an increase in the volumes inspected in the entire portfolio of existing contracts and the rising momentum of new contracts (single window in Benin, verification of conformity in Iraq).

In 2012, without further deterioration to current economic forecast, the Group should deliver strong growth in revenues (in both organic terms and via acquisitions) and adjusted operating profit, in line with the targets set out in the BV2015 strategic plan. With the support of Wendel, Bureau Veritas's governance was strengthened with the arrival on March 1 of a highly-skilled executive, Didier Michaud-Daniel, as Chief Executive Officer.

## **Materis – Organic Q1 growth of 3.1% exceeded expectations**

*(Full consolidation)*

Materis, a world leader in specialty materials for the construction industry, posted sales of €483.2 million in the 1<sup>st</sup> quarter of 2012, up 5.1% from Q1 2011. 3.1% of growth was organic (volume/mix effects: -1.7%; price effects: +4.7%). Changes in scope generated a positive impact of 1.4%, essentially from the integration of Elite in the United States and PK in Thailand in the Mortars division, as well as the acquisition of independent paints distributors in France and Italy. The currency-related impact was +0.6%.

Materis continued to benefit from robust growth in emerging economies (organic growth of 12%). Mature markets were up slightly (1%), despite two factors. Firstly, the base of comparison was unfavorable: there was a cold snap in Europe this year whereas the 1<sup>st</sup> quarter of 2011 had been very mild, and there was one less working day in France in 2012. Secondly, economic prospects were strained in Southern Europe.

- Growth at **Kerneos (Aluminates)** was 2% (0% organically), exceeding estimates. Robust growth in sales in the United States, China and certain European countries (Germany, Russia, United Kingdom, Scandinavia), as well as significant price increases and favorable currency fluctuations offset a contraction in Southern Europe, France and Japan, tied to unfavorable weather and a slowdown in steel production;
- Growth at **Chryso (Admixtures)** of 1% (4% organically) also outpaced expectations, driven by brisk business in emerging markets (14% organic growth) and the beginning of a recovery in the United States. In addition, price increases offset a decline in certain European countries impacted, among other things, by very unfavorable weather in Q1 (Italy, Spain United Kingdom and to a lesser extent France), and unfavorable currency fluctuations;
- Sales at **ParexGroup (Mortars)** grew by 10% (7% organically), benefiting from healthy business growth in the United States and emerging economies, favorable currency fluctuations and the impact of consolidating acquired companies. These increases more than offset a sharp decline in Spain and stable sales in France (with an unfavorable base of comparison);
- **Materis Paints** also experienced significant growth of 5% (2% organically), driven by vigorous price increases to pass on the rise in titanium dioxide costs in 2011, active marketing in Spain and Argentina, and the integration of independent distributors. Sales grew more moderately in France and Switzerland and declined in Portugal, Italy and Morocco.

More than 18 months in advance of its first repayment dates, Materis launched negotiations with its 200 lenders aimed essentially at postponing 2013-15 maturities to 2015-16 and at increasing the group's sources of liquidity. As of the end of April, maturities postponement acceptance rate was 88%, under certain conditions. Discussions are continuing, with the aim of maximizing the proportion of rescheduled maturities.

In this context, Wendel and its co-shareholders would be ready to inject €25 million in equity to finance Materis's expansion, and to make an interest-bearing, €25 million credit facility available. This facility might be increased in 2013 to €50 million under certain conditions, and would be repaid after the sale of one of the company's divisions.

Wendel and Materis have retained BNP Paribas and Rothschild to conduct a strategic review of Materis's businesses, with a view to selling a division in 2012 if an attractive offer is made at favorable financial and operating terms.

## **Stahl – Total sales increased by 5.1%; strong advance in the Permuthane division**

*(Full consolidation)*

Stahl, world leader in leather finishing products and high-performance coatings, posted sales of €87.3 million in the 1<sup>st</sup> quarter of 2012, up 5.1% on Q1 2011. Organic growth for the quarter stood at 5.0%, in line with targets.

The trends observed in the first quarter were positive in all divisions. **The Permuthane** division (high-performance coatings) posted robust growth of 8%, driven by the large Asian markets (India up 22% and China up 32%) and by strengthened positions in mature markets (North America up 17% and Europe up 4%).

