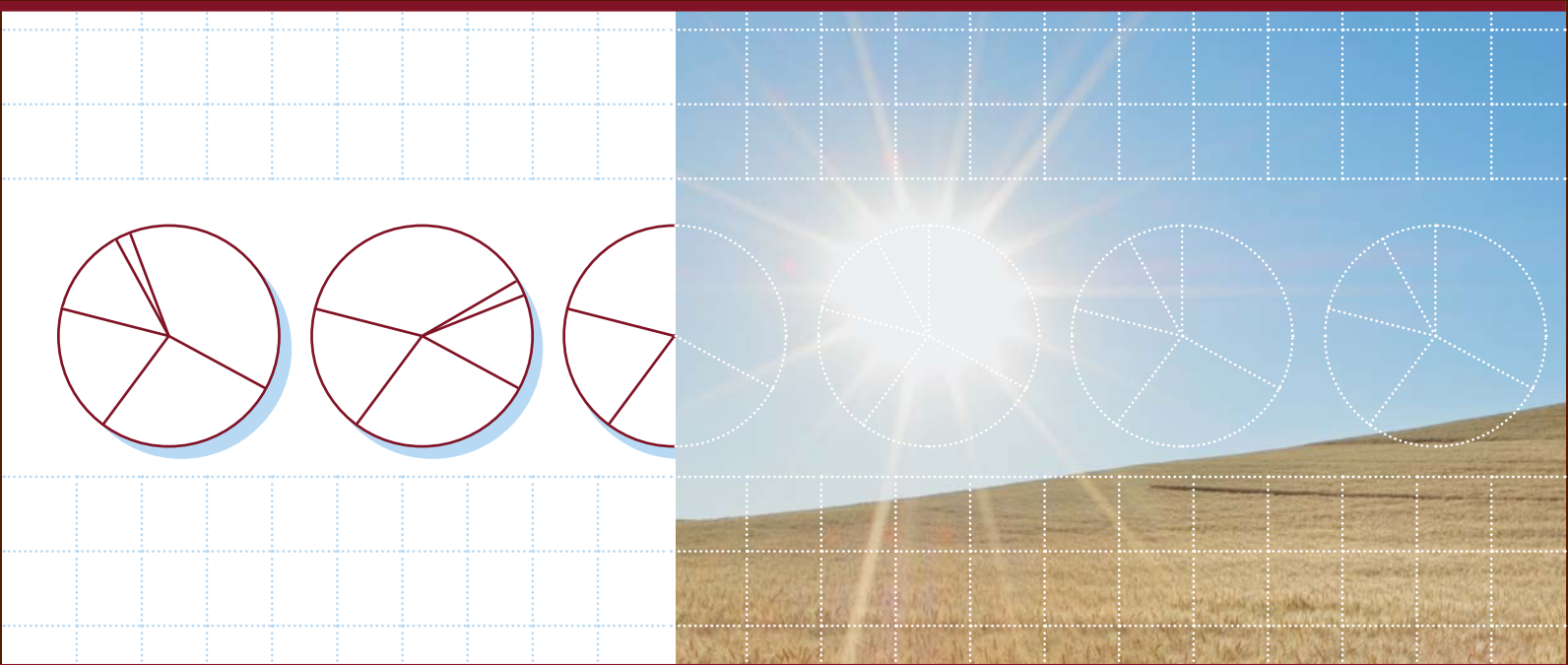




W E N D E L

2009 management report



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2009

Key figures

€53 per share

NAV AT DECEMBER 31, 2009

€7,317 million

TOTAL GROSS ASSETS UNDER MANAGEMENT

70

EMPLOYEES

€45 million

TOTAL BUDGET

8

MAIN FINANCIAL HOLDINGS,
ACCOUNTING FOR:

248,312

EMPLOYEES

€4,865 million

IN REVENUES

(fully consolidated companies only)

52%
Bureau Veritas
Compliance and
certification services

25%
Legrand
Products and systems
for low-voltage installations

18%
Saint-Gobain
Production, transformation
and distribution of materials

76%
Materis
Specialty chemicals
for construction

46%
Stallergenes
Allergy immunotherapy

89%
Deutsch
High-performance
connectors

100%
Oranje-Nassau
International development
platform

92%*
Stahl
Coatings and leather-finishing
products

*Since February 26, 2010. At December 31, 2009, Wendel held 48% of Stahl based on equity investments and shareholders' loans.

The Wendel group is a hands-on shareholder and investor that fosters sector-leading companies in their long-term development. As a committed shareholder, it helps design and implement ambitious and innovative development strategies that create significant value over the long term.

Dear shareholders,

As reflected in the results that are reported to you here, 2009 will go down in our Group's history as a year marked by unique challenges and a very serious crisis that combined a disruption in financial capitalism with a subsequent free fall in stock valuations, a sudden halt to global economic and industrial activity, and, for Wendel, a major media storm. It was in response to this context that we set up a new Executive Board in the month of April.

Our shareholders can now be proud of the work accomplished by Wendel's people under the leadership of Frédéric Lemoine, the new Chairman of the Executive Board, in restoring our Group's equilibrium. Nine months of aggressive initiatives have restored our Group's financial health, consolidated its assets and injected new energy into the business.

In an economic environment that remains far from clear, the Group first sought to shore up its financial structure and make it more flexible. On our request, Wendel's banking partners extended our debt maturities by several years, and an exchange of outstanding bonds allowed us to postpone repayment of our closest-dated debt. With financing now in phase with our long-term investor vision, and with solid cash holdings, your Group has given itself the flexibility and the financial wherewithal to cope with today's challenging environment.

All the while, Wendel has stuck tenaciously to its commitments as a long-term shareholder, assisting each of the companies in which it has invested by backing the operating adjustment plans they had undertaken over a period of more

than 18 months and by taking part in their financial restructuring when required to do so by circumstances. In 2009, your Group focused its efforts and its capital on these companies, which are leaders in their respective sectors and led by strong management and employees who, I would like to point out, possess exceptional qualities. They are now perfectly well armed to take advantage of the opportunities that will emerge as the recovery begins.

Our relations with the Saint-Gobain group have been normalized a more serene and confident environment. Our relations have been strengthened by the quality and closeness of relations between senior managers, something that was lost amidst the public fuss and speculation. Here again, our long-term commitment was expressed both in our participation in the Group's capital increase in early 2009 and in the recent increase in our economic exposure through the sale of some of our financing hedges.

Led by Frédéric Lemoine and Bernard Gautier, your Group has gained new momentum and has the full support of the family shareholder. It is ready to take advantage of the next investment cycle.

To do so, Wendel has a team of high-level professionals, significant financial resources to call upon and a development model that we continue to prize—invest for the long term as a shareholder of choice in innovative and ambitious leaders, while remaining faithful to a culture of partnership and accountability. It is thanks to you—shareholders who stuck with us loyally during a challenging year—that we are back on the road to success.

— For its future development, Wendel has a team of high-level professionals, significant financial resources to call upon and a development model that we continue to prize—invest for the long-term as a shareholder of choice.

ERNEST-ANTOINE SEILLIÈRE

CHAIRMAN OF THE SUPERVISORY BOARD



— Constancy, trust, innovation, long term...
these are our keys to building Wendel's
sustainable future.

FRÉDÉRIC LEMOINE – CHAIRMAN OF THE EXECUTIVE BOARD



The 2009 left a mark in more ways than one. The global economy and markets were disrupted in an unprecedented and brutal manner and were shaken to their very core by a financial crisis the likes of which we had never seen. Through concerted action by governments and central banks, the international system is beginning to absorb the shock. And in the post-crisis world that is emerging, the French economy has managed to keep itself at a level that gives us hope for the future, and solid French and European companies will clearly be able to play from strength.

Even so, I am especially struck by the extent of the decoupling in the international economy between developed regions such as Europe and the US—which are still sluggish, and the emerging economies of India, China, Southeast Asia, Brazil and Latin America in particular, as well as Africa. In 2010, the growth gap between developed and developing economies in the sectors in which we are active is expected to exceed 15 points on average, which is well beyond the GDP growth gap (about 5 points) expected by the major statistical organizations. Looking beyond the current year, we can see that a stark structural shift in the global economy is gathering strength, and we must remain keenly aware of this shift and of the new sources of growth that European companies can take advantage of.

The downturn has also made us think about the nature and practice of financial activities. International authorities are rightly reviewing the need for regulation, solidity and transparency on the part of financial market participants. From the point of view of Wendel, which has long been at the crossroads of finance and industry, this is a positive development. The real economy needs investment, and an investment firm like ours is especially well equipped to provide it. For we have permanent capital and, unlike funds, we are not subject to the obligation to return investors' money in a predetermined timeframe. Our shareholders can use the stock exchange to meet any liquidity needs they may have. Moreover, we operate under the transparency and financial requirements of a listed company that is regularly covered by all market players. In 2009 we further

enhanced our financial reporting, the explanation of our strategy and our commitment to an exemplary corporate governance model, in order to build on the trust that is the necessary foundation of our business. It is with this in mind—and this is another paradox of periods of economic disruption—that we will seize the opportunities that will emerge, both in helping our subsidiaries and associates to grow and consolidate, and in cautiously looking into new investments. We will do this while keeping a close eye on major trends that are accelerating at an unheard-of pace: necessary environmental concerns that are redefining production processes and consumption patterns, demographic trends underway in all countries, the global shift of growth centers in which each economic region is changing its focus, and technological transformations that are opening up a new competitive landscape.

Now that the horizon seems to be clearing reasonably, the time is right for us to recognize the energies that got us through 2009 and have made us truly confident for 2010. First of all, I would like to thank Ernest-Antoine Seillière, Chairman of Wendel's Supervisory Board, and François de Wendel, Chairman of Wendel-Participations for their commitment. Their unfailing support was instrumental in 2009, and they allowed the Group to keep a steady course during the storm.

Our shareholders have remained loyal throughout a period of market turbulence, just as our small staff of 70 employees has remained devoted. It is through them that Wendel has succeeded in righting its fundamentals during these difficult months while upholding the values that have been the hallmarks of the Wendel family for many years. Wendel can once again proudly claim its traditional identity as a long-term key shareholder.

2009 was thus a year of returning to the constancy that is Wendel's strength and that has long formed the backbone of its commitment. Since I arrived in April 2009, it has been against this yardstick that I have made all important decisions. Wendel's role as a responsible and sustainable investor is written into its DNA. Our partners, including the managers of our subsidiaries and associates, our shareholders, employees, our banks and the financial markets, must be able to count on us. We were in crisis because we

had become inscrutable and, at times, unpredictable. We are no longer so, because we have returned to constancy in our actions and have regained the trust of our partners—these are precious goods that must be safeguarded and earned each day!

Alongside Bernard Gautier and our team, our constant aim is to create value in the medium and long term—economic value for our companies and financial value for our shareholders, with one necessarily following on from the other. Our strategy is thus based on a set of principles that, in my view, are fundamental.

The first basic principle is control over time. We have worked with our banking partners to profoundly restructure Wendel's debt maturities and the debt of our unlisted holdings. By gaining between one and four years on average, depending on the case, we have restored maneuvering room that will allow us to work in phase with the business cycle and to adjust to the recession and the recovery that will follow. We refused to allow pending debt maturities to force us to sell off assets on poor terms, terms that would have had no connection with those assets' value or stage of development. Moreover, it is over time that real value is created, and that our companies' major industrial projects are executed. That's why we will only invest in new projects if we can see ourselves truly involved over 10, 15 or 20 years! We will continue to adjust our financial situation, still heavy in the debt column, in order to make this so.

