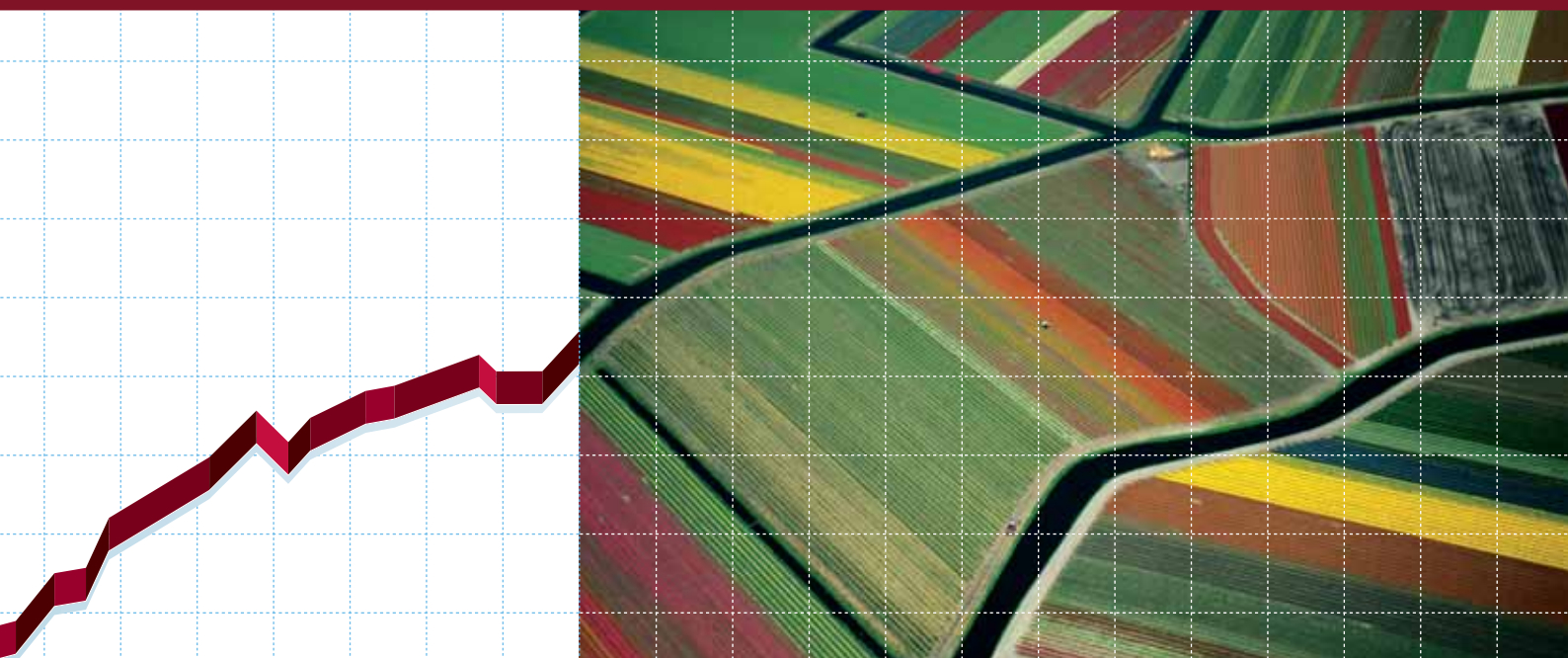




W E N D E L

2008 Annual report



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2008 key figures

€5,412 million
in net sales

€395 million
net income from business
sectors (Group share)*

+7.6%
organic growth

+7.5%
external growth

67%
of sales outside of France

of which **17%**
in emerging markets

20
business segments

53,000
employees

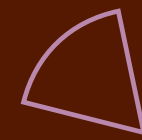
€1.7 billion
in value returned
to shareholders since 2002



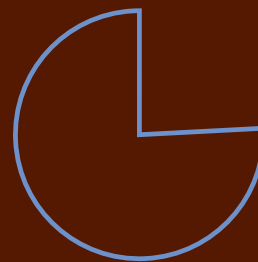
52%
Bureau Veritas
compliance and
certification services



31%
Legrand
products and systems for
low voltage installations



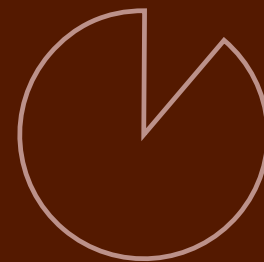
18%
Saint-Gobain
production, transformation
and distribution of materials



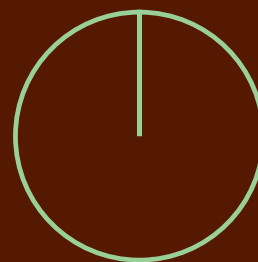
76%
Materis
specialty chemicals
for construction



47%
Stallergenes
allergy immunotherapy



89%
Deutsch
high performance connectors



100%
Oranje-Nassau
energy



48%
Stahl
coatings and leather
finishing products

A long-term investor

Wendel's representation on the boards of directors and key committees of the companies in which it has invested is commensurate with its stake in those companies. This allows it to contribute to the companies' strategic decision-making, while respecting the distinction between shareholders and managers.



WENDEL

"Wendel is a hands-on investor and shareholder that assists sector-leading companies in their long-term development. Wendel's business model combines the entrepreneurial passion born of a long family tradition with a culture of performance and accountability."

message from Ernest-Antoine Seillière

Chairman of the Supervisory Board



We are now all coming to grips with the full depth of the financial crisis that began in 2008 with the dislocation of the banking system and then spread throughout the economy.

The quick response of public authorities on the national, European and international fronts certainly helped avoid the worst. We are now awaiting the recovery that will result from the aggressive steps taken to ensure the distribution of credit and to put stimulus plans into place.

In 2008, thanks to the tireless efforts of our people, Wendel generated 10% growth in earnings from our business sectors, on the back of an overall increase in net sales. This demonstrates the solidity of the companies Wendel has chosen to invest in, all of which are leaders in their sectors.

Our earnings are far into positive territory for the year, even after about €800 million in crisis-related provisions and impairment losses. During the year, we also strengthened our balance sheet's financial structure and liquidity. We were helped in this by the divestment of Editis and the extension of our bank financing maturities.

Upon the completion of our Executive Board's recent term in office, Jean-Bernard Lafonta did not wish to seek reappointment. The Supervisory Board thanked him for his valuable contribution and for endowing our Group with high-quality assets. The Supervisory Board appointed

Frédéric Lemoine as head of the Executive Board. The new chairman was already well abreast of our Group's affairs after having sat on the Board over the past year, and he immediately set about the task of leading it through the especially challenging current environment. He will meet with our shareholders at the Annual Shareholders' Meeting. The Supervisory Board also renewed its confidence in Bernard Gautier in reappointing him as a member of the Executive Board.

2009 will obviously be rough going. The sharp slowdown in the first half is likely to continue throughout the year. Our subsidiaries and shareholdings have set up adjustment plans to stem the decline in profitability, maintain market share and set themselves up to fully benefit from the recovery, when it comes.

Our shareholders have obviously been very disappointed in the sudden downturn, which has

resulted in a decline in our share price and a cut in our dividend. This reaction is certainly understandable and is shared by shareholders in numerous French companies, whose market value has, like ours, fallen drastically. Wendel's people and all the managers and employees of our subsidiaries and shareholdings are doing everything they can to weather the crisis and to seize all opportunities to benefit from the recovery.

Many of our shareholders have long been loyal to the Group, and I personally am confident that they will remain so. Over several generations Wendel has demonstrated its ability to face adversity head-on and to pull itself through crises, ultimately emerging from them even stronger. I have no doubt that we will succeed again this time, backed by our family shareholder structure, whose sense of common cause, when clearly demonstrated, is instrumental to the continuity and success of our long-term strategy.

interview

Frédéric Lemoine

Chairman of Executive Board

Previously Group Vice-President in charge of finance for the Capgemini group, of which Wendel was the main shareholder, Frédéric Lemoine has also served as Deputy General Secretary of the French Presidency, Senior Advisor at McKinsey, and Chairman of Areva's Supervisory Board. A member of Wendel's Supervisory Board since June 2008, he was appointed Chairman of the Executive Board following the departure of Jean-Bernard Lafonta. Frédéric Lemoine took up his role on April 7, 2009.

Where does Wendel stand in the current environment?

At a time when governments, public opinion and businesses are all united in their desire for significant changes to the capitalist system, the role played by shareholders has come under the spotlight. The capitalist model, minus the obvious excesses of the past few years, requires shareholders who make commitments and take risks by mobilizing capital to drive economic growth and employment.

I think that this is precisely the role of Wendel – to direct capital from its own shareholders toward the most productive investments. Banks and governments can no longer be the sole sources of capital. And unlike anonymous, dispersed shareholders, unlike funds, which are often short-termist, Wendel can embody and implement an active, sustained, long-term shareholding policy in the companies it selects.

What exactly is Wendel's vision of its role as a shareholder?

Wendel's 300-year history has always been characterized by an entrepreneurial spirit, an industrial culture and long-term commitments. I think its history is admirable and would like our Group to remain faithful to these values.



Our vision of our role as a shareholder must be rooted in these values. First, we make a commitment and systematically take the risk of becoming a major or controlling shareholder. We then work to gain an even more intimate understanding of the economic sector in question, including its cycle and its special characteristics, and, of course, the Company – its products, its customers and the fruits of its research. With representation to match the size of our investment on the Board of Directors and its committees, we strive to support the Company, contributing the industrial and financial skills of our teams, while never impinging on the role of its management. This is a true partnership, in which confidence must be absolute and management's interests perfectly aligned with those of all shareholders – in other words, the Company's own interests.

What are Wendel's differentiating advantages?

After aiding the development of the French steel industry, Wendel supported industry leaders in very diverse sectors, always for a meaningful period of time to enable the development of the Company's projects: Capgemini, Valeo, Carnaud Metalbox, bioMérieux, Editis. Wendel's name remains intertwined with the history of these companies.

Wendel's premier advantage is, naturally, the companies in its portfolio of assets. To start with, the fifteen years of international development and profitable growth of Bureau Veritas. The fifteen years of research and development of Stallergenes, making it the world leader in its field. The strength and international leadership of Saint-Gobain, one of France's finest groups, also three centuries old. Legrand superbly rounds off our investments in listed companies: since 2002, Wendel supports this company, which, from Limoges, has conquered one-fifth of the global market for electrical equipment. Our private assets are lesser known but are also very strong players in their respective industries: Materis in construction materials, which has achieved consistently high performance since it was spun off from Lafarge; Deutsch, a worldwide group in connectors, also born of family-owned enterprise; and Stahl, the world leader in leather processing, rooted in the Dutch culture of our subsidiary Oranje-Nassau.

All these companies are headed by teams of superior quality and endowed with a fighting spirit and determination, which serve well during periods of growth as well as slowdowns. Staff quality is a key factor in any investment, and Wendel's general policy is to work with existing teams, rather than replace them with newcomers.

Wendel has two other decisive advantages. First, the professionalism of its own teams, who offer a wealth of diverse backgrounds and experiences. Second, the stability of a controlling Group of family shareholders, which may be spirited, admittedly, but is always faithful, I believe, to its vision, its values and Wendel's model.

How is this model special?

It is a selective model based on choosing companies of the very highest quality, which relies less on the creation of purely financial value than on the sustainable, internal growth of these companies.

The model is also founded on several subtle balances, creating an alchemy that must be preserved and continuously adapted throughout economic crises and periods of euphoric growth: a balance between industry and finance, between the demand for immediate performance and the support of longer-term efforts, more difficult to achieve but more rewarding in terms of the in-depth transformation of companies; and also a balance between the selection of French and European enterprises as a priority and the steady expansion of these companies internationally and toward faster-growing regions.

Lastly, I think that this model calls for an immense respect for individuals. It is with confidence and mutual respect that the essential ties between a company's executives and its major shareholder can be established. The model also requires, and this can be very concrete and significant, respect for the employees of companies in which Wendel has invested, because they are the ones who actually create – every day – the value that shareholders are asking for!

What are the Group's key priorities for 2009?

All the Group's companies must first focus on weathering the most severe economic crisis since 1945 with the least amount of damage. Wendel has taken active steps to assist, by helping them to review their cost reduction plans, adjust their financing structure and examine opportunities that could emerge from these situations of sudden upheaval.

We should remember that the 21st century economy is just being shaped, with new structures and growth drivers and different centers of gravity and economic models, and that those who recognize them or adapt to them before others do will be the big winners. The companies united by Wendel all seem to be rather well poised to fully benefit from the post-crisis recovery and even, for some, to suffer relatively little from the slowdown.

You have become Chairman of Wendel's Executive Board in a difficult economic and financial climate. How do you see your role and, most of all, will it change the Group's strategy?