The **Leather finishing** division saw healthy growth of 4%, buoyed in particular by recovery in the North American automotive market, but it continued to suffer from the sluggish tanning market, which was held back by high hide prices in Latin America and Asia.

All divisions benefited from increased exposure to the premium segments of the automotive and luggage sectors, which are still upbeat worldwide. Stahl is reaping the benefits of its sales and marketing policy and of the quality of the products and services it offers both to German luxury carmakers and to French and Italian luggage and leather goods manufacturers.

## **Saint-Gobain – 1<sup>st</sup>-quarter 2012 sales up 3.7%**

*(Equity method on 17.1% holding)*

Saint-Gobain posted moderate growth in sales for first-quarter 2012, up 3.7% to €10,162 million from €9,799 million in first-quarter 2011.

Exchange rates accounted for a 1.0% increase in sales, mainly attributable to gains in the US dollar and British pound against the euro. Changes in Group structure had a positive 1.8% impact, resulting equally from the acquisition of Build Center on November 1, 2011 and from acquisitions carried out over the past 12 months in energy efficiency businesses and emerging countries.

Like-for-like sales (comparable group structure and exchange rates) edged up 0.9%. Volumes retreated 1.5%, while sales prices climbed 2.4%.

Overall, despite a particularly tough basis for comparison (9.6% organic growth in first-quarter 2011) and a more uncertain economic climate, the group continued to deliver a satisfactory trading performance in the three months to March 31, 2012.

In line with the scenario announced in February:

- the group benefited from upbeat industrial markets in North America, and especially the start of a recovery in residential construction in the US, which pushed the CP and Building Distribution Sectors into double-digit organic growth;
- as expected, despite ongoing brisk growth in Latin America, momentum in emerging countries and Asia slowed significantly, due chiefly to the downturn in Asian operations;
- trading was slightly weaker in Western Europe (compared to a strong 10.2% rise in first-quarter 2011), chiefly reflecting the downturn in the automotive market and to a lesser extent, the impact of harsh weather conditions in February on the construction sector. However, trading in other industrial sectors (excluding automotive) remained satisfactory. Residential construction proved resilient overall, despite continuing stark contrasts between Northern Europe (Scandinavia and Germany) - which continued to perform very well - and Southern Europe, where conditions remained extremely tough;
- France continued to enjoy upbeat trading conditions in the quarter;

All of the group's Business Sectors except Innovative Materials - hit by the downturn in Flat Glass - delivered small organic growth gains over the quarter, spurred chiefly by the continuing uptrend in sales prices.

**Innovative Materials** sales dropped 3.1% due to the decline in Flat Glass. High-Performance Materials remained stable.

**Construction Products (CP)** sales moved up 3.7%. Sales growth for the Business Sector reflects upbeat price momentum across all divisions except Pipe, as well as the sharp rally in sales volumes in the US as residential construction activity began to pick up.

Despite a very tough comparison basis (10.8% organic growth in 1<sup>st</sup>-quarter 2011), **Building Distribution** saw sales advance 1.6%, driven once again by Germany and Scandinavia. Trading for the Business Sector in Southern and Eastern European countries and to a lesser extent in the UK remained challenging, while trading in France held firm. After a consecutive five-year decline, US Building Distribution rallied sharply, posting double-digit organic growth for the quarter. Sales prices remain upbeat across the Business Sector, in line with the group average.

**Packaging (Verallia)** reported 1.7% organic growth in the quarter, fueled chiefly by favorable trends in sales prices, which gained 2.2%. This organic growth was driven by North America (up 4.3%), while Europe remained stable, with strong sales volumes in France and Germany offsetting the decline in other European countries. Sales in Latin America slipped 1.0% on a like-for-like basis, due mainly to a tough comparison basis.

The group expects the underlying trends presented in February to continue over the next few quarters. Providing the economic and financial crisis does not escalate, trading for Saint-Gobain should remain satisfactory overall, helped by weaker comparison bases over the next few months.