The second principle is reciprocal utility. We don't simply live off our financial holdings. We owe those companies our vision, constructive inquiry and experience. Just as we choose promising companies, in return we wish to be chosen by the sellers and managers of these companies for the right reasons, in particular our ability to assist them in executing their strategy and in managing companies over the long term. A long-term, orderly and effective working relationship can be built only on the basis of mutual trust. This capacity to listen and speak to one another, to understand one another—a capacity we have built up over the last year with Saint-Gobain's management—is the best way to leverage major decisions and to keep our eye on the ball in the midst of an environment in constant flux. ■ ■ ■

■ ■ ■ The third principle that I would like to stress is innovation. The world is changing, and every company must adjust its plans accordingly to exploit the breaches opened up in the shifting landscape. This is why our companies have maintained their research & development budgets throughout the economic downturn.

Innovation is driven not just by technological or technical change but also by open minds, a culture of anticipation and our constant preference for flat organizations, which need time to deliver their benefits.

Our December 3, 2009 Investors Day was themed “Innovation, a springboard for recovery”, and that was no accident!

Constancy, long term, confidence, close dialogue with the companies in which we have invested—these are the hallmarks of Wendel. In 2010, the environment could still produce some surprises and challenges, so we must remain humble and clear-headed. But I am confident that with financial holdings universally praised for their quality, a stable shareholder base and a diverse and experienced team, these principles can be powerful creators of value.

It is also for this reason that, in spite of the exceptional accounting losses of 2009, we have decided to maintain our dividend at €1 per share.

You can count on our full commitment to stick to the work we have begun. The coming years will require some delicate steering, but Wendel will not lose sight of its history or its ambition—to be a “key shareholder” recognized in the French economy for its companies’ performances and its economic utility.

What was your strategic priority for Wendel in 2009?

As soon as I arrived at Wendel, I sought to work with Bernard Gautier on putting the Group on a new footing by giving it proper financial leeway for the future. This was our priority, as it became the only path to retaking control of our destiny as a long-term investor.

So I personally undertook crucial discussions with our banking partners, which led to some very concrete benefits. We cut our debt by more than €1.1 billion; we extended our bank debt maturities by more than two years with margin calls that carried no significant additional expense; and we consolidated €2.1 billion in undrawn credit lines.

The very positive outcome of these negotiations is an essential source of leverage that has given us greater peace-of-mind in cautiously resuming our investments.

More broadly, it was essential during this stormy period to clarify and explain our situation and our strategy in depth. We had to give everyone reasons to renew their faith in Wendel.

Did you set the same goals for your companies?

In 2009 we did indeed focus on the financial restructuring of our heavily-indebted, unlisted subsidiaries. These negotiations led to notable success in a year in which many other companies were unable to do the same.

I am very proud that we were able to guide Stahl through an especially tough phase. Many purely financial players hoped to make off with this little jewel on the cheap. We believe in the future of this world leader, so we quite naturally invested €60 million, to go with our initial €80 million investment, while obtaining a 45% reduction in its debt.

This gave us 93% control of Stahl, and we are happy now to see it turn the corner.

Materis was another major success, mainly because 650 of its senior managers have joined us in our reinvestment. How's that for shared faith in the future! We were even able to negotiate with the banks on resources for future acquisitions.

We also worked hard with the listed companies in which we have invested on how to adjust to the downturn. Cost-cutting plans at Legrand and Saint-Gobain have been exemplary. The aggressive deleveraging by companies like Bureau Veritas owes nothing to chance.

How do you see the future of your relationship with Saint-Gobain?

Saint-Gobain is an impressive group with highly promising products and prospects, given the underlying trends that will mark the coming years, including a global rebound in construction in the aftermath of the recent downturn, increasing urbanization and population growth, the priority being given to energy efficiency in buildings and to solar energy, and growth in emerging markets, where Saint-Gobain focuses its investments and already generates 27% of its revenues throughout its range of construction products and innovative materials.

We don't control Saint-Gobain, but we will remain its main shareholder for a long time to come. In March 2010, we held more than 26% of its voting rights. Having been won over by the vision of Pierre-André de Chalendar and by the impressive adjustments he had made, we recently expressed our wish for him to serve as both chairman and CEO, so that he will have all the resources at his call, as is the case for all our companies. We are in constant contact with the company's management on all the major issues and take part fully in the work of the Board of Directors. I personally joined the Financial Statements Committee in 2010, to go with our existing participation

on the Strategy Committee and the Appointments and Compensation Committee. This is how we have served notice of our ambition to make an active contribution to Saint-Gobain's future success.

Does this open up new prospects for investment?

We must remain cautious, but we have nonetheless been able to free our minds and look into some investment stories. We are already looking at many situations, which will nonetheless be more modest in monetary amounts than in the past. Our priority is for Wendel to stick to its vision as a long-term investor that chooses to assist high-quality companies, and to be useful within the confines of a mutually beneficial relationship. We do this on a long timeframe of 10 to 20 years, while always remaining pragmatic and open to value-creating sale opportunities that are compatible with the companies' plans.

We don't rule out investing outside of France, although France remains our home field. We have been present for more than 100 years in the Netherlands. In Germany we set up an investment platform in early 2010 called Helikos, which has raised capital of €200 million. It will serve as a base for seeking investment opportunities in the German Mittelstand (mid-sized companies), which are traditionally export-intensive and characterized by the values of family-based capitalism.

The management team

Wendel's operational organization was revised during the year. In order to manage the Group on a more collegial and transparent basis, the Executive Board is assisted by an Investment Committee and a Management Committee.

● **An Investment Committee**, composed of the Executive Board and five Managing Directors, meets every week to work on selecting and preparing the Group's investments.

▲ **A Management Committee**, which has just been set up, meets once per week. It is composed of the members of the Executive Board, the Chief Financial Officer, the General Counsel, the Managing Director in charge of operating resources, and the Director of Communications. It makes decisions on the Group's day-to-day operations.



Executive Board

Frédéric Lemoine ●▲
Chairman

Bernard Gautier ●▲
Member of the Executive Board





International development

Dirk-Jan Ommeren

CEO of Oranje-Nassau Groep
International development

Makoto Kawada

Managing Director
International development
Head of Asian office with
Shigeaki Oyama
Special advisor for Japan

Roland Lienau

Managing Director
International development

Investment and Management Committees

Stéphane Bacquaert

Managing Director of the
investment team, Secretary of
the Investment Committee

David Darmon

Managing Director of
the investment team, Secretary
of the Supervisory Board

Olivier Chambriard

Managing Director of
the investment team

Patrick Tanguy

Managing Director of
the investment team, in charge
of operational resources

Caroline Bertin Delacour

General Counsel

Anne-Lise Bapst

Director of communications

Jean-Michel Ropert

Chief Financial Officer

Corporate governance

Since 2005, Wendel has been a *société anonyme* with an Executive Board and Supervisory Board. Its governance was further enhanced in 2009 in the spirit of the best benchmarks, including the AFEP-MEDEF code.

The Supervisory Board

The Supervisory Board exercises permanent oversight of the Executive Board's management of the company.

At December 31, 2009, the Company's Supervisory Board was composed of 10 members serving four-year terms.

Since the Supervisory Board's June 9, 2008 meeting, two representatives of the Works Council have attended board meetings in a consultative role.

With a view to constant improvement, the Supervisory Board undertakes a triennial review of its manner of operating. This review was done in 2009 with the assistance of an external consultant.

IN 2009,
THE SUPERVISORY
BOARD MET
15 TIMES

The Supervisory Board's membership will change in 2010, moving to 11 members with the appointment of two independent directors, Dominique Hériard-Dubreuil, and Guylaine Saucier, and the proposed reappointment of Nicolas Celier, which will be submitted to a shareholder vote at the June 4, 2010 annual meeting.

Ernest-Antoine Seillière (2013)⁽¹⁾
Chairman of the Supervisory Board

Guy de Wouters (2011)
Vice-Chairman of the Board

Nicolas Celier (2010)

Didier Cherpitel (2011)
Independent director

Béatrice Dautresme (2010)
Independent director

Jean-Marc Janodet (2012)
Independent director

Édouard de l'Espée (2013)
François de Mitry (2012)

Grégoire Olivier (2013)
Independent director

François de Wendel (2012)

Secretary of the Supervisory Board
David Darmon (Managing Director)

(1) In parentheses: year in which term ends.

The Executive Board

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

At its April 7, 2009 meeting the Supervisory Board appointed Frédéric Lemoine Chairman of the Executive Board.

The Executive Board has two members:

Frédéric Lemoine
and **Bernard Gautier**, member since May 31, 2005.

Secretary of the Executive Board
Bruno Fritsch (Investment Manager)

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

The committees

To fulfill its mission as effectively as possible, the Supervisory Board relies on two committees: the Audit Committee and the Governance Committee.

Each member of the Supervisory Board is a member of a committee.

The Audit Committee

One of the main tasks of Wendel's Audit Committee is to ensure that the accounting methods used in drawing up parent company and consolidated accounts are relevant and applied properly. It mandates an independent auditor to appraise net asset value every half-year. In addition, in 2009, the committee began to monitor risks incurred by Wendel and throughout the group.

The Audit Committee normally has five members:

Jean-Marc Janodet (Chairman)

Nicolas Celier

Édouard de l'Espée

Frédéric Lemoine (until April 6, 2009)

Grégoire Olivier

Plus the Chairman of the Governance Committee,

Didier Cherpitel

Secretary of the Audit Committee

Patrick Bendahan (Investment Manager)

The Governance Committee

Among the tasks of Wendel's Governance Committee is to propose or recommend procedures for compensating Executive Board members and to express a view on any issue pertaining to Company governance or the operation of its statutory bodies and, at the Board's request, to address any compliance issues.

The Governance Committee, which includes the functions of a Compensation Committee and an Appointments Committee, has five members:

Didier Cherpitel (Chairman)

Béatrice Dautresme

François de Mitry

François de Wendel

Guy de Wouters

Plus the Chairman of the Audit Committee,

Jean-Marc Janodet

Secretary of the Governance Committee

David Darmon (Managing Director)

IN 2009,
THE AUDIT
COMMITTEE MET
7 TIMES

IN 2009,
THE GOVERNANCE
COMMITTEE MET
9 TIMES



What values are written into Wendel's DNA?

family ethics, regional roots,
300 years of industrial
history, collective
commitment, professional
shareholder,
a culture of performance
and responsibility,
world leaders,
sustainable growth,
innovation, boldness,
assistance, respect for
the role of managers,
shareholder of choice.

Actively involved in designing and implementing company strategies through its participation on the boards of directors and key committees of the companies in which it has invested.

WENDEL'S COMMITMENTS AS A SHAREH

It is through trust and mutual respect that essential links are established between a company's managers and its main shareholder.

Making a solid, long-term commitment to our partner companies by supporting their development, fostering their exposure to strong-growth regions, and allocating time and resources to the innovation cycle.

Carrying on a constructive and transparent dialogue with management while constantly questioning ingrained habits and rethinking models against the yardstick of global best practices.

Expressing our loyalty on a daily basis by building relationships of trust that recognize the respective roles of shareholders and managers.

OLDER

Guaranteeing shareholder stability and the common cause of a long-term partner.

A close-up, slightly blurred photograph of a computer keyboard, showing several keys and the texture of the keys. The image is positioned at the top left of the page, partially overlapping the title area.

CONTEXT

What comes the recession?

In 2009, Wendel group companies faced a severe economic slowdown in their first-half sales. The investment team replied to our questions

INTERVIEW WITH THE INVESTMENT TEAM

QUESTION: What do Wendel group companies have going for them in dealing with the downturn?

ANSWER: In this sudden downturn of unprecedented force, Group companies have two advantages that will serve them well as the recovery takes shape: They are leaders in their sectors, which gives them greater resiliency than their competitors (in pricing power, for example) and allows them to be consolidators of their sector or to seize recession-end growth opportunities; and As early as 2008 they began to adjust their operating capacities, with the encouragement and active support of Wendel teams.