From a financial viewpoint, Wendel's performances in 2009 can only be heavily impacted by such a major crisis. Fortunately, the Group's assets and cash flow situation are strong. Seeking new investments or further increasing our debt are nevertheless out of the question this year.

Nor should you expect to see me shed valuable assets at fire-sale prices for the sake of slashing our level of debt to match the value of assets that are evidently undervalued!

It is, however, time to work on company fundamentals and cost levels and to seek out the most promising markets. Bernard Gautier and I have assigned a team to these tasks, and I will personally work towards these goals with the boards of directors of Saint-Gobain, Legrand and Bureau Veritas.

In particular, Wendel devoted a considerable financial effort of close to €6 billion to acquire a strong position as a major shareholder of Saint-Gobain: after an agitated start, it is vital that we now start building relationships characterized by confidence, teamwork and respect for each other's roles. This is the shared interest of Saint-Gobain, Wendel and all their shareholders.

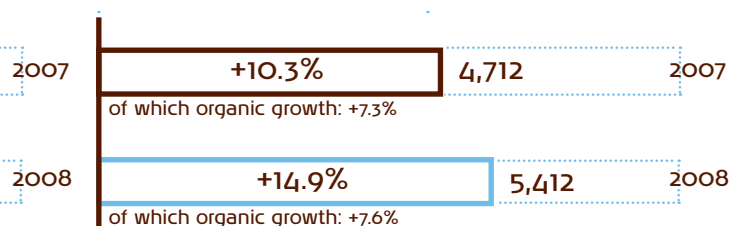
Meanwhile, in addition to our support of the Group's various companies, our work to optimize financing and reduce our own costs should gradually free up additional room for maneuver. My aim, under the supervision and with the support of the Supervisory Board, is to get Wendel back on track toward new investments when the crisis blows over. Fabulous opportunities will come up at that time, creating an abundance of value for Wendel and its shareholders and an abundance of wealth, employment and innovation for our economies.

key figures

at December 31, 2008

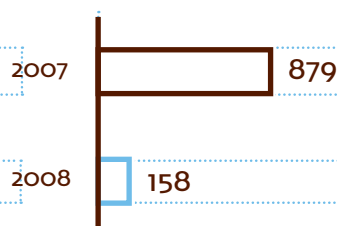
Consolidated net sales

(in millions of euros)



Consolidated net income

(Group share) (in millions of euros)



Net income from business sectors by company⁽¹⁾

in millions of euros

	2007	2008
Bureau Veritas	189	242
Legrand	129	138
Saint-Gobain	-	99
Materis	46	33
Stallergenes	16	19
Deutsch	10	32
Stahl	3	0
Oranje-Nassau	59	78
Editis	49	-5
Financing, overheads and taxes	-93	-117
Net income from business sectors⁽¹⁾	408	519
Minority interests	-48	-124
Net income (Group share) from business sectors	360	395

⁽¹⁾ 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

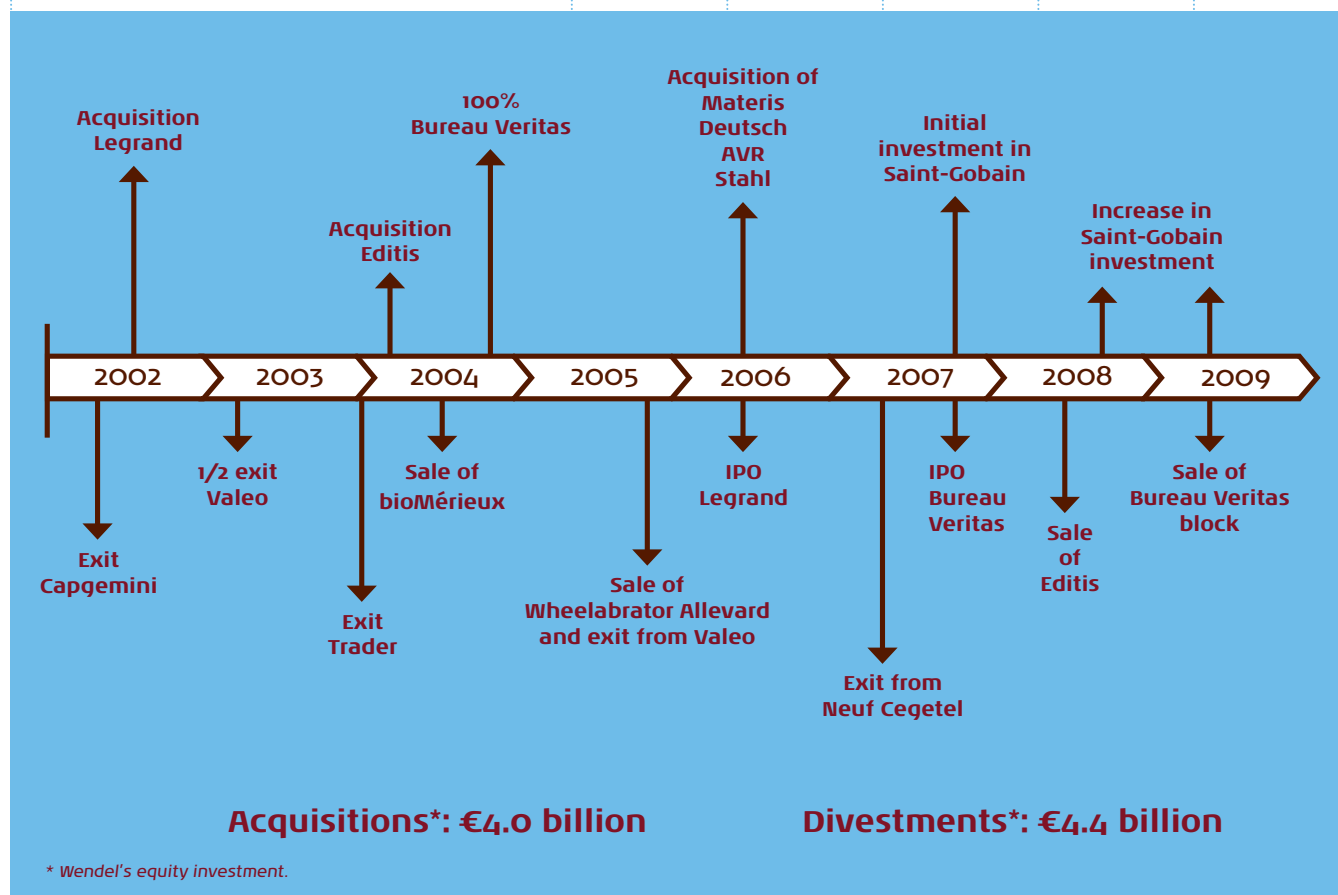
Wendel has been rated by Standard & Poor's since September 2002.

As of February 12, 2009, Standard & Poor's ratings were:

Long-term
BB
Outlook: negative

Short-term
B

Investment timeline



Net asset value

In millions of euros	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08
Shareholdings in which Wendel is the main or controlling shareholder	3,770	4,530	6,470	7,800	2,680
Minority investments	520	300	230	60	40
Wendel shares	240	430	570	10	-
Cash	570	820	780	1,840 ⁽¹⁾	1,750 ⁽¹⁾
Gross asset value including cash	5,100	6,080	8,050	9,710	4,470
Financial debt	-1,670	-1,600	-2,000	-3,160	-3,060
Net asset value	3,430	4,480	6,050	6,550	1,410
Net asset value per share	€61	€82	€109	€130	€28

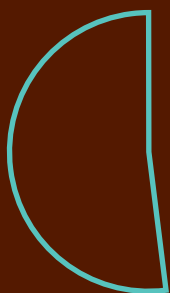
(1) Unpledged cash came to €1.7 billion at end-2007 and €0.9 billion at end-2008.

The method for calculating net asset value is based on the fairness opinion given in January 2002. Change in net asset value is the change in the value of assets from one financial year to the next for Wendel shareholders. At end-2008, net asset value came to €1,410 million. This decline is due to sharp drops on the equity markets, which triggered falls in the market prices of Wendel's listed companies and in the multiples used in valuing unlisted companies. Pages 245 to 247 of this report describe the method used in calculating net asset value. At least twice a year, an independent appraiser makes its own valuation and submits it to the Audit Committee.

Commitments of a long-term relationship

The Wendel Group's policy is to be the key or controlling shareholder in its listed or unlisted investments on a long-term and hands-on basis. It expresses this commitment by actively participating in these companies' strategic decisions, based on the principle of direct, constructive and transparent give-and-take with their managers. The Group's ambition is to join the leaders of its companies in developing strategies that meet short-term objectives while anticipating long-term challenges, through a steadfast approach based on analysis, imagination and candor. The Wendel Group pledges to put into daily practice its loyalty to these long-standing values by establishing and maintaining relationships based on mutual trust and respect between shareholders, managers and employees in all companies in which it has invested.





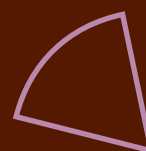
**52%
Bureau Veritas**

compliance and
certification services



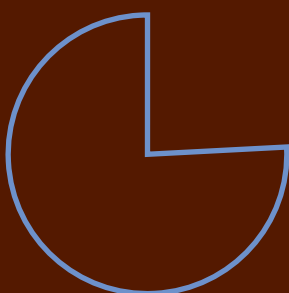
**31%
Legrand**

products and systems
for low voltage installations



**18%
Saint-Gobain**

production, transformation
and distribution of materials



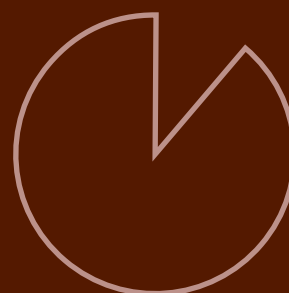
**76%
Materis**

specialty chemicals
for construction



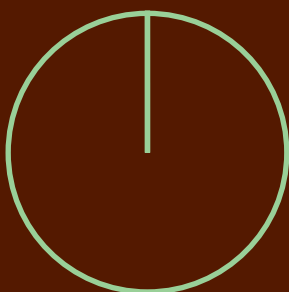
**47%
Stallergenes**

allergy immunotherapy



**89%
Deutsch**

high performance connectors



**100%
Oranje-Nassau**

energy

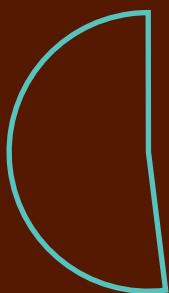


**48%
Stahl**

coatings and leather
finishing products

All information regarding our subsidiaries' competitive positioning and market share, as well as certain financial information, is from the companies themselves and has not been checked by Wendel.





52% Bureau Veritas

compliance and certification services

Capital invested €716 million

In millions of euros

	2007	2008	Δ
Net sales	2,067	2,549	+23%
Adjusted operating income as a % of net sales	312 15.1%	388 15.2%	+24%
Net income ⁽¹⁾	158	217	+37%
Net financial debt	671	908	

(1) Consolidated net income (group share) of Bureau Veritas group.

More than 370,000 clients in 140 countries • 900 offices and laboratories •
More than 40,000 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 operates on 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 twelve years, Bureau Veritas' net sales have more than quintupled, and its adjusted operating income has risen more than 10-fold. It has made almost 70 acquisitions since 2001, investing about €145 million per year. 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.

"The world's second largest certification and compliance group in quality, health, safety, environment and social responsibility (QHSE) and the world leader in QHSE services excluding raw materials inspection."

Strong growth in sales and earnings in 2008

Bureau Veritas' net sales came to €2.5 billion in 2008, a 23% increase, of which 13% was through organic growth. Adjusted operating income on ordinary activities rose 24% to €388 million, vs €312 million in 2007. On a like-for-like basis compared to 2007, the operating margin, excluding the impact of acquired companies, rose by 50 basis points to 15.6% of net sales. Bureau Veritas' net income rose 37% to €217 million. In 2008, Bureau Veritas acquired 15 companies (in particular in Australia, Chile and Peru), which added almost €150 million in annual net sales. Bureau Veritas has a solid financial structure. Net financial debt came to €908 million, with its increase due essentially to acquisitions.

Outlook

While projections are hard to make in the current economic environment, Bureau Veritas has confirmed that its revenues should increase again in 2009, albeit at a slower pace than in 2008, and that its operating margin in 2009 should be stable compared to its 2008 level. Bureau Veritas' resiliency is an outgrowth of the regulatory and recurrent character of most of its activities, the diversity of its business portfolio, and the existence of structural growth factors such as increasingly stringent regulations, and the privatization and outsourcing of certification and inspection activities.