Consequently, Saint-Gobain is confirming its targets for full-year 2012:

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

## **Legrand – Sales up 4.8%**

*(Equity method on 5.8% holding)*

Reported figures set sales for the quarter at €1,086.2 million, a year-on-year rise of 4.8%. The change in sales at constant scope of consolidation and exchange rates was -0.9%, impacted by a particularly demanding basis for comparison, notably in France. Over the past two years, sales growth at constant scope of consolidation and exchange rates stands at +8.0%. The impact of changes in scope of consolidation was +5.0% and exchange rates had a positive effect of 0.7%.

- **France:** Sales decreased 2.1%, due in particular to the high basis for comparison in the first quarter of 2011 resulting notably from major new-product launches in wiring devices and energy distribution. Over the past two years, sales have risen 9.7% at constant scope of consolidation and exchange rates. The group has turned in good showings in areas where it holds solid market positions, including wiring devices and the Céliane range in particular. The success of its new Puissance<sup>3</sup> range has also helped Legrand continue to reinforce its positions in energy distribution;
- **Italy:** Sales to distributors (sell-in) were down 13.6% but downstream sell-out of Legrand products by distributors (sell-out) was approximately 4 points higher than sell-in and thus stood at around -10%. It is also worth noting that sales have held up better in activities where the group holds strong sales positions, such as wiring devices;
- **Rest of Europe:** Sales were up 2.5% for the region as a whole despite a continued decline in Southern Europe. The trend was driven by strong performances in Russia and Eastern Europe in general, Turkey, Germany, Austria and the Netherlands;
- **United States/Canada:** Sales rose 4.1%, buoyed by strong showings including in wiring devices, cable management and highly energy-efficient lighting controls. This performance is encouraging in a construction market that is improving but still well below historic levels.
- **Rest of the World:** Sales have continued to rise, with good performances in Asia's new economies (where organic growth is nearly 7%) and in most Latin American countries. Some African and Middle Eastern countries are still affected by fallout from the Arab Spring. Overall sales in the region are up 2.7%.

More generally, sales in new economies rose in the first quarter by a total of nearly 15% and by nearly 6% at constant scope of consolidation and exchange rates to represent 35% of total group sales (3 points higher than in the first quarter of 2011). The group has scored strong performances in Russia, Poland, Romania, Turkey, India and China, as well as in Saudi Arabia, Algeria, Morocco, Mexico, Chile, Colombia and Costa Rica.

Legrand has actively pursued its strategy of targeted, self-financed acquisitions of small and mid-size companies offering growth potential and strong market positions, and since the beginning of 2012 has announced two acquisitions:

- Numeric UPS<sup>1</sup>, India's market leader in low- and medium-power UPS;
- Aegide, market leader in Voice-Data-Image cabinets for data centers in the Netherlands, and a front-running European contender in this market.

The consolidation of these two new companies and acquisitions made between April and December 2011 should grow the group's annual sales by 4.6%, a contribution in line with Legrand's medium-term targets.

Based on first-quarter achievements and in the absence of marked worsening in the economic environment, Legrand confirms its targets for 2012:

- organic growth<sup>2</sup> in sales of about zero;
- adjusted operating margin equaling or exceeding 19% of sales including acquisitions<sup>3</sup>.

1 - subject to customary closing procedures

2 - organic: at constant scope of consolidation and exchange rates

3 - small and mid-size bolt-on acquisitions

## **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)* and *Mecatherm (France)* as well as in *Van Gansewinkel Groep (Netherlands)*.

### **exceet – 29% growth in sales in the first three months**

*(Equity method on 28% holding since July 2011)*

The unaudited, consolidated sales of exceet, European leader in embedded electronics and security solutions, totaled €46.1 million in the first three months of 2012, up 29.3%. This increase resulted principally from acquisitions, namely in particular, from strong organic growth, in particular in medical technologies and industrial automation.

Top line growth derived principally from acquisitions in 2011, namely AuthentiDate International AG (digital signature and secure cloud services) and Contec GmbH (embedded electronic systems for medical and industrial applications). This strategy continued in 2012 with the acquisition of Inplastor GmbH (loyalty cards and ID card security solutions). Over the whole of 2012, putting aside any further acquisitions, exceet anticipates significant growth in sales. In this regard, it has recently announced a contract with Siemens AG involving orders totaling €40 million over three years.