Q: Have all of them adjusted their operating capacities?

A: All Group companies, both listed and unlisted, have cut costs, adjusted their operating capacities or optimized their working capital requirements, on a scale commensurate to each one of them. With their production process now enhanced, they are well placed to benefit from the rebound.

Q: How have they reconciled these adjustments with developing their long-term potential?

A: All Group companies and holdings have a major edge in laying the foundation for their future growth—their long-term innovation strategies. None of them has sacrificed innovation to cost-cutting during this difficult time, and Wendel has been there to support them in this initiative.

To cite one example, Legrand continued to invest in R&D, devoting almost 5% of 2009 revenues thereto, which was almost the same in monetary terms as in 2008.

next, after

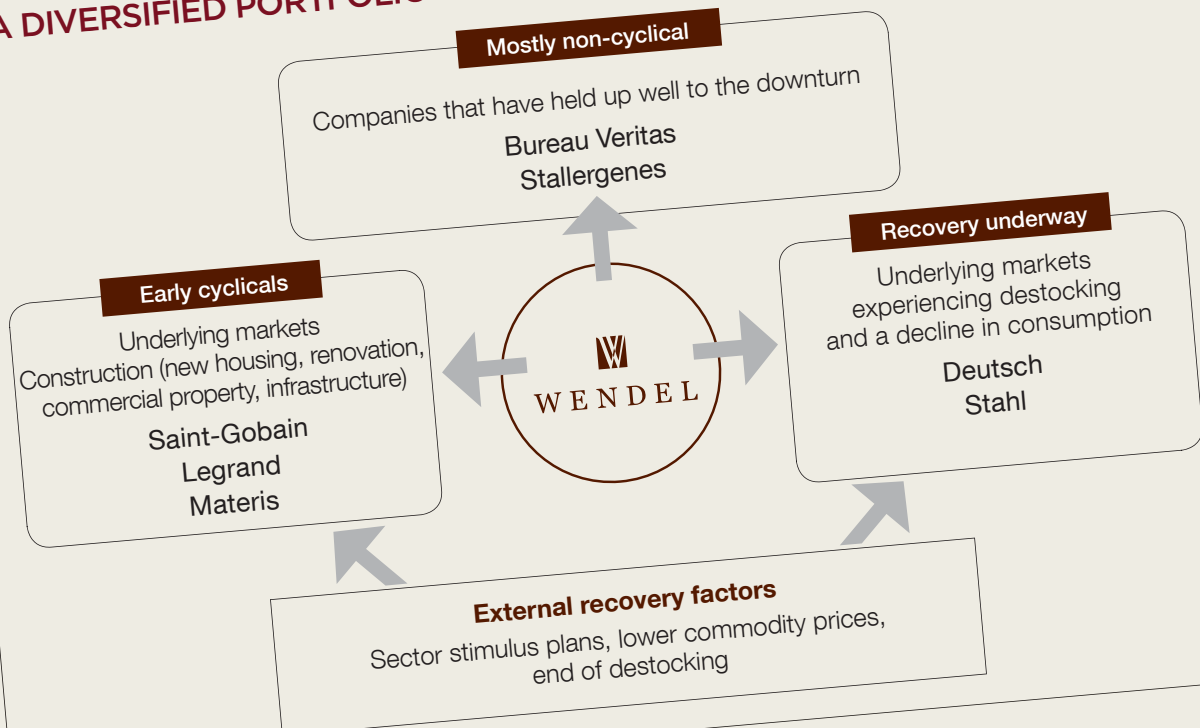
that, among other things, led to a sharp downturn on these companies' prospects.

Q: What potential do Group companies offer?

A: All Group companies are now offering answers to various global challenges and will be well placed to profit from those answers in the coming decades. Continual growth in the world's population is structurally underlying the major trends of constant growth in energy

use and increasing urbanization. These major disruptions are generating a plethora of obligations for the future—improving energy efficiency, promoting sustainable development, assisting the increased portion of electricity in energy consumption, as well as responding to constantly increasing needs in housing and adjusting our lifestyles to an ageing population.

A DIVERSIFIED PORTFOLIO THAT IS WELL PLACED FOR THE RECOVERY



Key figures

(at December 31, 2009)

Consolidated net sales*

in millions of euros	2007	2008	2009
	4,469	5,038	4,865

* Excluding Editis and Oranje-Nassau oil & gas activities, in accordance with IFRS 5.

Net income (group share)

in millions of euros	2007	2008	2009
	879	158	-918

Net income from business sectors by company

in millions of euros	2007	2008	2009
Bureau Veritas	188	242	279
Legrand	129	138	116
Saint-Gobain	-	398	115
Materis	46	33	0
Stallergenes	16	19	22
Deutsch	10	32	-8
Stahl	3	0	0
Oranje-Nassau	59	78	14
Editis	49	-5	-
Financing, overheads and taxes	-93	-416	-384
Net income from business sectors	408	519	153
Minority interests	-48	-124	-147
Net income (group share) from business sectors *	360	395	6

* Net income from business sectors corresponds to the Group's recurrent earnings and is composed of earnings from shareholdings (or consolidated companies) and net income of holding companies. It does not include non-recurring items and the impact of goodwill.

Rating

Wendel has been rated by Standard & Poor's since September 2002. On February 12, 2009 Standard & Poor's downgraded its rating to:

Long term

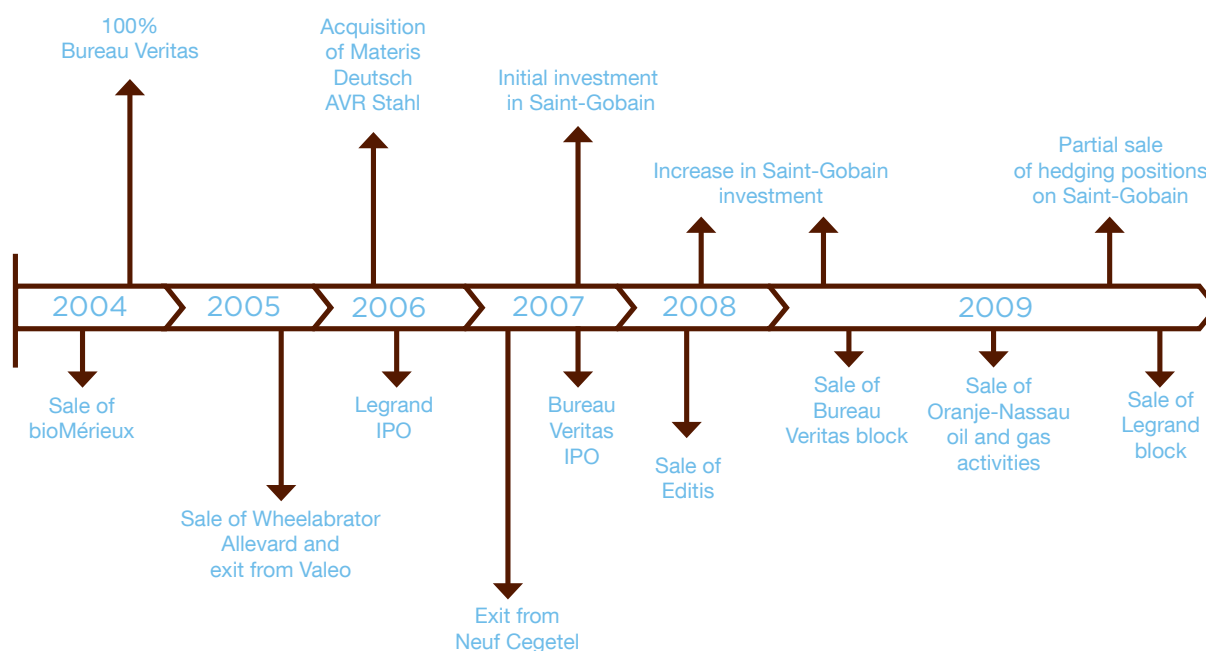
BB
Outlook: negative

and
Short term

B

Since February 12, 2009.

Investment timeline



Net asset value

Listed stakes	Number of shares	Share price⁽¹⁾	7,020
• Saint-Gobain	89.8 million	€37.91	3,405
• Bureau Veritas	56.3 million	€35.21	1,982
• Legrand	65.6 million	€19.48	1,277
• Stallergenes	6.1 million	€58.60	356
Unlisted stakes			285
Other assets and liabilities of Wendel and holding companies ⁽²⁾			13
Cash ⁽³⁾			2,179
Gross asset value			9,496
Wendel bond debt			(2,703)
Bank debt linked to Saint-Gobain financing			(4,564)
Net value of hedges linked to Saint-Gobain financing ⁽⁴⁾			440
Net asset value			2,669
Number of shares			50,436,175
Net asset value per share			€52.9

(1) Average of the last 20 closing prices as of December 31, 2009.

(2) Of which 571,005 Wendel shares held in treasury at December 31, 2009

(3) Wendel and Saint-Gobain holding company cash (including €15 million in marketable securities), of which €1.5 billion available after guarantees at December 31, 2009.

(4) Hedges (i.e., purchases and sales of puts) covering almost 25% of the shares held at December 31, 2009.

Shareholder information

Market data

in euros	2005	2006	2007	2008	2009
Year's high	88.15	115.80	145.25	99.49	47.85
Year's low	48.90	83.10	88.56	26.50	14.88
Average price on the year	69.76	97.05	121.59	66.17	31.63
Weighted average price in December	84.59	112.65	98.99	35.52	42.97
Market capitalization in December (in millions of euros)	4,571	6,256	5,169	1,750	2,158

Listing market: EUROLIST SRD, A Board (Blue Chips)

ISIN ticker: FR0000121204

Bloomberg: MF FP

Reuters ticker: MWDP.PA

Abbreviation: MF

Indices: CAC AllShares, CAC Mid Small 190, CAC Mid100, Next 150, SBF120, SBF80

Quota: 1 share

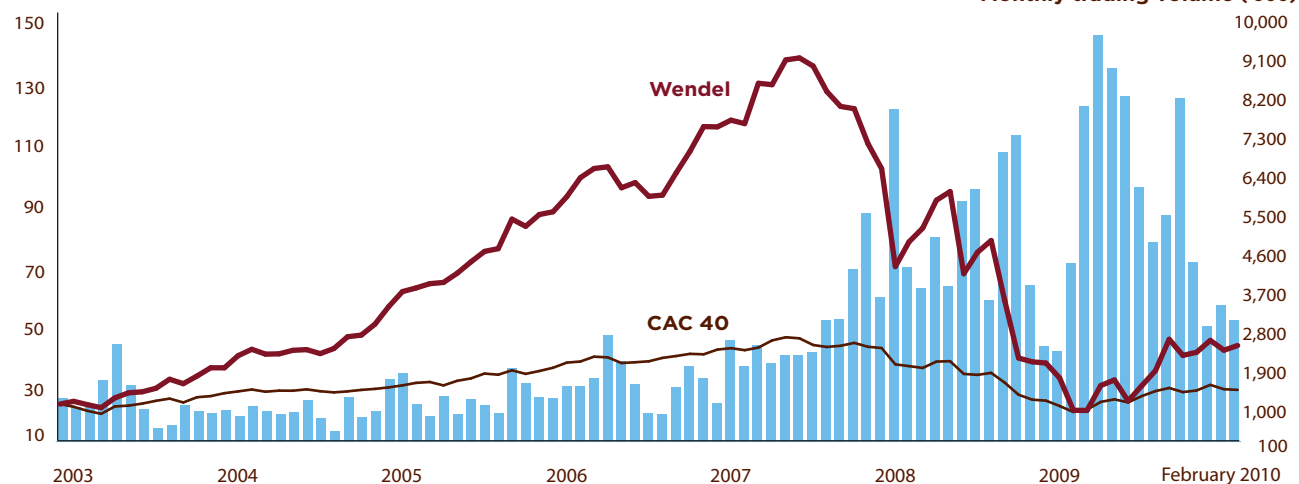
PEA: Eligible

SRD: Eligible

Par value: €4

Number of shares outstanding: 50,436,175 at December 31, 2009

Share price (in euros)

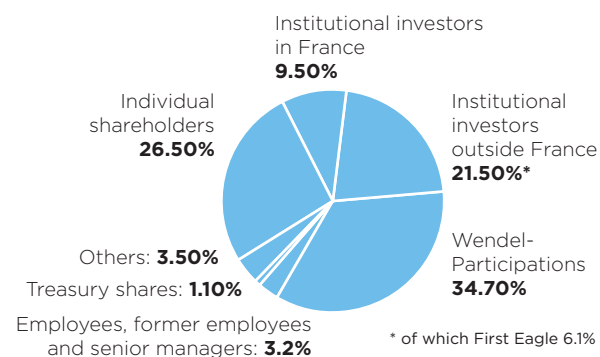


Dividend

In euros	2005	2006	2007	2008	2009 ⁽¹⁾
Ordinary dividend	1.4	1.7	2.0	1.0	1.0
Exceptional dividend	0.6	0.3	–	–	–

(1) Dividend submitted for shareholder approval at the Annual Meeting

Shareholders (as of December 31, 2009)



Shareholders

In 2009 the Wendel Group set up a Shareholders Advisory Committee to foster direct and transparent dialogue between Wendel managers and individual shareholders, in order to best meet their communications needs.