Initial stake acquired:
January 1995

How Wendel is involved

Supervisory Board:

Jean-Bernard Lafonta (Chairman)
until April 14, 2009,
Frédéric Lemoine (Chairman)
beginning April 14, 2009,
Ernest-Antoine Seillière,
Jean-Michel Ropert,
Stéphane Bacquaert
(Board members)

Appointments and

Compensation Committee:

Jean-Bernard Lafonta (Chairman)
until April 14, 2009,
Frédéric Lemoine (Chairman)
beginning April 14, 2009

Audit Committee:

Jean-Michel Ropert

Risk Committee:

Stéphane Bacquaert



31%
Legrand

products and systems
for low voltage installations

Capital invested €658 million

In millions of euros

2007

2008

Δ

Net sales

4,129

4,202

+1.8%

Recurring adjusted operating income⁽¹⁾
as a % of net sales

732

746

+1.8%

17.7%

17.7%

Net income⁽²⁾

396

402

+1.5%

Net financial debt

1,798

1,862

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

(2) Net income (group share) excluding non-recurring items related to restructuring and currency gains/losses.

Present in more than 70 countries • Sales in almost 180 countries •
34,800 employees, including 1,850 in R&D • 5,000 active patents •

Why we invested

As a world leader in products and systems for electrical installations with 19% market share, Legrand offers almost 170,000 product references and a portfolio of globally known brands, such as Legrand and Bticino. Driven by its strong capacity for innovation, with 4.4% of its net sales devoted to R&D and more than 40% of its investments dedicated to new products in 2008, Legrand focuses its efforts on high-value products, such as home automation and voice-data-image products. It also benefits from its heavy exposure to the renovation market (60% of sales), which by nature is less erratic than major projects. Legrand operates on a highly fragmented market, 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 various players in the value chain, including distributors, electrical installers and end-users.

Wendel: a vector for development

After its successful IPO in April 2006, Legrand was able to reallocate capital to accelerate its growth. Investment expenditure was optimized at 3.8% of net sales in 2008, vs 7.5% on average from 1996 to 2002. Working capital requirement was cut to 12.1% of net sales in 2008, vs 20.6% on average from 1996 to 2002. More efficient capital management has helped increase R&D and marketing expenditure. Legrand has also raised its profile in high-potential countries, in order to accelerate its international expansion.

"Legrand is the world leader in products and systems for electrical installations and information networks in living and work spaces. Its wide range in office, industrial and residential markets makes it a global benchmark."

An efficient model for profitable growth

The 1.8% increase in consolidated net sales in 2008, to €4.2 billion, proves Legrand's staying power. Adjusted operating income on ordinary activities came to €746 million, or 17.7% of net sales. This is a strong margin and stable, vs 2007. Net income (group share) rose 1.5% to €402 million when excluding non-recurring costs due to restructuring and currency gains/losses. These performances resulted from wide-ranging and demanding adjustment plans. Legrand's financial structure features strong free cash flow equivalent to more than 10% of net sales and long-term secured financing.

Outlook

In the uncertain environment of 2009, Legrand's responsiveness gives it a decisive edge. For 2009 it is targeting an maintainable operating margin (excluding an estimated €40 million in restructuring costs) of at least 14%.

How Legrand is adjusting to the downturn

As far back as early 2008, Legrand put in ambitious cost-cutting plans, in order to adapt its production capacities to the new market environment and to reduce its administrative and sales and marketing costs. This is why its restructuring costs rose from €23 million to €48 million. Meanwhile, free cash flow came to €430 million, or 10.2% of net sales after, among other things, a total of €160 million in capital expenditure and capitalized development costs. The priority is on controlling capital employed and, in particular, the working capital requirement. Net debt thus came to €1,862 million at end-2008 and is fully backed by credit lines maturing no earlier than 2013 and no later than 2025.

Initial stake acquired:
2002

How Wendel is involved

Board of Directors:

Jean-Bernard Lafonta
until May 5, 2009,
Frédéric Lemoine
beginning May 5, 2009,
Ernest-Antoine Seillière,
Arnaud Fayet (directors)

Appointments and Compensation Committee:

Jean-Bernard Lafonta
(Chairman) until May 5, 2009,
Frédéric Lemoine (Chairman)
beginning May 5, 2009

Audit Committee:

Arnaud Fayet

Strategic Committee:

Jean-Bernard Lafonta
until May 5, 2009,
Frédéric Lemoine
beginning May 5, 2009



18% Saint-Gobain

production, transformation
and distribution of materials

Capital invested €1,6 billion*

* Cumulative, as of December 31, 2008.

In millions of euros	2007	2008	Δ
Net sales	43,421	43,800	+0.9%
Operating income as a % of net sales	4,108 9.5%	3,649 8.3%	-11.2%
Net income ⁽¹⁾	2,114	1,914	-9.5%
Net financial debt	9,928	11,679	
<small>(1) Net income (group share) excluding capital gains or losses on disposals, asset impairments and significant non-recurring provisions (including the European Commission's Flat Glass fines).</small>			

Present in 59 countries • 210,000 employees • 4,000 building Distribution sales outlets •
Flat Glass: no. 1 in Europe • Insulation: no. 1 worldwide • Gypsum: no. 1 worldwide (plasterboard) •
Pipe: no. 1 worldwide • Specialized Distribution: no. 1 in Europe • Packaging: no. 1 worldwide •
High-Performance Materials: no. 1 worldwide •

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

Through its two seats on Saint-Gobain's Board of Directors (with a third to come after the 2009 Shareholders' Meeting), Wendel has reaffirmed its support for Saint-Gobain's strategy. It is represented on its Strategy 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 allows further discussion and reflection on strategic issues and sources of improvement. It has worked, among other things, on Saint-Gobain's adjustments to the economic downturn, as well as on active management of its sale prices. Wendel also has a seat on the Appointments and Compensation Committee, which, among other things, lays down the principles of management incentives.

"Saint-Gobain is the European or global leader in each of its activities. It designs, produces and distributes construction materials while striving to offer innovative solutions to the essential challenges of our time – growth, energy savings and environmental protection."

Holding up well in a tough environment

Saint-Gobain's consolidated net sales rose 3.7% on a constant-currency basis in 2008, to €43.8 billion. Organic growth accounted for +0.3% of this (including +3.4% from prices and –3.1% from volumes), while showing a sharp contrast between a solid first nine months of the year (organic growth of 2.4%, including +3.3% from prices and –0.9% from volumes) and the fourth-quarter downturn (organic growth of –5.5%, including +3.8% from prices and –9.3% from volumes). This sharp fourth-quarter drop in sales volumes was driven by an accelerating downturn on the construction markets in most developed countries, the global contraction in industrial markets, the automotive sector in particular, and the spread of the economic slump to emerging markets. In spite of these unfavorable developments, Saint-Gobain managed to maintain satisfactory pricing throughout the year in each of its sectors. Operating income fell by 11.2% to €3,649 million and by 9.1% on a constant-currency basis. The operating margin came to 8.3% of net sales (11% excluding Building Distribution), while net income on ordinary activities came to €1,914 million. Financial debt came to €11,679 million. Saint-Gobain got the jump on its upcoming maturities in postponing the Maxit maturity to October 2010, in issuing €1.75 billion in debt on the bond markets and in issuing €1.5 billion in new shares.

How Saint-Gobain is adjusting to the downturn

Saint-Gobain's priority is to optimize its sale prices in all its activities. In 2008, €400 million in costs were cut under the plans that began in mid-year in all business lines, vs an initial target of €300 million. Cash flow was enhanced further with strict control of the working capital requirement, which was lowered to 38 days of sales at end-2008, vs a 40-day target.

Initial stake acquired:
September 2007

Outlook

Saint-Gobain will continue its aggressive operating adjustments in 2009, in particular in optimizing its sale prices and cutting costs further in all its business lines. In 2009, it has already begun plans that will cut another €700 million in costs, thus raising the total reduction for 2008 and 2009 to €1.1 billion. In addition, capital expenditure will be cut by €500 million, acquisitions will be put on hold, and a divestment plan will be managed on a proactive and opportunistic basis.

How Wendel is involved

Board of Directors:

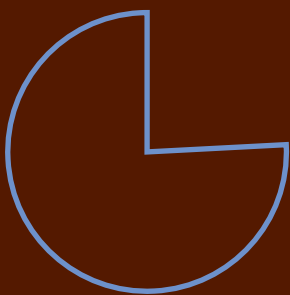
Jean-Bernard Lafonta
until April 9, 2009,
Frédéric Lemoine
beginning April 9, 2009,
Bernard Gautier and
Gilles Schnepf following
the 2009 Annual
Shareholders' Meeting

Appointments and Compensation Committee:

Bernard Gautier

Strategy Committee:

Jean-Bernard Lafonta
until April 9, 2009,
Frédéric Lemoine
beginning April 9, 2009



76%*
Materis

specialty chemicals
for construction

Capital invested €310 million

* In equity and shareholder loans.

In millions of euros	2007	2008	Δ
Net sales	1,817	1,867	+2.8%
Adjusted operating income ⁽¹⁾ as a % of net sales	227.4 12.5%	214.6 11.5%	-5.6%
Net income from business sectors ⁽²⁾	46	33	-28%
Net financial debt	1,765	1,781	
<small>(1) Adjusted operating income before allocation of goodwill, management fees and non-recurring items.</small>			
<small>(2) Defined on the "key figures" page.</small>			

87 industrial facilities in 24 countries • 9,300 employees • 360 sales outlets for paints and decoration products •

Why we invested

Materis is a leader in specialty materials. It is no. 1 worldwide in Aluminates, no. 1 in France in Admixtures, no. 1 in France and Italy in Paints, and no. 2 in Portugal and co-leader in France in Mortars. Its high-value-added products are quite innovative on the market. Emerging markets (Asia, Latin America and the Mediterranean rim) and the renovation and non-residential markets offer new sources of growth.

Wendel: a vector for development

Since 2006, Materis has successfully integrated 30 acquisitions while unlocking numerous synergies that are sources of future growth. Materis innovates constantly to enhance its development. For example, working groups across the lines of the Group's various activities have helped adapt products to new standards, design niche products that combine organic and mineral technologies, and offer solutions better adapted to users' working conditions and the environment. The "24h de l'innovation" initiative, which brought together the scientific and marketing communities, produced some progress-generating ideas for Materis.

Remarkable resiliency in a glum economic environment

In 2008, Materis' net sales rose 2.8% to €1,867 million. After a fast-growing first half in 2008, Materis ran into the sharp downturn in the global economic and financial environment. It nonetheless generated 1.6% internal growth through innovation and improvements in product mix and through its ability to pass on higher raw material and energy prices in its sale prices. Brisk business in emerging markets helped mitigate somewhat the declines in mature countries on the construction market, particularly in Spain, Portugal and the US. Adjusted operating income came to €214.6 million for 2008, with the operating margin falling by 1 point, as manufacturing costs (sourcing, production and logistics) rose faster than sales. Overheads and depreciation rose in line with net sales. Net financial debt increased by €16 million in 2008, €25 million of which resulted from external growth.

"Materis is one of the world leaders in specialty chemicals for construction, with more than 100 brands that are well known on their national markets."

Outlook

Materis is aggressively pursuing its adjustments in order to preserve its margins in the midst of a slumping and highly volatile global economic context. This will include a 33% reduction in investments in 2009. Materis will step up its initiatives in innovation and organic growth in order to partly offset its shrinking volumes through a constant improvement in its product mix and its price premium.

How Materis is adjusting to the downturn

In 2008, Materis implemented aggressive adjustments in the areas of price hikes and product mix (€67 million), cost cutting (€20 million from streamlined manufacturing processes, sourcing and cuts in overheads) and optimization of cash flow through divestment of non-core assets (€26 million). These adjustments are being stepped up in 2009, with about €60 million in projected savings, cost-cutting and enhanced sourcing, and a 33% reduction in investments (€25 million).

Initial stake acquired:
April 2006

How Wendel is involved

Management Board:

Jean-Bernard Lafonta
until April 10, 2009,
Bernard Gautier
beginning April 20, 2009,
Jean-Michel Ropert,
Stéphane Bacquaert,
Patrick Bendahan (managers)

Appointments and

Compensation Committee:

Jean-Bernard Lafonta
(Chairman) until April 10, 2009,
Bernard Gautier (Chairman)
beginning April 20, 2009

Audit Committee:

Jean-Michel Ropert (Chairman),
Stéphane Bacquaert



47% Stallergenes

allergy immunotherapy

Capital invested €9 million

In millions of euros

	2007	2008	Δ
Net sales	147.1	170.9	+16.2%
Operating income before R&D as a % of net sales	49.1 33.4%	58.1 34.1%	+18.5%
Net income ⁽¹⁾	16.3	19.0	+16.6%
Net financial debt	10.4	9.6	

(1) Consolidated net income (group share).

500,000 patients treated in more than 50 countries • 785 employees •
More than 30 clinical studies since 2000 •

Why we invested

Changes in lifestyles and the environment seem to have promoted a rapid increase in allergies, which are estimated to have doubled in the last twenty years. An estimated 20% to 30% of the populations of industrialized countries suffer from allergies. The immunotherapy market is therefore considerable. In 1993, 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 that combined compliance with regulatory standards and industrial performance objectives.