### **Parcours – Robust growth in sales**

*(Full consolidation since April 2011)*

Parcours, the independent, long-term vehicle leasing specialist, posted sales of €69.2 million in the 1<sup>st</sup> quarter, up 9.4% compared with Q1 2011. **Vehicle leasing and repair** revenues advanced by 7.4% to €49.9 million. Amid a lackluster market, Parcours' business was buoyed by an 9.1% year-on-year increase in the fleet of leased vehicles, which now number 45,755. Parcours continued to gain market share, increasing its fleet of vehicles at a faster pace than its competitors.

**Parcours' second-hand vehicle sales business** also performed well, with nearly 15% growth in sales (€19.3 million in Q1), owing to vibrant sales at the company's sites devoted to vehicle sales. In addition, Parcours is continuing to convert its French locations to the "3D" model (development of the car repair business) and to expand its international business, opening a Portugal location in early 2012.

### **Mecatherm – 1<sup>st</sup> quarter reflected postponement of orders from the second half of 2011**

*(Full consolidation since October 2011)*

Mecatherm's sales in the 1<sup>st</sup> quarter of 2012 totaled €8.9 million. This figure was particularly low, as expected, because orders were postponed during the second half of 2011, Mecatherm's customers having delayed decisions amid the volatile economic and financial situation. Orders started flowing in again at the end of the 4<sup>th</sup> quarter of 2011, and the order book stood at €78 million as of March 31, 2012, representing an increase of 26% compared with year-end 2011.

## **Other highlights of the 1<sup>st</sup> quarter of 2012**

### **Sale of Deutsch to TE Connectivity finalized**

After obtaining the necessary authorizations, Wendel and the Painvin family sold Deutsch to the industrial company TE Connectivity on April 3, 2012 for an enterprise value of \$2.1 billion, and Wendel's net proceeds on the sale were €959 million.

### **Reduction in gross debt of €363 million since year-end 2011:**

Wendel continued to reduced its gross debt through the following transactions:

- Early repayment of €250 million in drawdowns under the syndicated credit line at the end of March 2012. As a result of this repayment, Wendel no longer has any debt maturities before March 2014;
- Buyback of €53.4 million in bonds since the beginning of 2012 with maturity dates of 2014 (€35.4 million) and 2016 (€18.0 million);
- Early repayment of €60 million in debt with margin calls, originally maturing in November 2014.

### **S&P has upgraded Wendel's rating**

On April 11, 2012, 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 Wendel's announcement that it had finalized the sale of Deutsch, the specialist in high-performance connectors, and by improvement in Wendel's financial structure.

In its April 11 press release, S&P said, "The positive rating action reflects management's continuous efforts to reduce debt since late 2009, and the more recent, significant drop in Standard & Poor's loan-to-value (LTV) ratio for Wendel to below 45%, a level commensurate with a 'BB' rating. This follows the completion of the sale of electronic



connections provider Deutsch Group SAS (Deutsch) to Swiss electronics firm TE Connectivity Ltd. (BBB/Positive/A-2)."

## Financial calendar

**June 4** – Annual Shareholders' Meeting  
– Publication of Net Asset Value

**June 19** – Shareholders' meeting, Lyon

**August 30** – First half 2012 sales and earnings (pre-market release)  
– Publication of Net Asset Value

**November 13** – Third-quarter 2012 sales (post-market release)

**December 6** - Investor Day  
– Publication of Net Asset Value

## About Wendel

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

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

Standard & Poor's rating: Long term: BB, stable outlook; short term: B since 11 April 11, 2012.

Wendel is the founding sponsor of the Centre Pompidou-Metz, which has welcomed approximately 1.2 million visitors since opening its doors in May 2010.

Owing to its long-standing commitment to the arts, Wendel was awarded the title of "Grand Mécène de la Culture" ("Grand patron of the arts") on March 23, 2012.



## Press contacts

Christine Anglade Pirzadeh: +33 (0)1 42 85 63 24  
c.angladepirzadeh@wendelgroup.com

Christèle Lion: +33 (0)1 42 85 91 27  
c.lion@wendelgroup.com

## Analyst/Investor contacts

Laurent Marie: +33 (0)1 42 85 91 31  
l.marie@wendelgroup.com

Olivier Allot: +33 (0)1 42 85 63 73  
o.allot@wendelgroup.com