One of the main tasks of the Shareholders Advisory Committee is to formulate opinions and suggestions on the financial communication policy for individual shareholders, to issue recommendations on communications media for individual shareholders, and to prepare Annual Meetings. The next objective will be to keep a rich and constant conversation going between Group managers and individual shareholders, in order to ensure transparent and accessible communication by the Group.

The Committee's inaugural session was held on May 28, 2009, and its 12 members met again in September. To provide a relay between collegial meetings of the committee, task forces have been set up to reflect on ways to better organize and publicize the Annual Meeting and the Annual Report, as well as to set up meetings outside of Paris. The Committee's work shows how involved members are in taking part in enhancing the Group's communication in a constructive manner.

The members of the Shareholders Advisory Committee are: Marie-France Amic, Charles Balsan, Isabelle Charruau, Clément Celier, Antoine Dufay, Patrick de Fayet, Marcel Jayr, Yann Kergall, Soliman Le Bigot, Anne-Françoise d'Oosthove, Fabrice Valmier, and Alain Villeroy de Galhau.

2010 agenda

March 30 – Net sales and 2009 annual results (pre-market release)

– Publication of net asset value

May 6 – Publication of 1st quarter 2010 net sales (post-market release)

June 4 – General Shareholders' Meeting

– Publication of net asset value

August 31 – Net sales and 2010 interim results (post-market release)

– Publication of net asset value

November 9 – Publication of 3rd quarter 2010 net sales (post-market release)

December 2 – Investors' Day

– Publication of net asset value

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"Wendel and you...": a new website in 2009

To maintain a relationship of mutual trust and respect and to promote and enrich the dialogue between Wendel and its shareholders, a new website was set up during the year.

wendelgroup.com

Group companies

Wendel Group companies are all leaders in their sectors and aim to be international growth champions. The adjustment efforts that they steadfastly undertook in 2009 have already allowed them to transform the downturn into growth opportunities.

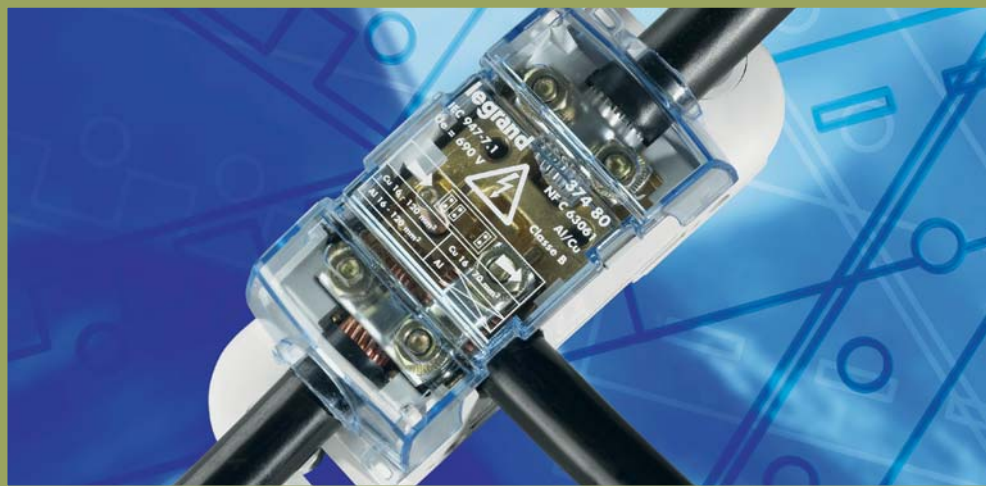
Bureau Veritas

Compliance
and certification services



Legrand

Products and systems for
low-voltage installations



Saint-Gobain

Production, transformation
and distribution of materials



All information regarding the competitive positioning and market share of the subsidiaries and associates which we have invested, as well as certain financial information, derives from the companies themselves and has not been verified by Wendel.

Stallergenes

Allergy immunotherapy

Deutsch

High-performance connectors

Materis

Specialty chemicals for construction

Stahl

Coatings and leather-finishing products



Bureau Veritas

Compliance and certification services. The world's second-largest compliance and certification group for quality, health, safety, environmental and social responsibility (QHSE) issues, and the world leader in QHSE services, excluding commodities inspection.

SHAREHOLDER
FOR 15 YEARS

Capital invested
€446 million

52%

370,000
CLIENTS

IN MORE THAN
140 COUNTRIES

900
OFFICES AND
LABORATORIES

39 000
EMPLOYEES

Why we invested

Bureau Veritas is firmly established on markets driven by very favorable trends, such as the proliferation and toughening of QHSE regulations and standards, the outsourcing and privatization of certification and inspection activities, increasingly stringent health and environmental protection standards, and the globalization of trade. The market that Bureau Veritas addresses has numerous barriers to entry, including mandatory operating certification and approval in each country, as well as the need to offer dense geographical coverage both locally and internationally, a wide range of inspection services (in particular for major clients), high-value solutions through first-rate technical expertise and a reputation of independence and integrity.

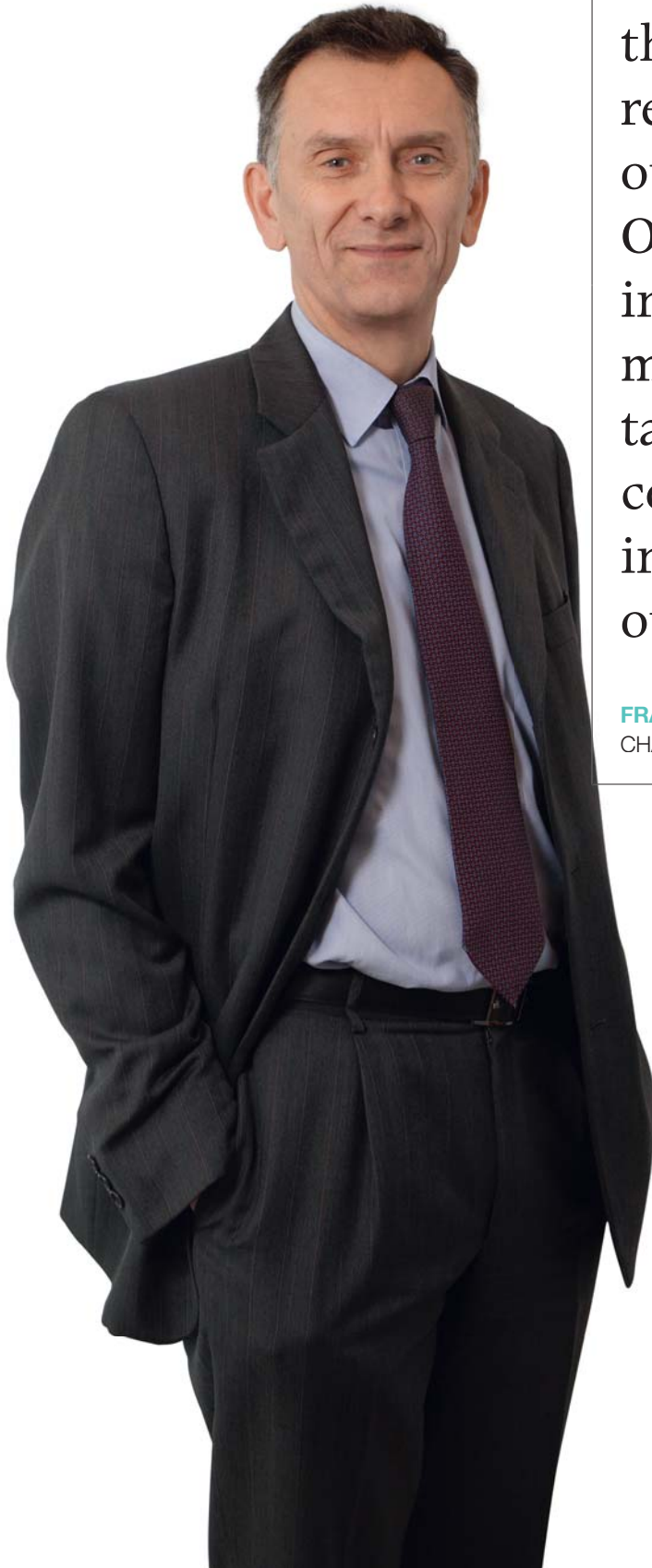
WENDEL: A VECTOR FOR DEVELOPMENT

In the last 13 years, Bureau Veritas' net sales have more than quintupled, and its adjusted operating income has risen more than 12-fold. It had made more than 70 acquisitions since 2001, which have helped increase its net sales by about 15% annually. To further Bureau Veritas' development, Wendel successfully took it public in October 2007. This also raised Bureau Veritas' public profile and its ability to attract and retain the best people.

In millions of euros

	2008	2009	Δ
Net sales	2,549	2,648	+4%
Adjusted operating income as a % of net sales	388 15.2%	433 16.4%	+12%
Net income ⁽¹⁾	231	274	+18%
Net financial debt	908	679	

(1) Adjusted (group share)



— “Our businesses held up well in 2009, thanks to their recurring nature and our ability to adapt. Our strategy is to invest in high-potential market segments and to take active part in consolidating our industry by resuming our acquisitions.”

FRANK PIEDELIÈVRE
CHAIRMAN AND CEO



INNOVATING AND MEETING FUTURE CHALLENGES WITH BUREAU VERITAS

Bureau Veritas' new Energy Services are an aggressive response to the global trend towards better control of energy consumption and CO₂ emissions. Through these new services, the Group avails its clients and partners of the knowledge and know-how of energy performance issues it has acquired over many years in all its activity sectors. With a network of 150 experts, Bureau Veritas aims to be a major player in all phases of energy performance enhancement. To cite just one example on the real-estate market, in 2009 Bureau Veritas measured the energy and environmental performance of more than one million square meters of offices in Europe on the basis of Green Rating™, an audit and evaluation method for existing buildings developed in tandem with major real-estate players AXA Real Estate, AEW Europe, GE Real Estate Europe, and ING REIM.