Wendel: a vector for development

Backed by Wendel, Stallergenes has, over the last fifteen years, focused on Research and Development, to which 21% of sales is now devoted in terms of gross figures. This has helped identify and standardize new allergy proteins in responding to new allergies, as well as new media and methods of administration (besides injections), i.e., sublingual and tablet administration. These new drugs and administration methods have obtained clinical approval. Over the last fifteen years Stallergenes has also expanded faster internationally. Stallergenes is now the co-leader in the sector, with more than half of the allergy-treatment market. From 1996 to 2008, it increased its R&D tenfold, and its net income has risen by 17% annually.

An excellent showing in 2008 that beat its own projections

Stallergenes' growth was very strong in 2008, with net sales rising 16% to €171 million. Growth was achieved on all markets and particularly in exports, which were especially strong. Cost of sales rose by 21%, as the new production unit based in Antony, France, came on stream. Even so, the operating margin before R&D costs rose again, to 34.1% in 2008, vs 33.4% in 2007. R&D costs increased by 26%, which was due to the additional cost of the phase III pollen trials in the US, which aim to obtain US registration for Oralair® (immunotherapy tablet for grass pollens). All in all, consolidated net income came to €19 million, a 16.6% increase over 2007. Cash flow was positive, and financial debt declined once again, to €9.6 million.

"Stallergenes specializes in the treatment of allergy-related respiratory ailments through immunotherapy and is the world leader in sublingual allergy treatment."

Stalair® allergy tablets program off to a good start

As a pioneer and leader in sublingual immunotherapy, Stallergenes is now carrying out an ambitious development program aimed at offering sublingual immunotherapy in tablet form. This includes three main drugs (for grass pollen, birch pollen and mites) and will make it possible to treat the main allergies afflicting around two of every three allergy sufferers in Europe.

On June 24, 2008, Stallergenes obtained marketing approval in Germany for Oralair® (grass pollen) for adults, which cleared the way for commercial launch. Approval for use in children was obtained on January 19, 2009. Oralair® (grass pollen) is thus being marketed for both patient segments in time for the 2009 pollen season in Germany, which is the world's largest immunotherapy market, and the European mutual recognition registration process is underway.

The two other drugs, to treat mite and birch pollen allergies, are in the final phase of clinical development. Developing these tablets required heavy investments, both in capex, with the construction of a new production unit, and in sales and marketing in the run-up to the European launch of Oralair® (grass pollen).

On October 27, 2008, Stallergenes obtained US clinical study authorization from the FDA on Oralair® (grass pollen) for adult use. The findings of this study will be published in late 2009.

Stallergenes and the recession

Stallergenes' markets, in theory, have very little exposure to the economic slowdown. While there are some less expensive (but less effective) treatments than Stallergenes' (mainly antihistamines), most countries' healthcare systems reimburse Stallergenes' drugs, and patients also have supplementary health insurance. This should limit the risk of substitution considerably.

Initial stake acquired:
1993

Outlook

In addition to the allergy tablets program (Stalair®), Stallergenes is conducting the Enhanced Allergens program, which aims to enhance tablet efficacy through new technologies (genetic recombination, adjuvant treatment, formulation). This innovative research program is part of Stallergenes' broad approach, which consists in dedicating its unique expertise in allergens to the constant improvement of sublingual immunotherapy.

How Wendel is involved

Board of Directors:

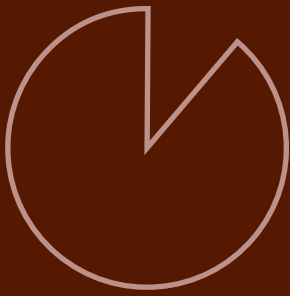
David Darmon,
Dirk-Jan van Ommeren,
Arnaud Fayet,
Jean-Marc Janodet (directors)

Appointments and Compensation Committee:

David Darmon,
Arnaud Fayet (Chairman),
Jean-Marc Janodet

Audit Committee:

Arnaud Fayet,
Jean-Marc Janodet (Chairman)



89%*
Deutsch

high performance connectors

Capital invested \$379 million

* In equity and shareholder loans.

\$ million	2007	2008	Δ
Net sales	599.8	659.7	+10%
Adjusted operating income ⁽¹⁾ as a % of net sales	89.5 14.9%	129.1 19.6%	+44%
Net financial debt	694	714	
<small>(1) Adjusted operating income before accounting entries on goodwill allocation, management fees and non-recurring items.</small>			

Present in 25 countries • 9 factories worldwide • 3,200 employees •

Why we invested

Founded in the US, Deutsch designs and custom-manufactures products in conjunction with its clients' R&D departments. Its innovative products combine performance (aluminum and composite-material connectors, for example) with resistance to heavy stresses (a fire in an aircraft engine, for example). All its products meet the most stringent quality standards. Deutsch is among the world leaders on its markets, which have high barriers to entry, such as the long client-accreditation procedures and a high level of skills and experience gained in research

and development. Deutsch has also developed numerous original connector solutions, such as aluminum cabling systems for the Airbus A380. The Group's growth is based on developing markets, such as civil and military aerospace and offshore installations, as well as targeted acquisitions.

Wendel: a vector for development

Since being acquired by Wendel in 2006, Deutsch's teams have worked to merge three previously independent regional companies (US, France and the UK) into a global group that is structured market-by-market, and adapted to its environment and its new challenges. The group is now composed of three major integrated divisions of global scope: industry, aerospace and offshore. Numerous synergies have been generated, which have led to noteworthy operational improvements in fabrication, cost savings and organic growth. The new group's scope of activities has been streamlined through the divestment of non-strategic activities (Relays) and targeted earnings-enhancing acquisitions (LADD, SERVO).

"Deutsch is the world leader in high-performance connectors used in aerospace, construction equipment and heavy vehicles. 80% of its connectors are made to order."

Strong improvement in the operating margin

In 2008, Deutsch's net sales came to \$659.7 million, with brisk organic growth of 5%, in spite of a difficult context, which hit fourth-quarter performances. Adjusted operating income rose 44% to \$129 million. The operating margin improved by 450 basis points and is one of the highest in the sector. Net financial debt was almost stable, at \$714 million, in spite of the acquisitions that were made.

Outlook

After two years devoted to streamlining its internal processes, which have helped it better withstand the recession, Deutsch plans to step up its programs for improving its industrial productivity and cutting its costs. It will leverage its R&D and global approach to major clients and main prospects, and it will focus its investment resources on strategic production facilities in Asia and Central America.

How Deutsch is adjusting to the downturn

In 2008, Deutsch began to make aggressive adjustments, including optimized sourcing and lean manufacturing, which generated \$20 million in savings. Adjustments have also been made in its business perimeter. Deutsch reacted quickly to the sharp fourth-quarter slowdown by taking additional measures to cut costs and adjust manufacturing structures. It will continue to do so in 2009.

Initial stake acquired:
2006

How Wendel is involved

Management Board:

Jean-Bernard Lafonta
until April 14, 2009,
Bernard Gautier, David Darmon,
Patrick Tanguy (members)

Audit Committee:

Jean-Michel Ropert (Chairman),
Benoît Drillaud

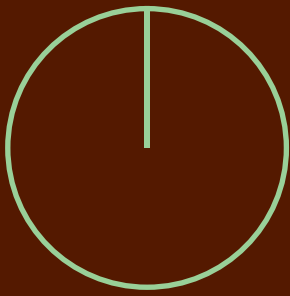
Strategic Committee:

Bernard Gautier (Chairman),
David Darmon

Appointments and

Compensation Committee:

Bernard Gautier (Chairman),
David Darmon



100%
Oranje-Nassau
energy

In millions of euros

	2007	2008	Δ
Average oil price (€/bbl.)	52.90	66.55	+26%
Production (MBOE)	5.4	6.7	+24%
Net sales	243	374	+54%
Net income from business sectors ⁽¹⁾	59	78	+32%
Net financial debt	-21	-	-

(1) Defined on the "key figures" page and excluding companies held through Oranje-Nassau.

50 production fields worldwide, mainly in the North Sea •
Output of about 18,400 barrels of oil equivalent per day •

Why we invested

Wendel became the owner of Oranje-Nassau in 1908. Originally, this company operated coal mines in the Limburg province that supplied blast furnaces. In the early 1970s, coal mines were gradually closed in the Netherlands, and Oranje-Nassau began its oil and gas drilling and production activities in the North Sea. Production began in 1977. Since 1987, with the acquisition of oilfields in the North

Sea and several North African and Middle Eastern countries, Oranje-Nassau has become an international player in oil & gas production. The Group now possesses acknowledged know-how in acquiring active oil fields.

Wendel: a vector for development

The Group's reconversion occurred after the Netherlands nationalized its coal mines. After the mines were closed, the Group invested in acquiring oil fields and in real estate. In 2007, the real-estate division was sold in a favorable environment. Oranje-Nassau then refocused on its core business of acquiring active oil fields and turned away from the riskier activity of exploration. Since 1987 it has acquired or sold more than 40 oil fields, mainly in the North Sea, the Middle East and Africa, making Oranje-Nassau a respected player in the sector.

"As an international investment firm specializing in energy, Oranje-Nassau is a global player in oil & gas production."

Active acquisitions to continue, along with adjustments in production capacities in a recessionary environment

The Energy sector, which is active in oil & gas development and production, got a boost in 2008 when oil prices were driven up by growing global demand, notably from China and India. The benchmark Brent price averaged \$97.85 in 2008, up 35% from the \$72.45 average price for 2007. When converted into euros, the increase was 26%.

Oranje-Nassau's net sales came to €374 million, vs €243 million in 2007. Oil and gas output rose 24% from the previous year, to 6.7 million barrels. This increase is due to the full-year contribution of the Buzzard oilfield in the UK part of the continental shelf, as well as the contribution of the Tchatamba complex, off the coast of Gabon. For 2008, exploration and development investments in existing fields came to €26 million, which was comparable to 2007 (€28 million).

The sale of half of Oranje-Nassau's 18.2% interest in the Janice and James oilfields, located in the UK part of the continental shelf, was successfully concluded. Oranje-Nassau also sold more than 40% of its interest in the Rijn oilfield, on the Dutch part of the continental shelf. Net income rose 32% to €78 million.

In early 2009 it became apparent that expanding Oranje-Nassau's oil activities required a much larger international deployment in new regions (Africa, Asia, Latin America), which would require significant additional financial and human resources.

Initial stake acquired:
1908

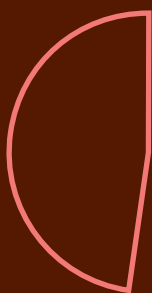
Outlook

Since 1908, Oranje-Nassau has been a platform for the group's international development and has run several businesses successively (coal, real-estate and oil). After the sale of its energy assets, currently in progress, it will remain a strategic platform for Wendel's international development.

How Wendel is involved

Supervisory Board:

Ernest-Antoine Seillière
(Chairman), Olivier Chambriard,
Jean-Michel Mangeot,
Jean-Michel Ropert
beginning April 1, 2009,
Frédéric Lemoine beginning
May 1, 2009 (members)



48%*
Stahl

coatings and leather
finishing products

Capital invested €72 million

* Equity and shareholder loans.

In millions of euros	2007	2008	Δ
Net sales	311.2	296.3	-4.8%
Adjusted operating income ⁽¹⁾ as a % of net sales	44.2 14.2%	39.1 13.2%	-11.5%
Net income from business sectors ⁽²⁾	3	0	
Net financial debt	337	317	
<small>(1) Adjusted operating income before accounting entries for goodwill allocation, management fees and non-recurring items.</small>			
<small>(2) Defined on the "key figures" page.</small>			

36 laboratories and production facilities • 1,200 employees in 28 countries •
400 marketing experts •

Why we invested

Stahl is the world leader on its markets. It has enjoyed recurrent profitability over the last twenty years through its high-end positioning, renowned know-how, personalized services, global market share of more than 20%, and a highly fragmented client base. Beyond short-term cycles than can affect its businesses, Stahl offers prospects for sustained growth generated by markets in China and the rest of

Asia and by the development of high-performance niche coatings. The market offers numerous opportunities for acquisitions, which can generate substantial synergies.

Wendel: a vector for development

Since acquiring Stahl in 2006, Wendel has mainly helped Stahl streamline and strengthen its organizational structure. The strategy devised by the new CEO, Huub Van Beijeren, has helped refocus on the most promising segments and to expand the management teams, with priority given to sales staff. Meanwhile, Stahl's teams have worked on streamlining the structural cost basis, cutting it by almost €20 million, and on optimizing cash flow, increasing the cash-conversion rate⁽¹⁾ from 70% to more than 100% in 2008. The reorganization of Chinese operations, driven by a \$17.5 million investment in the Suzhou plant, has opened up broad prospects for development in Asia. Indeed, the sales force there has doubled in size.