Environmental standards are now part of Bureau Veritas' core business worldwide, particularly in the construction of buildings.

An efficient business model that generates profitable growth

After more than 10 years of robust organic and external growth, Bureau Veritas had acquired the operating resiliency to deal with a global economic slump of an extent not seen since the 50s. Revenues slowed late in the year but still showed a 4% full-year increase, while adjusted net income (group share) rose by 18%.

In the midst of a global recession, Bureau Veritas' businesses held up well on the whole, thanks to their recurrent character and their sustained growth in emerging economies, where the group now generates more than 40% of its net sales.

Bureau Veritas acted very rapidly to adjust its organizational set-up, rein in costs, and improve its margins and cash flow.

The operating margin, which has improved constantly over the last 15 years, set a record at 16.4%. This success is the fruit of cost control and the gradual roll-out of new automated production processes. Cash flow rose sharply and helped cut debt to a very low level of less than 1.4x EBITDA.

Outlook

For 2010, the group expects a gradual return to positive organic growth in the second half of the year, as soon as business in its cyclical divisions begins to turn the corner. Its objective is to keep its operating margin steady throughout 2010, mainly by streamlining its portfolio of services and phasing in new automated production processes. It has earmarked its strong cash generation to actively relaunch of its external growth strategy.

In the longer term, the sector's structural growth factors are intact. More numerous and stricter QHSE regulations are being adopted; control and inspection activities are being increasingly privatized or outsourced; and commerce is increasingly globalized.

The group's strategy is to invest in high-potential market segments, such as nuclear, offshore energy and building efficiency, and to continue to lead sector consolidation, while maintaining a high level of operating performance.

HOW WENDEL IS INVOLVED

Board of Directors:

Frédéric Lemoine (Vice-Chairman)
Ernest-Antoine Seillière
Jean-Michel Ropert
Stéphane Bacquaert

Strategic Committee:

Frédéric Lemoine (Chairman)

Appointments and Compensation Committee:

Frédéric Lemoine

Audit and Risk Committee:

Jean-Michel Ropert
Stéphane Bacquaert

bureauveritas.fr

Legrand

Products and systems for low-voltage installations.

Legrand is a global specialist in products and systems for electrical installations and information networks for wherever people live and work, and sells innovative solutions through specialized distributors.

As the world leader in electrical devices and cable routers, Legrand enjoys a number of local leadership positions that provide it with a solid footing.

SHAREHOLDER
FOR 8 YEARS

Capital invested
€490 million

25%

PRESENCE
IN MORE THAN
70 COUNTRIES

SALES IN ALMOST
200 COUNTRIES

28,314
EMPLOYEES,
INCLUDING
1,833 IN R&D

4,600
ACTIVE PATENTS

Why we invested

As a world leader in products and systems for electrical installations with 19% market share, Legrand offers more than 170,000 product references and a portfolio of nationally and globally known brands. Driven by its strong capacity for innovation, with the equivalent of almost 5% of its net sales devoted to R&D and almost 60% of its investments dedicated to new products in 2009, Legrand covers both the mass-market and the high-value segments. Whether in its sophisticated systems for digital connection and transmission, safety, design, user-comfort or environmental protection, Legrand stays one step ahead of market trends while developing innovative solutions for home systems and for managing lighting and energy efficiency. Legrand operates on a highly fragmented market with high barriers to entry, which means that it must offer a full range of multi-feature products and systems meeting various national electrical standards. Local standards and regulations raise the initial investment cost for any market entrant. The nature of the market also requires establishing relationships of trust with distributors, electrical installers and end-users.

WENDEL: A VECTOR FOR DEVELOPMENT

After its successful April 2006 IPO, Legrand was able to reallocate capital to accelerate its growth. Investment expenditure was optimized at 3.2% of net sales in 2009, vs. 7.5% on average from 1996 to 2002. Working capital requirement was cut to 12% of net sales on average for 2003-2009, vs. 20.6% on average from 1996 to 2002. More efficient capital management has helped increase R&D and the ratio of R&D to sales. Moreover, Legrand generated almost 30% of its net sales in emerging markets.

In millions of euros	2008	2009	Δ
Net sales	4,202	3,578	-14.9%
Recurring adjusted operating income ⁽¹⁾ as a % of net sales	746 17.7%	630 17.6%	-15.6%
Net income	350	290	-17.2%
Net financial debt	1,862	1,340	

(1) Operating income restated for accounting items linked to the 2002 acquisition of Legrand France and excluding restructuring costs.

— “The 2009 results show how responsive Legrand has been. As early as mid-2008 we began to constantly adjust spending to sales trends. The result—which is reflected in a 17.6% adjusted recurring operating margin—came with in-depth adjustments to staff to improve Legrand’s operating methods and structures.”

GILLES SCHNEPP
CHAIRMAN AND CEO





INNOVATION TO ADDRESS THE WORLD'S NEW CHALLENGES

Legrand's approach to innovation is based on meeting the new challenges of a changing world, including:

- an ageing population. Legrand has responded to this challenge with touch-sensitive switches, easy extraction sockets, central control of home functions and emergency alert systems, which are all simple ways for keeping homes safe;
- environmental protection. Legrand is meeting this challenge with green designs that optimize energy use; the Watt Stopper line, for example, helps cut power use in lighting by more than 50%;
- new technologies. Legrand is developing intelligent solutions that give clients more comfort and features.

Having established a foothold very early in emerging markets such as India, China and Latin America, the Group continues to innovate by adapting its products to these markets' special needs.



Legrand has developed an integrated approach to environmental design that has been recognized on several occasions by ADEME, the French Agency for the Environment and for Energy Efficiency. It consists in designing environmental features into products and taking the entire life cycle into account.

An efficient business model generating profitable growth

In 2009, Legrand generated a recurring adjusted operating margin of 17.6% on a 13.9% decline in sales (at constant scope of consolidation and exchange rates), while generating high free cash flow. Over the same period production costs and administrative and marketing costs were cut by 15.3% (at constant scope of consolidation and exchange rates). Free cash flow came to €655 million in 2009, even after increased investments in new products over the same period.

Outlook

Legrand will be able to finance tomorrow's profitable growth opportunities. In particular, it plans to seize targeted acquisition opportunities and to strengthen its positions in emerging markets, where there are still immense needs, as well as in the fastest-growing sectors. Several emerging markets, such as China and India, which are strategic for the Group, returned to growth in the third quarter. And high-energy-efficiency solutions, home systems and Voice-Data-Images (VDI) are generating growing interest, suggesting that major investment is in store for the coming years. Legrand is attentive to the demographic, environmental, technological and macroeconomic changes that are affecting our markets and is therefore pursuing its investment and innovation strategy, which will help meet its clients' needs and standards while providing future development opportunities and current and future profitability. 2009, for example, featured the launch of the LCS2 ranges of VDI systems and the Arteor line of wiring devices. These product lines contributed directly to strengthening Legrand's leadership in the respective segments.

Legrand anticipates continued weakness in early 2010, followed by a return to net sales growth, thanks mainly to an upturn in emerging markets.

In light of the above, the Group considers the 2009 adjusted operating margin as a floor that is well above the lows reached in previous cycle troughs.

HOW WENDEL IS INVOLVED

Board of Directors:

Frédéric Lemoine
Ernest-Antoine Seillière
Patrick Tanguy ⁽¹⁾

Appointments and Compensation Committee:

Frédéric Lemoine (Chairman)

Audit Committee:

Patrick Tanguy ⁽¹⁾

Strategic Committee:

Frédéric Lemoine

⁽¹⁾ Subject to shareholder approval at the Annual Shareholders Meeting of May 27, 2010.

legrand.fr

Saint-Gobain

Production, transformation and distribution of materials. Saint-Gobain, the European or global leader in each of its businesses, designs, manufactures and distributes construction materials with the ambition of offering innovative solutions to the basic challenges of our time —growth, energy savings and environmental protection.

Why we invested

Saint-Gobain focuses on the housing market and aims to be the world leader through high-performance solutions and materials that meet the industrial challenges of tomorrow. As the European or global leader in all its activities, with very strong local positions, Saint-Gobain boasts a strong capacity for innovation in developing high-value building materials. The Group bases its development on three pillars: building products, innovative materials and specialized distribution. Each of these segments has specific growth drivers with their common denominators being energy efficiency and expansion in emerging markets.

WENDEL: A VECTOR FOR DEVELOPMENT

Wendel is represented on Saint-Gobain's Board of Directors by three experienced directors. Wendel has reaffirmed its support for Saint-Gobain's strategy. It is represented on its Strategic Committee, which is chaired by an independent Board member and includes Saint-Gobain's CEO and the Chairman of Wendel's Executive Board. This Committee enables more in-depth discussion and reflection on strategic issues, such as purchasing strategy, sales price management, high performance materials strategy, the Group's overall strategy, and the strategy in China. Wendel also sits on the Appointments and Compensation Committee, and as of February 2010, the Chairman of Wendel's Executive Board sits on the Financial Statements Committee.

SHAREHOLDER
FOR 3 YEARS

Capital invested
€2.3 billion

18%

PRESENCE IN
64 COUNTRIES

191,442
EMPLOYEES

MORE THAN
4,000 BUILDING
DISTRIBUTION
SALES OUTLETS

FLAT GLASS
No. 1 IN EUROPE
No. 2 WORLDWIDE

INSULATION
No. 1 WORLDWIDE

GYPSUM
(plasterboard)
No. 1 WORLDWIDE

PIPE
No. 1 WORLDWIDE

SPECIALIZED
DISTRIBUTION
No. 1 IN EUROPE

PACKAGING
No. 1 IN EUROPE

HIGH-PERFORMANCE
MATERIALS
No. 1 WORLDWIDE

In millions of euros	2008	2009	Δ
Net sales	43,800	37,786	-13.7%
Operating income	3,649	2,216	-39.3%
as a % of net sales	8.3%	5.9%	
Recurring net income ⁽¹⁾	1,914	617	-67.8%
Net financial debt	11,679	8,554	

(1) Recurring net income (group share) excluding capital gains or losses on disposals, asset impairment losses and material non-recurring provisions (including the European Commission Flat Glass fines).

– “In 2009, our skill at adjusting to a highly challenging environment allowed us to improve our results from the first half to the second. In 2010, the economic environment is likely to diverge widely from one region to the next, but will be better on the whole than in 2009, thanks mainly to growth in Asia and Latin America. We will see further benefits from our action plan and are therefore projecting strong growth in operating income (on a constant currency basis).”

PIERRE-ANDRÉ DE CHALENDAR
CHIEF EXECUTIVE OFFICER





BUILDING WITH SAINT-GOBAIN

Saint-Gobain brought together 16 of its brands at the *Batimat* trade fair in Paris, in order to showcase its wide range of innovative solutions and services for reducing buildings' energy consumption and making them more environmentally friendly, while improving the comfort and quality of life of their occupants. Weber's full external thermal insulation systems, Isover's new-generation mineral wool solutions, Saint-Gobain Glass Solutions' double-or triple-paned glass, Placo's multi-function plasterboard, Ecophon or Eurocoustic acoustic ceilings, Gimm super-insulating windows, Saint-Gobain solar photovoltaic solar systems for roofs and façades—all these solutions and others are currently contributing to the “green revolution” in living spaces, which, just in Europe, is responsible for about 40% of total energy consumption. Saint-Gobain assists professionals in building and renovation by meeting their clients' needs for energy efficiency, comfort and esthetics, all the while adjusting to new regulations and anticipating future regulations.



The world's largest parabolic mirror production facility, developed specifically for the solar market – Covilis facility, Portugal.

Rapid and effective adjustment to the downturn

To cope with an unprecedented economic crisis, the Group steadfastly implemented the action plans announced in early 2009 and even stepped them up a notch.

For example, the Group:

- continued to give clear operating priority to sales prices, in spite of a deflationary context; they rose 0.8% on the year;
- continued and even stepped up its cost-cutting program in all its businesses; for the full year 2009, the Group met its new objective of €1.1 billion in additional cost savings vs. 2008 (vs. an initial objective of €600 million, which had already been raised to €700 million in April); this brings total cost savings in 2008 and 2009 to €1.5 billion;
- further enhanced cash generation, through:
 - strict control of its working capital requirement (WCR): gain of €1.4 billion (–7 days of sales),
 - significant cuts in capital expenditure during a period of crisis: €900 million on the year, instead of the €500 million initially targeted.

As a result, over the 12 months to the end of December, the Group generated €1 billion in free cash flow after working capital requirement.

Thanks to this performance and a sharp cut in acquisitions, Saint-Gobain reduced its debt by €3.1 billion (over one year) and shored up its balance sheet: its gearing is now 53%, vs. 80% at the end of December 2008.

Outlook

After especially rough going in 2009, the Group expects a better economic environment on the whole in 2010 than in 2009, albeit with wide geographical disparities.

In this context, in 2010 the Group will remain responsive and agile in adjusting to market trends and will continue to implement its 2009 action plan with great selectiveness. For example,

- it will continue to give priority to its sales prices;
 - it will continue to cut costs, with a target of €200 million in additional cost savings, targeted to countries and/or activities with limited prospects for imminent recovery, as well as businesses that are dependent on the investment cycle.
- Meanwhile, 2010 operating income will show the full impact of the 2009 cost-savings plan (including the postponement to the first half of 2010 of €400 million in cost savings from the second half of 2009), which will bring total cost savings in 2010 vs. 2009 to €600 million and will boost earnings and operating margins sharply. This will reduce its cost basis by a total of €2.1 billion by the end of 2010 vs. 2007.
- it will continue to show strict financial discipline;
 - its solid financial structure will set it up to seize growth opportunities on its markets via selective and targeted investments (both industrial and financial), with priority given to emerging markets, energy efficiency and solar energy. It plans to devote more than 80% of its 2010 investments in industrial capacity to these areas.

Lastly, as a world leader in construction and a major player in the energy savings market, where it generates almost one third of its revenues and 40% of its operating income, the Group will benefit fully, when the time comes, from government stimulus and energy savings plans, as well as from major long-term trends in global energy efficiency needs, which are crucial for meeting the energy savings targets that European Union and other governments have set to fight against climate change.

HOW WENDEL IS INVOLVED

Board of Directors:

Frédéric Lemoine
Bernard Gautier
Gilles Schnepf (Chairman and CEO of Legrand)

Strategic Committee:

Frédéric Lemoine

Financial Statements Committee⁽¹⁾:

Frédéric Lemoine

Appointments and Compensation Committee:

Bernard Gautier

saint-gobain.com

(1) From February 2010.

Stallergenes

Allergy immunotherapy.

Stallergenes is a European biopharmaceutical lab specialized in allergy immunotherapy treatments for preventing and treating allergic respiratory disorders. As a pioneer and global leader in sublingual immunotherapy, the Group devoted the equivalent of 24% of its 2009 net sales to Research & Development, mostly in developing desensitization tablets for common allergens.

SHAREHOLDER
FOR 17 YEARS

Capital invested
€9 million

46%

MARKETED IN
50 COUNTRIES

10 LOCATIONS
IN EUROPE

870
EMPLOYEES

MORE THAN
30 CLINICAL
STUDIES SINCE 2000

45 YEARS
OF DEVELOPING
AND PERFECTING
DESENSITIZATION
TREATMENTS

24 %
OF NET SALES
DEVOTED TO R&D

Why we invested

Economic development has led to changes in lifestyles and the environment that have promoted a rapid increase in allergies, which are estimated to have doubled in the last 20 years. Allergies, or hypersensitivity, is currently ranked by the World Health Organization as the world's fourth most common pathology. An estimated 20% to 30% of the population of industrialized countries suffers from allergies. According to an ISAAC study, 50% of the world's population could be affected by at least one allergic disorder in 2020. The immunotherapy market is therefore considerable and growing constantly. In 1994, Wendel took control of Stallergenes, a major player in specific immunotherapy, which is the only therapy that truly cures allergies and constitutes an attractive alternative to traditional medicinal approaches. Stallergenes was already the uncontested leader in France and had successfully set up in Germany. It had state-of-the-art production facilities and logistics chains.

WENDEL: A VECTOR FOR DEVELOPMENT

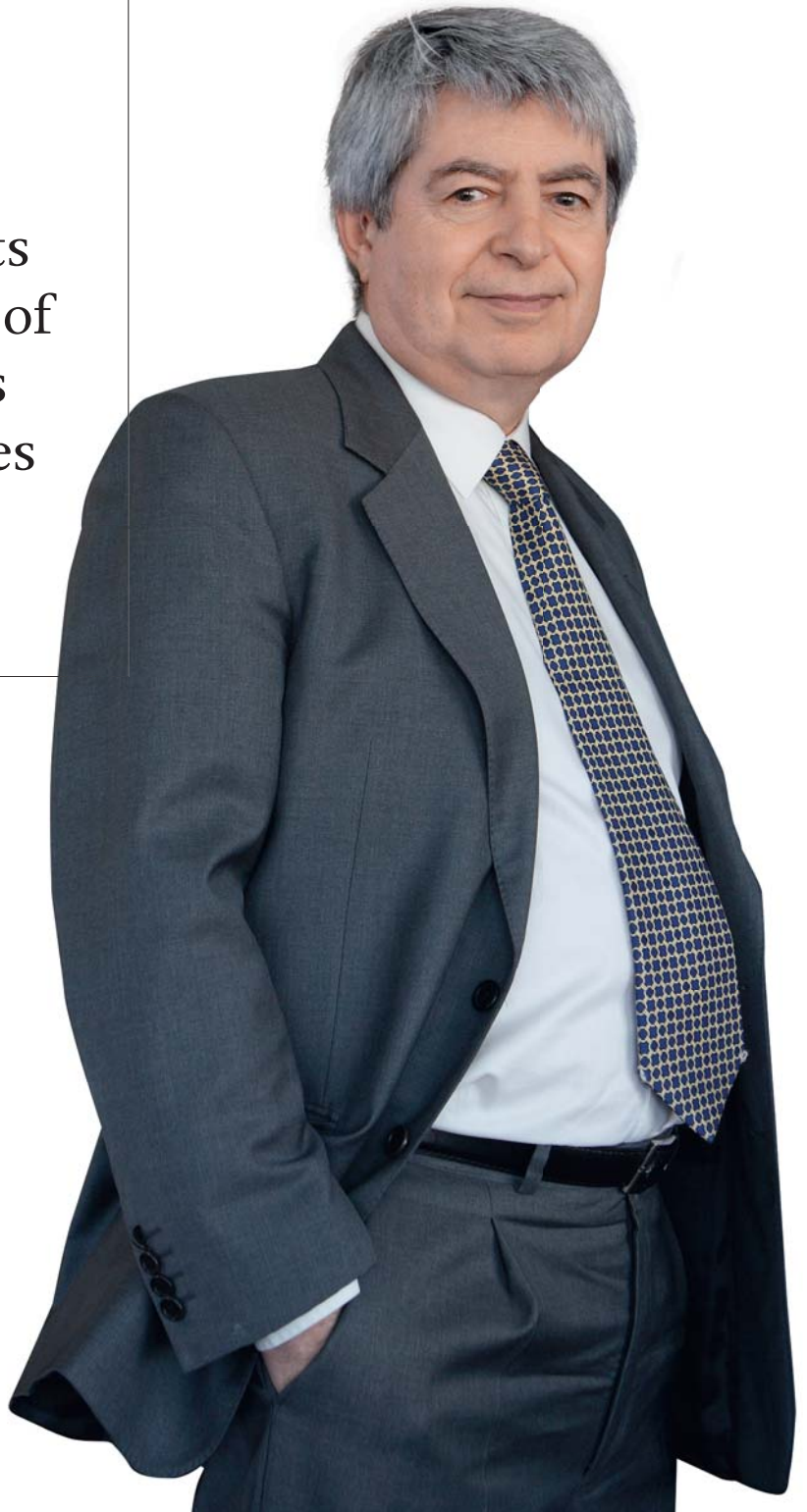
Backed by Wendel, Stallergenes has, over the last 15 years, focused on Research and Development, to which the equivalent of 24% of gross sales was devoted in 2009. From 2004 to 2009, it quadrupled its R&D and doubled its research staffs. As early as 2003, Stallergenes began to develop sublingual immunotherapy tablets. Its program, called Stalair®, achieved major clinical results in 2009 which helped support the company's future development. The efficacy of the program's three main tablets (Oralair®, Actair® and Stalair® r Bet v1), which cover almost 80% of all allergens, has been confirmed through extensive clinical trials.

In millions of euros	2008	2009	Δ
Net sales	170.9	192.8	+ 13%
Operating income before R&D as a % of net sales	58.1 34.0%	70.9 36.8%	+ 22%
Net income ⁽¹⁾	19.0	22.2	+ 17%
Net financial debt	9.6	(4.9)	

(1) Consolidated net income (group share).

— “2009 was an especially eventful year. The registration of Oralair® in 22 European countries and the positive results of clinical testing of all allergen tablets give us great hopes for 2010.”

ALBERT SAPORTA
CHAIRMAN AND CEO





INNOVATION TO LAY THE FOUNDATION FOR GROWTH

In 2009, Stallergenes achieved several major clinical results, and European marketing authorization, which strengthened its growth prospects.

- **January 19:** German marketing authorization for Oralair® for pediatric indications.
- **April 29:** positive results from phase IIb/III clinical trials to develop a sublingual desensitization tablet for dust mites.
- **September 16:** positive results from phase IIb/III clinical trials to develop an immunotherapy tablet for the recombinant allergen of birch pollen.
- **November 27:** completion of the procedure for mutual recognition of Oralair®, clearing the way for marketing authorization in 22 European countries (adult and pediatric indications).
- **December 7:** positive results from phase III clinical trials demonstrating the long-term efficacy of Oralair®.

In 2009 Stallergenes devoted the equivalent of 24% of its net sales to Research & Development, most of which was devoted to developing sublingual immunotherapy tablets.

An excellent year in 2009 with targets surpassed

Net sales growth remained very brisk in 2009, rising 13% to €193 million. This was above the target set at the beginning of the year.

Growth was driven by sublingual treatment, which accounted for 83% of 2009 sales. The launch of Oralair® on the German market is especially promising. Overhead, administrative and sales & marketing costs rose by just 8%, and that was easily absorbed by the 14% increase in the gross margin. As a result, the operating margin before R&D spending rose again, to 36.8% in 2009, vs. 34% in 2008. The 28.9%

net increase in R&D spending reflected the ongoing efforts to develop allergen tablets. All in all, thanks to tight control of financing costs, consolidated net income rose 17% vs. 2008, to €22.2 million.

In a context of aggressive investment, free cash flow rose by 272% to €17.5 million, thanks mainly to the reduction in working capital requirement. Tight control of WCR, combined with an excellent year in 2009 on the operating level allowed Stallergenes to end the year with positive net cash (€4.9 million) for the first time in 10 years.

Outlook

For 2010, Stallergenes projects further growth in revenues (guidance “above 8%”) and in earnings, through control of its fixed cost base and R&D spending, which are likely to be stable in volume terms vs. 2009. The mutual recognition procedure was crowned on November 27, 2009 by marketing authorization for Oralair® in 22 European countries and will provide an essential new source of growth for Stallergenes in the short and medium term.