(1) EBITDA – Capex – chg. in WCR/EBITDA.

"The world leader in leather finishing products and high-performance coatings."

Adjustment measures stepped up in hard hit markets

Stahl's performances were very solid and brisk in the first half of 2008 (+10%) and helped it gain market share. In the second half of 2008, and particularly late in the year, sales were hit hard by the downturn on underlying markets, especially the automotive market. All in all, net sales came to €296 million in 2008, down 4.8%, vs 2007 contracting organically by 2.8%. Stahl's adjusted operating margin was 13.2% of its net sales. To reduce its financial indebtedness Stahl bought back €30 million of its debt in 2008.

How Stahl is adjusting to the downturn and its outlook

The cost-cutting plan was stepped up in 2008, the year that saw the full impact of the productivity gains initiated in 2007. This will continue in 2009. A total of €20 million in fixed costs were cut between 2007 and 2009. This came with offshoring of industrial capacities, streamlining in warehouse numbers and the reduction in capital expenditures and the working capital requirement.

Initial stake acquired:
2006

How Wendel is involved

Board of Directors:

Bernard Gautier,
Olivier Chambriard,
Dirk-Jan Van Ommeren
(members)

commitments



Wendel and the Henri Cartier-Bresson international grand prize

Wendel has backed the Henri Cartier-Bresson Foundation since 2007 by lending its support to the creation and promotion of contemporary photographic works through the *Grand Prix International Henri Cartier-Bresson*. The objective of the HCB prize is to enable a photographer who has already done significant work in a photojournalism-related discipline to undertake a project spanning several months. The prize is awarded every two years by an international jury of seven individuals from the worlds of photography, letters, the arts, cinema and journalism. Our Group is represented on the jury by Antoinette Seillière. The HCB prize comes with a purse of €30,000.

In 2007, the prize was awarded to Jim Goldberg for his project "The New Europeans", a photo essay on migration flows into Europe. Jim Goldberg will use the prize money to travel to immigrants' countries of origin and show the roots of these migrations. Jim Goldberg has been a member of Magnum Photos since 2006. His works will be exhibited at the Henri Cartier-Bresson Foundation in April 2009. The Prize will next be awarded in June 2009.

The Henri Cartier-Bresson Foundation was created in May 2003. Martine-Franck Cartier-Bresson chairs its Board of Directors.

Contact details

2, impasse Lebourg, 75014 Paris, France
Tel.: +33 (0)1 56 80 27 00
contact@henricartierbresson.org

Wendel and the Wendel international center for family enterprise

Since 1996 Wendel has lent its support to creating a university teaching chair at INSEAD, an internationally known business school with campuses in Fontainebleau, France, and Singapore, to increase awareness by young generations of students of the economic importance of family-owned companies and their special management features. The success of this program recently led to the establishment of the Wendel International Center for Family Enterprise, which is now a global center of excellence in studying and researching family-owned companies. Our Group is represented at the center by Priscilla de Moustier.

The Center has consolidated and expanded its activities in Asia, organizing an in-depth instruction program in Singapore, launching the Southeast Asian section of the Family Business Network and organizing events, conferences and training modules for leaders in Singapore, Shanghai and Hong Kong. The Centre has also expanded geographically into the Middle East. In early 2008, several events were held in coordination with INSEAD's new Abu Dhabi center. In 2010, the Center will offer its flagship program on family-owned companies, The Family Enterprise Challenge, or FAME, a four-day seminar on family-owned companies, which will also be expanded to INSEAD's two campuses, in Europe and Asia.

INSEAD's activities in family-owned companies, initiated with the backing of the Wendel Group, now enjoy the additional support of other individuals and family-owned companies, in particular the Tetra Laval Research Fund for the Large Family Firm, the Berghmans/Lhoist Chair in Entrepreneurial Leadership and the André and Rosalie Hoffmann Research Fund for Family Enterprise.



Praise for the International Center

On October 31, 2008, the Wendel International Center for Family Enterprise and Randel Carlock, Professor at INSEAD and Director of the Center, were given the International Award for Achievement by the Family Firm Institute (FFI).

The FFI recognizes outstanding contributions to the field of family-owned companies and "family office" consultancy, as well as to knowledge of this type of structure as a form of commercial company. This international prize is given in recognition of a contribution to greater understanding of the general issues surrounding family-owned companies.

Wendel International Center for Family Enterprise

Tel.: +33 (0)1 60 72 92 50

www.insead.edu/wicfe

family-firms.fb@insead.edu

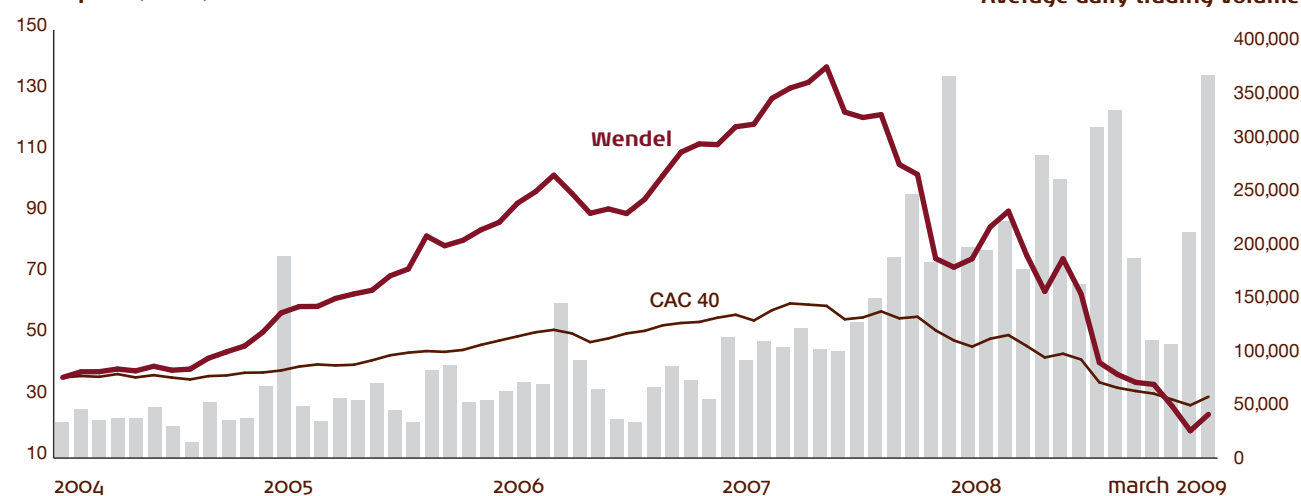
shareholder's corner

Stock market

In euros	2004	2005	2006	2007	2008
Highest	54.10	88.15	115.80	145.25	99.49
Lowest	33.70	48.90	84.20	88.56	26.50
Average	42.01	70.27	98.06	119.25	66.37
Average price in December	51.16	84.63	112.71	102.73	34.75
Market capitalization in December (in millions of euros)	2,874	4,571	6,256	5,169	1,750

Wendel shares are traded in Compartment A of Eurolist by Euronext Paris.
Code ISIN: FR0000121204.

Share price (in euros)

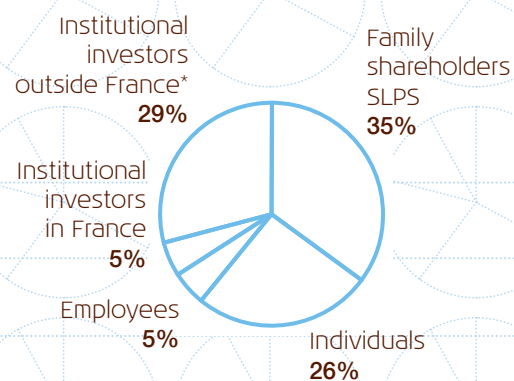


Dividend

In euros	2004	2005	2006	2007	2008*
Ordinary dividend	1.15	1.4	1.7	2.0	1.0
Additional dividend	—	0.6	0.3	—	—

* Dividend proposed to shareholders at their Annual Meeting.

Shareholders (as of December 31, 2008)



* Including Arnold & Bleichroeder: 7.3%.

shareholders

Shareholder dialogue is among Wendel's top priorities. The relationship of trust between the Group and its shareholders is underpinned by the principle of regular and active disclosure. To this end, the Group has set up suitable and consistent tools to allow its shareholders to better keep up with the Group. These tools were expanded in 2008.

In addition to moving the shareholders' letter to quarterly publication, with more detailed and analytical information, Wendel has renovated its website www.wendelgroup.com particularly in expanding the "Investor Relations" pages. A new, more user-friendly, more interactive and fuller version of the website is due for release during the first half of 2009. It will include a downloadable shareholder's guide, as well as a FAQ (frequently asked questions) section.

To supplement the toll-free number already in place for regular and direct contact with shareholders, Wendel management has decided to hold investor meetings, especially outside of Paris and, in parallel, to hold seminars on listed and unlisted companies.

The Group has also decided to set up a Shareholders Advisory Committee that will submit proposals on all communications media meant for individual shareholders and to work with the Executive and Supervisory Boards in preparing the Annual Shareholders' Meetings.



Contacts

Website: www.wendelgroup.com

e-mail: communication@wendelgroup.com

Anne-Lise Bapst,

Director of Communications

Tel.: +33 (0)1 42 85 63 24

e-mail: al.bapst@wendelgroup.com

Gérard Lamy,

Director of Financial Communication

Tel.: +33 (0)1 42 85 30 00

e-mail: g.lamy@wendelgroup.com

Toll-free number (in France): 0800 897 067

(Shareholders may dial this number for all practical information on how their shares are managed, their rights and Group events).

2009 agenda

February 20, 2009:

2008 sales

March 27, 2009:

2008 earnings

May 6, 2009:

First-quarter 2009 sales

June 5, 2009:

Annual Shareholders' Meeting

July 29, 2009:

First-half sales

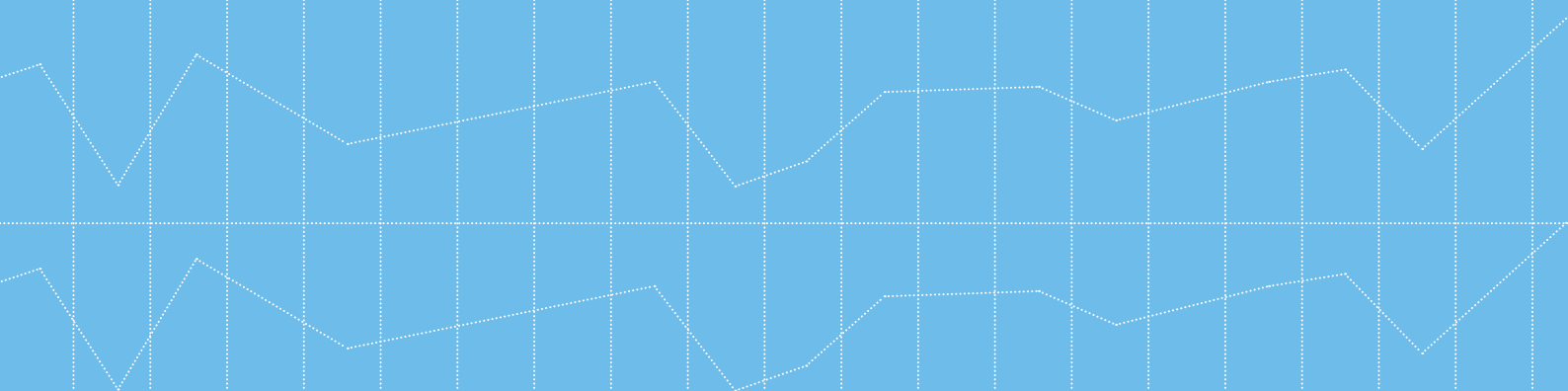
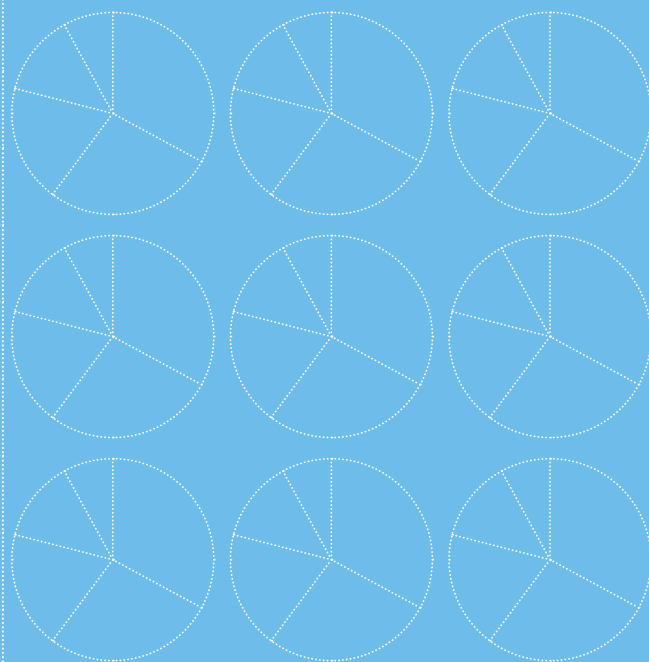
August 31, 2009:

First-half 2009 earnings

November 5, 2009:

Third-quarter 2009 sales

Governance principles



Corporate governance

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Corporate governance

Company's governing and supervisory bodies

As of the Shareholders' Meeting of May 31, 2005, Wendel became a *Société Anonyme* with an Executive Board and a Supervisory Board.