HOW WENDEL IS INVOLVED

Board of Directors:

David Darmon
Dirk-Jan Van Ommeren
Arnaud Fayet
Jean-Marc Janodet

Appointments and Compensation Committee:

David Darmon
Arnaud Fayet (Chairman)
Jean-Marc Janodet

Audit Committee:

Arnaud Fayet
Jean-Marc Janodet (Chairman)

stallergenes.com

Deutsch

High-performance connectors.

Deutsch is the global specialist in high-performance connectors, with leadership positions in aerospace, construction equipment, heavy vehicles and offshore activities. 73% of connectors are custom-made, in order to meet its clients' unique quality standards.

SHAREHOLDER
FOR 4 YEARS

Capital invested
\$384 million

89%

PRESENCE IN
25 COUNTRIES

9 FACTORIES
WORLDWIDE

2,500
EMPLOYEES

MILITARY AEROSPACE
No. 2 WORLDWIDE

INDUSTRIAL VEHICLES
No. 1 WORLDWIDE

OFFSHORE
No. 1 WORLDWIDE

73 % OF
CONNECTORS ARE
CUSTOM-MADE

Why we invested

Deutsch designs and manufactures innovative connector solutions in close tandem with its clients' R&D departments. Its products are highly innovative and perform well while standing up to very harsh operating environments. All its products meet the most stringent quality standards. Deutsch is among the world leaders on its markets and benefits from high barriers to entry, such as the long client-accreditation procedures, the long life-cycle of platforms, notably in aerospace and industrial equipment, as well as the high level of skills and experience it has gained in research and development. Deutsch has also developed numerous original solutions, such as aluminum cabling systems for the Airbus A380. The Group's growth is based on developing markets, such as aerospace, offshore installations, as well as targeted acquisitions.

WENDEL: A VECTOR FOR DEVELOPMENT

With Wendel's support Deutsch on August 12, 2009 obtained unanimous agreement with its lenders on its capital stabilizing plan and relations with banks until March 2010, with the implementation of interim covenants and a collateral account of up to €32 million, including €29 million from Wendel. Deutsch and Wendel teams are currently working together to finalize the renegotiation of new banking terms around three objectives: strengthen the Deutsch group's liquidity, put its finances on a solid footing, and support acquisitions, which are prerequisites for fostering its development.

In millions of dollars	2008	2009	Δ
Net sales	659.7	446.6	-32.3%
Adjusted operating income ⁽¹⁾ as a % of net sales	129.1 19.6%	51.4 11.5%	-60.2%
Net income from business sectors ⁽²⁾	46.4	(11.3)	
Net financial debt	714	696	

(1) Adjusted operating income before accounting entries on goodwill allocation, management fees and non-recurring items.

(2) Group's recurring income composed of income from associates, excluding non-recurring items and goodwill.

— “2009 was a very rough year for business. But it did get us to set up an action plan that gave the Group the ability to emerge strengthened from the global economic slump that we experienced.”

JEAN-MARIE PAINVIN – CHAIRMAN





INNOVATION AT THE HEART OF DEUTSCH'S BUSINESS

Innovation is part of the DNA and culture of Deutsch, which some of its clients consider to be their own R&D lab. Clients often entrust Deutsch's engineers with the development of highly technical connection solutions requiring considerable know-how. In offshore, the development of certain highly innovative products is financed in tandem with end-clients.

More than 200 persons now work in new product R&D. Deutsch continues to invest aggressively in innovation and allocates the equivalent of 4.8% of its annual net sales to R&D. Some 77 innovative projects are currently under development. Return on investment is monitored closely through well-defined indicators. By 2011 innovative products are expected to generate \$120 million in additional revenue, vs. \$38 million in 2009.

A decompression chamber to simulate great depths for tests of very-high-pressure (500 bars/4,000 m under water) and large (58 cm in diameter and 2.6 m in internal length) connectors.
Test lab of the Offshore division, Le Mans, France

Great capacity to adjust to challenging markets

In 2009, Deutsch's net sales fell sharply, to \$447 million (negative organic growth of 30.7%). Sales shrank particularly in the industrial division (negative organic growth of 49.7% excluding LADD), due to its US truck market exposure, but this was mitigated by the greater resiliency of the aerospace and transport division (negative organic growth of 18.4%). The offshore division confirmed its countercyclical character and turned in a decent performance with organic sales growth of 6%. Deutsch has held up well on markets that remain challenging for the entire sector. Management estimates that the Group has at least maintained its market share. In the fourth quarter of 2009, revenues began to gradually recover (–14.5% organic growth, vs. –35.2% in the first nine months of the year). The sharp decline in sales resulted in a 60.2% decline in adjusted operating income to \$51.4 million, hence a margin of 11.5%, vs.

19.6% in 2008. In reaction to this steep drop in business, Deutsch stepped up its adjustment measures and accelerated the implementation of major restructuring plans (including reduction in work times and closing of two production facilities). The group doubled its initial cost-cutting targets (2009 total: \$55 million, including \$33 million in the industrial division and \$22 million in the aerospace division). These aggressive efforts helped limit the decline in operating margin to 8.1 points. In this poor economic environment, Deutsch focused especially on generating cash without reducing its R&D investments. Active management of WCR, down \$59 million in 2009, streamlining of investments to \$16 million and substantial cost savings offset the decline in EBITDA and helped reduced the Group's net debt by \$20 million vs. 2008. Net debt came to \$696 million at the end of 2009.

Outlook

In an economic environment that continues to suffer from a lack of visibility, Deutsch is pursuing its action plans in order to preserve its profitability and reinforce its cash generation. Adjustments are therefore likely to continue in 2010 and include expansion in low-cost countries, streamlining of industrial facilities, enhanced purchasing and manufacturing processes, a reduction in working capital requirements and streamlined investments without penalizing R&D. Deutsch's priority will remain the development of new products, in order to meet its clients' needs. Deutsch's long-term prospects are still driven by its solid fundamentals, such as rapid expansion of electricity as the primary power source for a large number of industrial and aerospace platforms, the development of hybrid and electrical vehicles, the replacement of hydraulic systems by electronic systems, and the expanded deep-offshore extraction of oil and gas. Deutsch continues to implement action and adjustment plans initiated early in the cycle and which will allow it to emerged strengthened from the global economic downturn.

HOW WENDEL IS INVOLVED

Management Board:

Bernard Gautier
David Darmon
Patrick Tanguy

Appointments and Compensation Committee:

Bernard Gautier (Chairman)
David Darmon

Audit Committee:

Jean-Michel Ropert (Chairman)
Benoit Drillaud
Karim Souid

Strategic Committee:

Bernard Gautier
David Darmon

Finance Committee:

David Darmon (Chairman)
Patrick Tanguy

deutsch.net

Materis

Specialty chemicals for construction.

Materis, one of the world leaders in specialty chemicals for construction, has four businesses: admixtures (Chryso), aluminates (Kerneos), mortars (Parex Group) and paints (Materis Paints). Materis has more than 100 brands recognized on their respective national markets.

SHAREHOLDER
FOR 4 YEARS

Capital invested
€341 million

76%

PRESENCE IN
24 COUNTRIES

8,800
EMPLOYEES

360 SALES OUTLETS
FOR DECORATIVE
PAINTS IN EUROPE

ALUMINATES
No. 1 WORLDWIDE

ADMIXTURES
No. 1 IN FRANCE
No. 2 IN EUROPE
No. 3 WORLDWIDE

MORTARS
No. 4 WORLDWIDE
No. 2 IN FRANCE
No. 3 IN SPAIN

PAINTS
No. 3 IN EUROPE
No. 1 IN FRANCE
No. 1 IN PORTUGAL
No. 1 IN ITALY
No. 3 IN SPAIN

Why we invested

Materis is one of the world leaders in specialty materials for construction, with leadership positions in aluminates, admixtures, mortars and paints. Materis has high barriers to entry born of global coverage (aluminates), high-value-added products and close relationships with its clients (admixtures, mortars and paints), high-end brands and an integrated distribution network with more than 360 sales outlets in Europe (paints). With 22% of its net sales in emerging markets (Asia, Latin America and the Mediterranean rim) and more than 50% in renovation markets, Materis has demonstrated its qualities of resistance and offers significant growth prospects.

WENDEL: ACTIVE SUPPORT TO SUBSIDIARIES DURING THE DOWNTURN

On June 25, 2009, Wendel announced the successful renegotiation of Materis' bank debt, which was approved by 99.25% of its lenders. The agreement includes securitization of liquidity out to 2013 (via postponed maturities, capitalization of interest on mezzanine debt, €100 million in capacity to finance industrial investments and acquisitions, and a €40 million factoring line), the adjustment of banking covenants on the basis of a new business plan, authorization to buy back debt, and a €45 million equity injection, including €36 million from Wendel and €9 million from almost 660 of its managers.

In millions of euros	2008	2009	Δ
Net sales	1,867	1,704	-8.7%
Adjusted operating income ⁽¹⁾ as a % of net sales	214.6 11.5%	184.9 10.9%	-13.9%
Net income from business sectors ⁽²⁾	33	0	
Net financial debt	1,781	1,757	

(1) Adjusted operating income before allocation of goodwill, management fees and non-recurring items.

(2) Group recurring income composed of income from associates, excluding non-recurring items and goodwill.

– “Action plans set up as early as 2008 preserved high profitability in 2009. While some end markets should continue to be affected in 2010, Materis has the means to mitigate their effects.”

OLIVIER LEGRAIN
CHAIRMAN





INNOVATING TO SPEED UP GROWTH

Organic growth will be a major source of development in the next five years, and innovative products and concepts will be one of drivers of that growth.

For Materis, product and service innovations such as external thermal insulation in response to current environmental concerns (dustless mortar line and paints carrying an environmental label), innovations in distribution channels (new store openings), as well as other initiatives, should generate €15-€20 million of additional income by 2013-2014.

Use of Materis paints and mortars for a façade of a housing project in Valencia, Spain, designed by the architect Emilio Llobat in tandem with Joan Ropillés.

A resilient model in a distressed economic context

In 2009, Materis' net sales fell by 8.7% to €1,704 million. After a first half with negative organic growth of -10.9%, linked to a sharp drop in end-market volumes (-14%), as well as to a heavy impact from destocking, Materis achieved an improvement from month to month and limited the organic decline to 5.5%. On the full year, the Group benefited from price hikes that were made possible by an improvement in its product offer, with the two leading to a +2.9% positive effect on net sales.

In spite of a distressed environment, with its major impact a pronounced slowdown in sales, Materis managed to implement significant adjustment plans in order to better preserve its operating profitability.

For 2009, adjusted operating income came to €184.9 million, down 13.9%, with a margin of 10.9% (vs. 11.5% in 2008). The resiliency of margins is due mainly to an improvement in the gross margin on the back of higher prices and an enhanced product offer, as well as group-wide reductions in fixed costs (€60 million).

Net financial debt was slightly reduced to €1,757 million, thanks to solid cash generation in spite of a weak market and the equity impact adjusted for the payment of fees linked to bank renegotiation. To offset the unfavorable impact of the French LME law (Loi de Modernisation de l'Économie), Materis continued to actively manage its WCR, including customer receivables and inventory reductions, whose effects should continue to show up in 2010.

Outlook

In a global environment that remains distressed and volatile, Materis continues to implement its adjustment plans in order to preserve its profitability and cash generation. The group will pursue its initiatives in innovation and organic growth, in order to partly offset shrinking volumes through constant improvement in its offer of products and services. In 2009, Materis Paints set up a joint venture with renowned researchers to develop new lines of paints with innovative nanotechnology-based properties, including antifouling and self-cleaning properties. Over the next five years, organic growth will be a major source of development. In the medium term Materis will continue to be driven by strong catalysts such as structural demand for new housing (due to the increase in homeowner numbers, favorable demographics and housing shortages in mature and emerging markets), steady growth in housing requiring renovation and new government-mandated energy-efficiency standards.