1.1. EXECUTIVE BOARD

Pursuant to article 17 of the Company's by-laws, the Executive Board may be composed of a minimum of two, and a maximum of seven, members.

The Supervisory Board appoints members of the Executive Board and the term of their appointment is four years. The upper age limit for members of the Executive Board is 65 years.

During 2008 and until April 7, 2009 the Executive Board was composed of two members:

- Jean-Bernard Lafonta, as Chairman of the Executive Board;
- Bernard Gautier.

The term of appointment of the members of the Executive Board will expire on May 31, 2009.

Following the resignation of Jean-Bernard Lafonta, Supervisory Board members appointed a new Executive Board composed of two members at its meeting on April 7:

- Frédéric Lemoine, as Chairman of the Executive Board;
- Bernard Gautier.

Their term of appointment expires on April 7, 2013.

Corporate management expertise and experience of executive board members and appointments held during the last five years



Jean-Bernard LAFONTA, Chairman of the Executive Board from May 31, 2005 to April 7, 2009

Graduate of the *École polytechnique* and an engineer in the French government's *Corps des Mines*.

He began his career at the Ministry of Industry as technical adviser to several ministers before joining Lazard Frères in 1993 where he was involved in merger and acquisition transactions. He joined BNP in 1996 as Director of Strategy and subsequently was Director, Capital Markets and Chairman of the Executive Board of Banque Directe. He joined the Wendel Group in 2001 as CEO of CGIP, which became Wendel Investissement in 2002. He was Delegated CEO and member of the Board from its creation in 2002 and was Chairman of the Executive Board from 2005 until April 7, 2009. Wendel Investissement became Wendel in 2007. He was Chairman of the Supervisory Board of Bureau

Veritas (2005-2009), Director of Legrand (2002-2009) and Saint-Gobain (2008-2009), Chairman of the Board of Directors of Winvest International SA and the Management Board of Winvest Conseil Sarl (2006-2009), member of the Management Board of Materis Parent Sarl (2006-2009) and the Supervisory Board of Oranje-Nassau (Netherlands) (2002-2009). He was previously a Director of Capgemini (2002-2003), Legrand France (2002-2006), Lumina Parent (2003-2006) and Valeo (2001-2006). He was also Chairman of Editis Holding (2004-2008) and the SOFU permanent representative on the Bureau Veritas Board of Directors (2002-2005).

In a personal capacity, Jean-Bernard Lafonta is also the manager of Granit Sarl, JBMN and the private partnership company (*Société civile*) Hautmer (since 2007), as well as Chairman of CDA (since 2007). He is a knight of the National Order of the Legion of Honor. He was 47 years old as of December 31, 2008, and owned directly or indirectly 839,199 Wendel shares as defined by regulations.



Frédéric LEMOINE, Chairman of the Executive board since April 7, 2009

Graduate of HEC (business administration), IEP Paris (politic sciences), and ENA (public administration); he has a law degree and is an *Inspecteur des finances*.

He began his career in the Ministry of Finance and then, after a few years, worked as a close advisor of two ministers. He joined Capgemini in 1997 where he was promoted to Group VP in charge of finance of Capgemini Ernst & Young in 2000. He was then Deputy General Secretary at the French Presidency between 2002 and 2004.

Since then, he has devoted most of his time to his independent director roles. He was Chairman of the Supervisory Board of Areva from March 2005 to April 2009. He has also been a Director of Groupama SA and Flamel Technologies since 2005. Since 2007, he has been a non-voting member of the Supervisory Board of Générale de Santé, after being a member (2006-2007). In addition, he also undertook consulting assignments from 2004 to April 2009, having created a company, LCE, of which he is the CEO and for which, since April 7, 2009, he no longer performs any professional activity. Between 2004 and May 2008 he worked for McKinsey as a Senior Advisor. He was a member of the Supervisory Board of Wendel from June 9, 2008 to April 6, 2009, when he resigned from his appointment to become Chairman of the Executive Board. He is a knight of the National Order of Merit.

He was 43 years old as of December 31, 2008, and owned 330 Wendel shares, directly or indirectly, as defined by regulations.



Bernard GAUTIER, member of the Executive Board since May 2005

Graduate of the *École supérieure d'électricité*.

He began his career by creating a media company, AG Euromedia. From 1983 to 1989, he was a consultant at Arthur Andersen, which subsequently became Accenture, in the media-press and services sectors. He joined Bain & Co. (strategy consultants, where he became a Senior Partner in 1999. He acquired direct investment experience with the Atlas Venture fund where he was Senior Partner and manager of their Paris office from 2000 to 2003. He joined Wendel in 2003 and was appointed a member of the Executive Board in 2005. He has been a member of the Supervisory Board of Saint-Gobain (since 2008), of the Executive Committee of Deutsch (since 2006) and the Management Advisory Board of Materis (since 2009), Director of the Boards of Stahl Holding BV, Stahl Group BV and Winvest International SA (since 2006), member of the Management Advisory Board of Winvest Conseil Sarl (Luxembourg) (since 2006) and Director of Legron BV (Netherlands) (since 2006).

He was previously Vice-Chairman of Editis Holding (2004-2008) and Director of Wheelabrator Allevard and TFM (2004-2006). In a personal capacity, Bernard Gautier is a member of the Supervisory Board of Altineis (since 2004), Director of Communication Media Partner (since 2000). He is also manager of BG Invest, BJPG Participations, BJPG Assets, SCI La République, la Cabane Saint-Gautier and Sweet Investment. He was also Chairman of the Board of Directors of Lineis (2003-2005).

He was 49 years old as of December 31, 2008, and owned directly or indirectly 244,582 Wendel shares as defined by regulations.

1.2. THE SUPERVISORY BOARD

Pursuant to article 12 of the Company's by-laws, the Supervisory Board may be composed of a minimum of three and a maximum of eighteen members.

The Shareholders, voting in their Ordinary Meeting, appoint members of the Supervisory Board and the term of their appointment is four years. In 2005, however, to avoid renewing the terms of all Board members at once when the Company adopted the Supervisory Board structure, term renewals were staggered. As a result the expiry dates for the terms of each member as of December 31, 2008 were as follows:

- 2009 (Annual Shareholders' Meeting convened to approve 2008 financial statements):
 - Ernest-Antoine Seillière,
 - Édouard de L'Espée,
 - Grégoire Olivier;

- 2010 (Annual Shareholders' Meeting convened to approve 2009 financial statements):
 - Nicolas Celier,
 - Béatrice Dautresme;
- 2011 (Annual Shareholders' Meeting convened to approve 2010 financial statements):
 - Didier Cherpitel,
 - Guy de Wouters;
- 2012 (Annual Shareholders' Meeting convened to approve 2011 financial statements):
 - Frédéric Lemoine,
 - Jean-Marc Janodet,
 - François de Mitry,
 - François de Wendel.

Frédéric Lemoine tendered his resignation as a member of the Supervisory Board on April 6, 2009. He was appointed Chairman of the Executive Board by members of the Supervisory Board in its meeting of April 7, 2009.

At the close of each Ordinary Shareholders' Meeting called to approve the parent company financial statements, the number of members of the Supervisory Board aged 70 or more may not exceed one-third of the number of members.

Since the Supervisory Board meeting of June 9, 2008, two representatives of the Works Council attend Supervisory Board meetings in a consultative role.

Corporate management expertise and experience of supervisory board members and appointments held during the last five years



Ernest-Antoine SEILLIÈRE, (term of appointment submitted for renewal at the Annual Shareholders' Meeting convened to approve 2008 financial statements)

Chairman of the Supervisory Board. Graduate of the *Institut d'études politiques de Paris* and law graduate. Alumnus of the *École nationale d'administration* and the Harvard Center for International Affairs.

After serving as foreign affairs adviser and technical adviser to several ministers, he joined the Wendel Group in 1976, where he has held several positions, including those of CEO and Board member (1978-1987), then Chairman and CEO (1987-2002) of CGIP, and Deputy CEO, then Chairman of Marine-Wendel (1992-2002). After the merger of the two companies he was Chairman and CEO of Wendel-Investissement, before becoming Chairman of the Supervisory Board in 2005. He is Chairman of the Board of Directors of SLPS and the Supervisory Board of Oranje-Nassau,

and a director of Bureau Veritas. He is also a member of the Supervisory Boards of Peugeot SA, Gras Savoye et Compagnie, Hermès International and a director of Sofisamc.

He was President of the Medef (French Employers' Federation) from 1997 to 2005 and is President of BusinessEurope (since 2005).

He is an officer of the National Order of the Legion of Honor, the National Order of Merit, and a Commander of the Order of Oranje-Nassau of the Netherlands.

Age 71. As of December 31, 2008, he owned directly or indirectly 1,032,303 Wendel shares as defined by regulations.



Guy de WOUTERS

Vice-Chairman of the Supervisory Board. Belgian citizen. Holds a doctorate in law and economics.

Throughout a long career with the Royal Dutch/Shell group he held various executive positions in the energy and petrochemical sectors. He was successively legal director of Shell France, then Director, Shell Chemicals, and Chairman of Cie Chimique de la Méditerranée. He was appointed Chairman of Belgian Shell in 1974 and Director, Strategic Planning at the Group's London head office until 1984. From 1985 to 1995 he was a member of the Executive Committee and then the Board of Directors of Société Générale de Belgique. He has chaired the Executive Committee of Tractebel and was the Société Générale de Belgique board appointee to several boards such as those of Electralfina, Sofina, Petrofina, Havas, RTL, and others.

He has been with the Wendel Group since 1985. He was Chairman of Oranje-Nassau up to 2000 and director of various subsidiaries including Carnaud Metalbox, Valeo, Capgemini, Stallergenes, etc. In addition he was also Chairman of Uniapac (International Union of Christian Business Executives) from 1993 to 1997. He has been a member of the Supervisory Board since 2005.

He is a member of the Board of the Fondation Médecins Sans Frontières and the Boards of Directors of the friends groups of various cultural organizations (*Centre Georges-Pompidou*, *Opéra de Paris*, *Festival d'automne*, etc.).

He is a knight of the Order of the Legion of Honor, the Order of the Crown (Belgium) and officer of the Order of Leopold (Belgium).

Age 78. As of December 31, 2008, he owned directly or indirectly 342 Wendel shares as defined by regulations.



Nicolas CELIER

Engineering graduate from the Polytechnic Institute, Zurich. From 1968 to 1979 he worked at Sacilor as a department head and then as product head. He was Managing Director of Air

Conditionné Airwell from 1980 to 1983, a Senior Manager of Lyonnaise des Eaux, Chairman and CEO of Unidel-Sécurité and Chairman of Ventilation Industrielle et Minière, which later became ABB Fläkt, for whom he became country manager for France up to 1993. Subsequently he held positions successively as CEO of Sultzer Infra SA, Development Director, Cofixel, CEO of Fabricom GmbH until 2004 and Chairman, Axima Réfrigération for Europe (between 2002 and 2004). He is Chairman of the Supervisory Board of Optimprocess SA and the Board of Cherche-Midi Participations SAS (since 2002). He has been a member of the Supervisory Board since 2006.

He currently holds appointments as a board director or corporate officer of several companies: FKO Invest BV (Netherlands), Solving International SA, Packers Mussys SAS, Lamibois SAS, Oslo Software SA, I-ces SAS, Sofoc SA and RSO SpA (Italy).

Age 65. As of December 31, 2008, he owned directly or indirectly 97,739 Wendel shares as defined by regulations.



Didier CHERPITEL

Postgraduate degree from the *Institut d'études politiques de Paris*. He worked from 1970 to 1998 at J.P. Morgan in New York, Paris, Singapore, Brussels and London. He has been Managing

Director of J.P. Morgan Guaranty Ltd in London, Chairman and CEO of J.P. Morgan France and Managing Director with responsibility for private banking activities in Europe.

After two years as Manager Director with responsibility for capital markets activities at Security Capital Group in London, he spent four years as General Secretary of the International Federation of Red Cross and Red Crescent Societies in Geneva.