HOW WENDEL IS INVOLVED

Management board:

Bernard Gautier
(since April 20, 2009)
Jean-Michel Ropert
Stéphane Bacquaert
Patrick Bendahan

Appointments and Compensation Committee:

Bernard Gautier (Chairman)
since April 20, 2009

Audit Committee:

Jean-Michel Ropert (Chairman)
Stéphane Bacquaert

materis.com

Stahl

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

SHAREHOLDER
FOR 4 YEARS

Capital invested
€137 million*

92%^{**}

PRESENCE IN
28 COUNTRIES

1,100
EMPLOYEES,

400
MARKETING
EXPERTS

35
LABORATORIES
AND PRODUCTION
FACILITIES

LEATHER-FINISHING
PRODUCTS
No. 1 WORLDWIDE

Why we invested

Stahl is the world leader in leather-finishing products. It enjoys high barriers to entry on its market through the acknowledged know-how of its products, its long-term relations with its main clients, as well as the very high level of qualification of its “golden hands” technicians. With global market share over 20% on a fragmented market, Stahl has achieved high recurring profitability over the last 20 years. Beyond the cyclical fluctuations of 2009, Stahl offers prospects for sustained growth generated by Asian markets, China in particular, and the development of niche markets for high-performance coatings. A sector ripe for consolidation and rigorous financial discipline should allow Stahl to transform the downturn into a growth opportunity.

WENDEL: ACTIVE SUPPORT TO SUBSIDIARIES DURING THE DOWNTURN

On March 1, 2010, Wendel successfully finalized the renegotiation of Stahl's debt with the unanimous support of senior, second-lien and mezzanine lenders. Wendel reinvested €60 million in Stahl and raised its stake from 48% to 92%, with the rest being held by mezzanine and second-lien lenders, as well as company managers. This reduced Stahl's gross debt by almost 45%, from €350 million to €195 million, thus giving it a suitable financial structure for its new business plan.

In millions of euros

	2008	2009	Δ
Net sales	295.6	253.5	-14.2%
Adjusted operating income ⁽¹⁾ as a % of net sales	39.1 13.2%	30.1 11.9%	-23.0%
Net income from business sectors ⁽²⁾	0	0	
Net financial debt	317	335	

(1) Adjusted operating income before accounting entries for goodwill, management fees and non-recurring items.

(2) Group recurring income composed of income from associates, excluding non-recurring items and goodwill.

* After €60 million reinvested by Wendel on February 26, 2010;
** 92% stake since February 26, 2010, vs. 48% at December 31, 2009.

— “The 2009 action plans, combined with product innovation, international development and more aggressive marketing efforts will transform the downturn into a growth opportunity.”

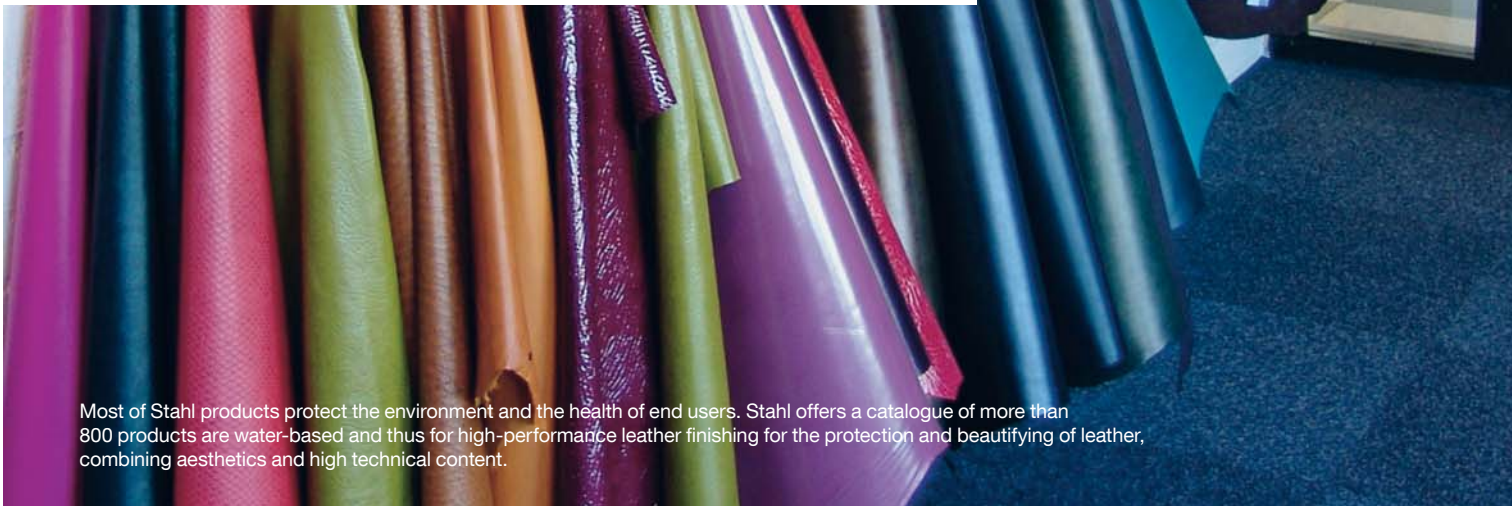
HUUB VAN BEIJEREN
CHIEF EXECUTIVE OFFICER





INNOVATION: LEVERAGE FOR GROWTH

In an economic environment that remains very challenging, innovations in products or company management are sources of leverage of growth and future profitability. The company continues to focus on innovation, research & development, and its technical-commercial strengths to meet the market's needs. The launch of the Velluto fashion effect (Permuthane division) for the Asian leather goods market is one factor that is accelerating growth on the Chinese market. Handbag production is now concentrated in China, and the launch of this new effect has allowed Stahl to consolidate its regional reputation, while expanding its sales.



Most of Stahl products protect the environment and the health of end users. Stahl offers a catalogue of more than 800 products are water-based and thus for high-performance leather finishing for the protection and beautifying of leather, combining aesthetics and high technical content.

A resilient model in a distressed economic context

In 2009, Stahl's net sales declined 14.2% to €253.5 million. After a first-half of negative organic growth of 33.2%, due to a sharp decline in volumes in all businesses and exacerbated by the impact of destocking in the automotive, furnishing, shoes and leather-goods industries, monthly sales improved steadily, leading to a return to brisk organic growth of 10.7% in the second half. The first-half decline in sales was exacerbated by the strong organic growth (+9.4%) in the first half of 2008.

2009 adjusted operating income came to €30.1 million, down 23.0%, with a margin of 11.9% (vs. 13.2% in 2008). The margin was relatively resilient mainly because the gross margin held up well, but also because of savings in fixed costs (through streamlining of industrial capacities and the shutdown of production facilities).

Stahl's net financial debt rose to €335 million at end-2009. Stahl's successful financial restructuring lowered its net debt to €195 million at February 28, 2010.

Outlook

In a global environment that remains distressed and volatile, Stahl continues to make adjustments, in order to transform the downturn into a growth opportunity by focusing on product innovation, international expansion (particularly in emerging markets) and by stepping up marketing efforts in the Permuthane, Picassian and Pielcolor businesses. Stahl continues to be driven by strong long-term trends, such as the gradual shift towards emerging markets, average annual growth of 2% to 3% in meat consumption, which supplies the market for hide processing and the gradual elimination of competitors. Stahl is now on track to meet its long-term objectives for market share gains in leather finishing, refocusing on high-growth divisions and the streamlining its industrial facilities.

HOW WENDEL IS INVOLVED

Board of Directors:

Dirk-Jan Van Ommeren (Chairman)
Bernard Gautier
Olivier Chambriard
Bruno Fritsch⁽¹⁾
Jean-Michel Ropert

Compensation Committee:

Dirk-Jan Van Ommeren
Bernard Gautier

Audit Committee:

Dirk-Jan Van Ommeren
Olivier Chambriard

(1) since February 26, 2010

stahl.com

2009 highlights

February



Participation in the **Saint-Gobain** capital increase through the acquisition of 8.3 million shares.

Successful placement of a 10% block of **Bureau Veritas** shares, with a €121 million capital gain.

April

Frédéric Lemoine takes office as Chairman of the **Executive Board** of Wendel.

May

First meeting of Wendel's new **Shareholders Advisory Committee**.

Oranje-Nassau Groep, a Wendel subsidiary, sells its oil & gas businesses for €630 million.

June

Annual Shareholders Meeting, Supervisory Board re-elects **Ernest-Antoine Seillière as its Chairman**, after shareholders renew his term. Dividend for 2008: €1 per share.

Start of the strengthened financial flexibility strategy.

Unanimous approval by lenders for restructuring of Materis debt. Wendel injects €36 million in equity and 650 Materis managers €9 million.



The 2009 Henri Cartier-Bresson Prize, Sponsored by Wendel, was awarded to the South African photographer David Goldblatt.

July

Operational reorganization

around the Executive Board and Supervisory Board with a reappointed Investment Committee and a newly created Management Committee.

August



Deutscher, backed by Wendel, obtains the unanimous agreement of its lenders to suspend banking terms until renegotiation in a context of increased visibility in early 2010.

September

Success of the bond operation.

Reduction and three-year extension of some of the 2011 maturity.

November

Launch of Group's new corporate website.

KKR and Wendel: successful accelerated placement of a block of 30 million Legrand shares.

December

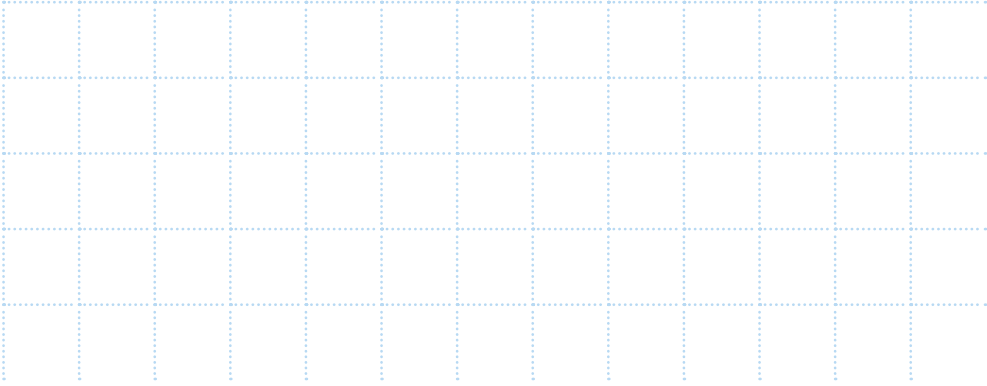
Investors' Day with the participation of all listed and unlisted subsidiaries and associates, on the theme "Innovation, a springboard for recovery". Unanimous approval by lenders of Wendel's financial restructuring proposals for **Stahl**.

Completion of the strengthened financial flexibility strategy.

The Group now has no debt maturing before February 2011 and has extended all of its bank debt with margin calls, for financing its stake in Saint-Gobain, by more than two years.



Notes



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, the original French language version
of the document takes precedence over the translation.



The original French version of this report, composed of Volume I entitled "Annual Review" and Volume II entitled "Financial and Legal Report", was registered with the French stock exchange authorities ("Autorité des Marchés Financiers" - AMF) on April 13, 2010 under number D.10-0257, pursuant to article 212-13 of the AMF General Regulation. Only the original French version can be used to support a financial transaction, provided it is accompanied by a prospectus (*note d'opération*) duly certified by the Autorité des Marchés Financiers. The document was produced by the issuer, and the signatories to it are responsible for its contents.

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Société anonyme
with capital of
201,744,00 euros

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