He was Chairman of the Supervisory Board of Atos Origin from June 2004 to June 2008 and continues to be a director of Fidelity International in Luxembourg. He is also Chairman of Managers sans frontières (Quebec), a member of the Fondation MSF France (since 2003), the Swiss Philanthropic Foundation (NGO in Geneva) (since 2004). He is also a director and the treasurer of François-Xavier Bagnoud International in Sion (since 2005) and the Fondation Mérieux in Lyon (since 2007). He has been a member of the Supervisory Board since 2005.

Age 64. As of December 31, 2008, and owned directly or indirectly 4,000 Wendel shares as defined by regulations.



Béatrice DAUTRESME

Béatrice Dautresme has been Executive Vice-President in charge of Corporate Communications, External Affairs and Prospective at the L'Oréal Group since 2005. She is also Chief Executive

Officer of the L'Oréal Corporate Foundation.

Béatrice Dautresme joined L'Oréal in 1972 and began her career in the Marketing Department of L'Oréal Paris in France. She then spent nine years in the United States at L'Oréal USA as Chief Executive Officer of the L'Oréal Cosmetics division. She returned to France at the end of 1989 and was appointed International General Manager for the Helena Rubinstein brand. She joined the Management Committee of L'Oréal in 2001 as Executive Vice-President in charge of Strategic Development. She has been a member of the Supervisory Board since 2006.

Graduate of the *École nationale des langues orientales* (Russian major). She was awarded the National Order of the Legion of Honor in 2005.

Age 63. As of December 31, 2008, she owned directly or indirectly 375 Wendel shares as defined by regulations.



Jean-Marc JANODET

Graduate of ESCP. He has spent his entire career in the Wendel Group: he has been a Director and CEO of Marine-Wendel and Director and member of the Executive Committee responsible for

finance at CGIP.

He is Chairman of Sofisamc (Switzerland) and Trief Corporation (Luxembourg) and Director of Stallergenes. He has been a member of the Supervisory Board since 2005.

He is an officer of the National Order of Merit.

Age 74. As of December 31, 2008, he owned directly or indirectly 22,935 Wendel shares as defined by regulations.



Édouard de l'ESPÉE, (his appointment is up for renewal at the Shareholders' Meeting at which shareholders approve the 2008 financial statements)

Graduate of ESCP. He began his career as a financial analyst and portfolio manager in Geneva, London and Paris. In 1988 he was appointed manager of the Praetor Global Bond, an international bond fund, and he established Concorde Bank Ltd. An independent manager in Geneva since 1999, he created Calypso Asset Management in 1999.

He has been an Executive Director Compagnie Financière Aval since its merger with CFA in 2008. He is a member of the Swiss Financial Analysts Association and has been Chairman of Praetor Sicav SA (Luxembourg) since 2007. He is Director of Concorde Asset Management (Barbados) and SLPS and has been a member of the Supervisory Board since 2005.

Age 60. As of December 31, 2008, he owned directly or indirectly 3,706 Wendel shares as defined by regulations.



Frédéric LEMOINE, Chairman of the Executive board since April 7, 2009

Graduate of HEC (business administration), IEP Paris (political sciences), and ENA (public administration); he has a law degree and is an *Inspecteur des finances*.

He began his career in the Ministry of Finance and then, after a few years, worked as a close advisor of two ministers. He joined Capgemini in 1997 where he was promoted to Group VP in charge of finance of Capgemini Ernst & Young in 2000. He was then Deputy General Secretary at the French Presidency between 2002 and 2004.

Since then, he has devoted most of his time to his independent director roles. He was Chairman of the Supervisory Board of Areva from March 2005 to April 2009. He has also been a Director of Groupama SA and Flamel Technologies since 2005. Since 2007, he has been a non-voting member of the Supervisory Board of Générale de Santé, after being a member (2006-2007). In addition, he also undertook consulting assignments from 2004 to April 2009, having created a company, LCE, of which he is the CEO and for which, since April 7, 2009, he no longer performs any professional activity. Between 2004 and May 2008 he worked for McKinsey as a Senior Advisor. He was a member of the Supervisory Board of Wendel from June 9, 2008 to April 6, 2009, when he resigned from his appointment to become Chairman of the Executive Board. He is a knight of the National Order of Merit.

He was 43 years old as of December 31, 2008, and owned 330 Wendel shares, directly or indirectly, as defined by regulations.



François de MITRY

Graduate of the *Institut d'études politiques* in Paris, *Université de Paris-Dauphine* (masters degree in management and post-graduate diploma in Finance) and Yale University. He began his career at HSBC and then at Société Générale. He joined Intermediate Capital Group PLC in 1997 and was appointed CEO and a member of the Board in 2003.

He is the ICG representative on the Board of Directors of Picard Surgelés, Nocibé, Sebia, Medi-Partenaires and Marken. He is also Chairman of the Supervisory Board of Eisman GmbH.

He has been a member of the Supervisory Board since 2005.

Age 43. As of December 31, 2008, he owned directly or indirectly 285 Wendel shares as defined by regulations.



Grégoire OLIVIER, (his appointment is up for renewal at the Shareholders' Meeting at which shareholders approve the 2008 financial statements)

Graduate of the *École polytechnique* and an engineer in the French government's *Corps des Mines*. MBA from the University of Chicago. He began his career at the French Ministry of Industry and subsequently was a technical advisor to the Prime Minister. He joined the Pechiney Group in 1991 where he was successively CEO of Aluminium de Grèce, Manager of American Can's Chicago factory and Vice-President strategy at ANC. He then joined Alcatel where he was CEO of Saft. He was appointed Chairman of the Executive Board of Sagem in 2001. In 2005 he was appointed a member of the Executive Board of Safran and Chairman and CEO of Sagem Communications. Since 2006 he has been with the Peugeot Group as Chairman and CEO of Faurecia and subsequently as a member of the Managing Board of PSA Peugeot Citroën. He was also a Director of Imerys until November 3, 2008. He has been a member of the Supervisory Board since 2005.

He is a knight of the National Order of Merit.

Age 48. As of December 31, 2008, he owned directly or indirectly 100 Wendel shares as defined by regulations.



François de WENDEL

Graduate of the *Institut d'études politiques* in Paris, masters degree in economics from the University of Paris and an MBA from Harvard University. He began his career with a number of senior management roles at Carnaud and Carnaud Metalbox. In 1992 he joined the Pechiney Group where he was CEO of Aluminium de Grèce. From 1998 to 2005 he held executive management roles at Crown Cork, firstly as Senior Vice-President in charge of procurement for Europe, then as Executive Vice-President in charge of the Food Europe division. He is currently a Director of Burelle SA and SLPS and a member of the Supervisory Board of Massilly Holding (since 2007). Since October 6, 2008 he has been Chairman and CEO of SLPS.

Age 60. As of December 31, 2008, he owned directly or indirectly 211,504 Wendel shares as defined by regulations.

1.3. Principles and certification common to members of the Executive and Supervisory Boards

1.3.1. NO CONVICTION FOR FRAUD, FORMAL ACCUSATION AND/OR PUBLIC SANCTION, OR LIABILITY FOR BANKRUPTCY DURING THE PREVIOUS FIVE YEARS

To the best of the Company's knowledge, as of the date of issue of this document, no member of the Executive Board or the Supervisory Board has in the past five years (i) been convicted for fraud or formally accused or publicly sanctioned by the judiciary or government agencies; (ii) been involved in bankruptcy, the sequestration of assets or liquidation; (iii) been prevented by a court from acting as a member of a corporate, executive or supervisory body of an issuer or being involved in the management or the running of the business of an issuer.

In addition, there are no family connections between Executive Board and Supervisory Board members.

1.3.2. CONFLICTS OF INTEREST AND AGREEMENTS IN WHICH MEMBERS OF THE EXECUTIVE AND SUPERVISORY BOARDS HAVE AN INTEREST

François de Mitry is Chairman of ICG, an investment firm with an interest in the financing of certain subsidiaries.

Since October 2008 François de Wendel has been Chairman of the Board of Directors of SLPS, the principal shareholder of Wendel.

Ernest-Antoine Seillière is honorary Chairman and a Director of SLPS, the principal shareholder of Wendel.

Édouard de l'Espée is also a Director of SLPS, the principal shareholder of Wendel.

There are no arrangements or agreements in place with customers or suppliers by which they select a member of the Supervisory Board.

As far as Wendel is aware, Ernest-Antoine-Seillière, Édouard de l'Espée, François de Mitry and François de Wendel do not have any conflicts of interest in relation to the exercise of their corporate officer appointments with Wendel.

SLPS represents the interests of the Wendel family.

Members of the Executive and Supervisory Boards are required to notify the Chairman of the Supervisory Board immediately of any relationships that may exist between the companies in which they have a direct interest and the Company. Members of the Executive and Supervisory Boards must therefore notify the Chairman of any agreement, as defined by articles L. 225-86 et seq. of the French Commercial Code, concluded by themselves or a company in which they are corporate officers or in which they hold directly or indirectly a significant investment, and the Company or one of its subsidiaries. These provisions do not apply to ongoing agreements concluded under standard conditions.

As far as the Company is aware, with the exception of regulated agreements in force during 2008, (see pages 194-195) and the system for managers' participation in the performance of the Group, there are no other potential conflicts of interests between the duties of members of the Supervisory and Executive Boards of the Company, with regards to Wendel, and their personal interests and/or other duties.

As far as Wendel is aware, at the date this reference document was filed, there were no other situations that could give rise to conflict between the personal interests of members of the Executive and Supervisory Boards and the interests of the Company.

With the exception of the obligation under article 12 V of the Company's by-laws, for members of the Supervisory Board to hold a minimum of 100 shares during the period of their appointment, members of the Executive and Supervisory Boards are not subject to any other contractual restriction as to the shares they hold in the capital of the Company, other than the rules set out in the stock market's code of ethics.

Nevertheless, corporate officers have endeavored to hold a minimum of 30% of the Wendel shares arising from the exercise of options or from other plans through which they benefit from the Group's performance.

1.3.3. STOCK MARKET CODE OF ETHICS

Principles

The code of ethics applicable to members of the Wendel Supervisory and Executive Boards comply with the principles laid out in chapter 17 of the Afep-Medef code. Chapters 1.1, 1.2 and 2.1 of this report show that shares held by corporate officers greatly exceed the minimum number of shares required under the by-laws. Similarly, average attendance rates for both Board and Committee meetings, as well as those for the Executive Board, demonstrate that their members devote the necessary time and attention to their functions and make every effort to attend all meetings of the Board and meetings of committees of which they are members, where applicable.

All of them usually attend the Annual Shareholders' Meeting.

Trading in company shares and market transparency

The rules applicable to members of the Supervisory Board and insiders, established in December 2006, were strengthened in July 2007, in connection with work carried out by Afep: henceforth, members of the Supervisory and Executive Boards must not trade in any Wendel shares during a period beginning thirty calendar days preceding the publication of semi-annual and annual results and ending two days after their publication. Similarly, blackout periods may be established outside these two periods, when members of the Supervisory Board and permanent insiders are likely to be in possession of inside information. Thus, in 2007, the whole period prior to the Bureau Veritas IPO was considered as a blackout period. Similarly, the new rules forbid any hedging transaction of less than one year on Wendel shares. As a general rule, permanent insiders are recommended to refrain from all trading in Wendel shares and, failing that, refer beforehand in writing to the General Secretary responsible for compliance, as to their ability to trade in its shares.

The Supervisory and Executive Boards have also decided to prohibit its members from trading in the shares of listed companies of which the Group is a shareholder. This prohibition applies equally to any listed or unlisted company in which Wendel might be considering an investment. The same rule applies for Wendel employees through a decision of the Executive Board which has decided to impose, where necessary, restrictions or blackout periods on the exercise of stock options followed by the share sales, on the acquisition or sale of Wendel shares under the Company savings scheme and on the sale of bonus shares.

The code of ethics complies with the recommendation of the Autorité des marchés financiers (AMF) concerning the disclosure of transactions by corporate officers. It recommends the implementation of a system of regular monitoring of Wendel shares held by Supervisory and Executive Board members as well as a declaration to the Company of transactions they execute directly by themselves or through a company that they control.

Since January 1, 2005, pursuant to article L. 621-18-2 of the Monetary and Financial Code, the Company must publish, via press release, financial instrument transactions disclosed by executives. This information must be furnished on an individual and nominative basis within five trading days from the date the Company receives disclosure of the transactions. The Company has also decided, in an effort to increase transparency, to publish all of these transactions since 2006 on its website at the same time as they are communicated to the AMF for posting on the website declarationdirigeants@amf-france.org.

In 2008, corporate officers carried out 22 transactions. The schedule with details of them appears on page 237 of this report.

Report of the Chairman of the Supervisory Board

on the composition and the conditions for preparation and organization of the work of the corporate bodies and the principles and rules applicable to the compensation of corporate officers

Pursuant to article L. 225-68, paragraph 7, of the French Commercial Code, as amended by the law of July 3, 2008, this report provides details of:

- the composition of the Supervisory Board as well as of the conditions for the preparation and organization of the work during the year ended December 31, 2008,
- of the corporate governance code which the Company refers to for the drafting of this report,
- the principles and rules set by the Supervisory Board to determine the compensation and benefits of any kind granted to corporate officers,
- the internal control and risk management procedures put in place by the Company,
- special terms and conditions relative to the participation of shareholders at the Annual Meeting.

The Supervisory Board approved this report during their meeting on April 7, 2009 after review by the two board standing committees, each in its respective area of expertise.

2.1. Composition, conditions for the preparation and organization of the work of the Supervisory Board

2.1.1. COMPOSITION OF THE SUPERVISORY BOARD AND INDEPENDENCE

As of December 31, 2008 the Supervisory Board was composed of eleven members.

Details of the composition of the Supervisory Board are provided in section 1.2, "The Supervisory Board". This section includes information about their age, appointments in the Company, principal functions, start and end dates of appointments, biographies and lists of appointments held during the last five years.

The Supervisory Board takes care to ensure it includes board members who can be described as independent.

The Supervisory Board uses the Afep-Medef report's definition of "independent member": "A director is independent when he has no relationship of any kind with the Company, its group or its management, which could compromise their judgment."

As it did last year, the Supervisory Board examined the situation of each of its members to ensure that they:

- were not corporate officers of a company in which the Company holds, directly or indirectly, an appointment as director or in which an employee is designated as such or as a corporate officer of the Company (either currently or during the last five years) holds an appointment as director;
- were not significant customers, suppliers, investment or commercial bankers of the Company or its group;
- did not have family ties with a member of the Board;
- have not been a Statutory Auditor of the business during the previous five years;
- have not been a paid director of a Group subsidiary;
- have not been members of the Board for more than twelve years.

At its April 7, 2009 meeting, the Supervisory Board reviewed, after examination by and proposals from the Governance Committee, the independent character of its members, as defined by the Afep-Medef code, and considered that as of January 1, 2009 the following four members satisfied the criteria: Béatrice Dautresme, Didier Cherpitel, Frédéric Lemoine and Grégoire Olivier. As such, the Supervisory Board had a composition in compliance with the recommendations of the Afep-Medef code (chapter 8.2), i.e. that at least one third of the directors of a company subject to these recommendations should be independent. In addition, the Board asked specifically about the position of Jean-Marc Janodet as to whether he may be considered as independent, having ceased all employee or executive management functions in the Company more than five years ago. On the other hand, he has been a corporate officer for more than twelve years and continues to hold appointments in subsidiaries of the Company, even if they only represent a marginal share of his income. Given his detachment, his business experience and the absence of any significant personal or family stake, as defined in the last paragraph of article 8.3 of the Afep-Medef code, the Supervisory Board has decided to include him in the list of independent Board members.

2.1.2. PREPARATION AND ORGANIZATION OF THE BOARD'S PROCEEDINGS

Procedural framework of the Supervisory Board

The Board's Code of Conduct, established in 2006, details the procedures of the Supervisory Board and its committees, specifies the rights and responsibilities of its members and the minimum number of shares they must own (100). It also reminds members of the rules for trading shares of Wendel and of listed companies where the Group is represented on the Board of Directors or the Supervisory Board.

It also allows for the possibility to attend Board meetings by telephone or videoconference. Given the large number of meetings and geographic dispersal of Board members, the use of secure telephone conferences was quite frequent in the 2008-2009 periods and took place according to the legal provisions in force.

The operation of the Supervisory Board

The Supervisory Board's meetings

The Supervisory Board meets as often as the interests of the Company require, at least once a quarter, as convened by its Chairman.

The Chairman of the Supervisory Board is responsible for convening the Board and chairing its discussions. In the case where the Chairman is unable to attend, this task is the responsibility of the Deputy Chairman. As far as possible, meetings are convened in advance by post. In cases of emergency, the Supervisory Board may be convened without notice and be held by telephone or other means of telecommunication.

The Statutory Auditors are convened to all meetings of the Supervisory Board at which the annual or half-yearly financial statements are examined.

The Supervisory Board meets regularly and at least four times per year. In 2008 and up until April 7, 2009, the Supervisory Board met 18 times (vs 15 times in the same period of the previous year). Average attendance was almost 90% for meetings of the Supervisory Board. The average length of Supervisory Board meetings was around two and a half hours.

To facilitate the circulation of information between Board meetings, most of the information exchanges took place over the Internet. In accordance with chapter 11 of the Afep-Medef code, Board members usually receive the agenda for the next meeting about ten days or so before the meeting date and the minutes of the previous meeting around three weeks after it is held. In the event of a request for changes, these are subject to a subsequent

dated dispatch with changes tracked so as to facilitate reading. Board members also receive all information published by the Company at the time of its release. The main analyst studies and the most significant press articles are transmitted to them, whenever necessary, at the following Board meeting or by e-mail where priority is essential.

The matters addressed at Board meetings were as follows:

January 30, 2008 – Agenda:

- position of subsidiaries;
- forecasts of 2007 income;
- net asset value and share price;
- 2008 budget;
- projects;
- audit Committee report;
- shareholders as of December 31, 2007;
- related-party agreements;
- sundry.

February 18, 2008 – Agenda:

- projects.

March 11, 2008 – Agenda:

- projects;
- sundry.

March 26, 2008 – Agenda:

- 2007 financial statements, Audit Committee report and interview of Statutory Auditors;
- net asset value;
- setting of proposed dividend;
- financial communication;
- governance Committee report, evaluation of the Board and the independence of its members;
- review of draft resolutions;
- reports of the Chairman to Shareholders;
- projects.

May 14, 2008 – Agenda:

- current news update;
- position of the Group;
- share price;
- projects;
- sundry.

1st meeting of June 9, 2008 – Agenda:

- current news update;
- preparation of the Shareholders' Meeting;
- financial communication;
- financial position;
- net asset value and share price;
- projects;
- governance Committee report;
- guarantees, pledges and collateral;
- delegated authorities to the Executive Board to increase capital.

2nd meeting of June 9, 2008 – Agenda:

- corporate governance.

July 17, 2008 – Agenda:

- current news update;
- position of subsidiaries and other equity investments;
- updated forecasts for 2008 earnings;
- financial position;
- projects;
- sundry.

August 28, 2008 – Agenda:

- current news update;
- first half financial statements, Audit Committee report and interview of Statutory Auditors;
- net asset value and share price;
- financial communication;
- financial position;
- position of subsidiaries and other equity investments;
- projects.

October 14, 2008 – Agenda:

- change in the market situation;
- current news update,

November 6, 2008 – Agenda:

- corporate governance;
- financial position;
- position of subsidiaries and other equity investments;
- projects.

December 1, 2008 – Agenda:

- current news update;
- financial position;
- governance Committee report.

January 22, 2009 – Agenda:

- current news update;
- position of subsidiaries and other equity investments;
- forecasts of 2008 income;
- 2009 budget;
- net asset value and share price;
- financial position;
- projects;
- audit Committee report;
- governance Committee report;
- shareholders as of December 31, 2008;
- related-party transactions;
- sundry.

February 16, 2009 – Agenda:

- current news update;
- financial position;
- projects.

February 19, 2009 – Agenda:

- projects.

February 21, 2009 – Agenda:

- projects.

March 25, 2009 – Agenda:

- company activity and projects;
- 2008 parent company and consolidated financial statements, Audit Committee Chairman's report, Statutory Auditors' opinion,
- financial position;
- corporate governance.

April 7, 2009 – Agenda:

- proposed resolutions;
- report from Chairman of the Governance Committee;
- changes to the Board and the independence of its members,
- corporate Governance: resignation of the Chairman of the Executive Board, appointment of a new Executive Board, appointment of a new Chairman of the Executive Board, powers granted to the Executive Board;
- reports of the Chairman to Shareholders;
- sundry.

To discharge its responsibilities under optimal conditions, the Board's charter stipulates that its discussions be prepared in certain fields by standing Committees. There are two such committees: the Audit Committee and the Governance Committee.

The Committees

The committees' responsibilities and procedures are detailed in each Committee's charter and included in the Supervisory Board's Code of Conduct.

A. THE AUDIT COMMITTEE

Composition of the Audit Committee

Up to April 6, 2009, the Audit Committee was composed of five members:

- Jean-Marc Janodet (Chairman);
- Nicolas Celier;
- Édouard de l'Espée;
- Frédéric Lemoine (since June 9, 2008);
- Grégoire Olivier.

The Chairman of the Governance Committee, Didier Cherpitel, also attends.

All members of the Audit Committee have the financial and accounting expertise necessary to be a member of the Committee insofar as they occupy or have occupied senior executive positions in several industrial or financial companies. Frédéric Lemoine and Grégoire Olivier were considered to be independent committee members as of December 31, 2008. Furthermore, as indicated previously, Supervisory Board members at their April 7, 2009 meeting were of the opinion that Jean-Marc Janodet could be considered as independent. The composition of the Committee does not fully comply with the Afep-Medef recommendation, which advocates that at least two thirds of the members be independent, but it is close to it. In addition, the Board is of the opinion that the involvement of its members, the quality of its work, the regular recourse to external experts and the frequency of meetings outweigh a purely arithmetic approach to committee composition.

Responsibilities of the Audit Committee

In accordance with paragraph 14.2 of the Afep-Medef code, the Wendel Audit Committee's responsibilities are as follows:

- ensure that the accounting policies chosen are appropriate and properly applied in the preparation of parent company and consolidated financial statements;
- verify the accounting treatment of any significant transaction realized by the Company;
- ensure that internal data collection and control procedures make it possible to guarantee the quality and sincerity of the Company's accounts;

- serve as liaison with the Statutory Auditors;
- review all accounting and financial documents to be issued by the Company before they are published;
- inform the Supervisory Board of any observations it considers relevant from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are submitted for approval;
- oversee the Statutory Auditor selection process and submit the results of this process to the Supervisory Board;
- review the audit and consulting fees paid by the Company and the companies in the Group over which it exercises control to the Statutory Auditors and their networks and submit a report to the Supervisory Board.

In addition to the above responsibilities are those stipulated by Decree No. 2008-1278 of December 8, 2008 relating to Statutory Auditors:

- issue a recommendation on the Statutory Auditors proposed for appointment at the Shareholders' Meeting or the body exercising a similar function;
- ensure the monitoring of the audit of the parent company and consolidated financial statements by the Statutory Auditors.

Organization and procedures

The Audit Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Supervisory Board's review of the semi-annual and annual financial statements.

The Audit Committee has access to all the resources it considers necessary to discharge its responsibilities. In general, its meetings are held sufficiently in advance of Board meetings (generally a week) to allow for an in-depth examination of any subject requiring the Committee's attention. Accordingly, documents are addressed to Committee members in advance, usually a week before the meeting. The Audit Committee may interview the accounting staff as well as the Statutory Auditors and, if it wishes, in the absence of the presence of the Company's management. It may also hire experts to perform specific tasks falling within the scope of its responsibilities. In this regard, the Committee has engaged a recognized independent expert, Associés en Finance, to evaluate the Company's net asset value at least once every six months. At the conclusion of each meeting, its members confer with no members of the Company's management present.

After every committee meeting, a report is drawn up and sent to the Supervisory Board.

The Audit Committee met seven times between January 2008 and April 2009 (vs six times in 2007). Attendance was more than 95%, and meetings lasted on average two and a half hours.

Meetings dealt with the following matters:

January 30, 2008 – Agenda:

- forecasts of 2007 income;
- accounting matters;
- indebtedness;
- net asset value and interview of Associés en Finance;
- internal control.

March 20, 2008 – Agenda:

- 2007 parent company and consolidated financial statements;
- review of the report on internal control;
- accounting matters;
- indebtedness position;
- net asset value and interview of Associés en Finance;
- interview of Statutory Auditors.

July 21, 2008 – Agenda:

- half-year forecasts;
- valuation of subsidiaries;
- accounting matters;
- sale of Editis;
- sundry.

August 28, 2008 – Agenda:

- first half financial statements of the parent company and interview of Statutory Auditors;
- net asset value and interview of Associés en Finance;
- sundry.

January 22, 2009 – Agenda:

- forecasts of 2008 income;
- 2009 budget;
- internal control;
- net asset value;
- examination of the Associés en Finance report on compensation and the association of executives with value creation in the 50 largest listed companies between 2002 and 2007;
- sundry.

March 9, 2009 – Agenda:

- examination of impairment tests.

March 19, 2009 – Agenda:

- review of the Chairman's report on internal control;
- 2008 parent company and consolidated financial statements;
- examination of impairment tests;
- statutory Auditors' report;
- indebtedness of Wendel and its subsidiaries;
- interview of Associés en Finance.

B. THE GOVERNANCE COMMITTEE

Composition of the Governance Committee

The Governance Committee, including the functions of compensation and appointments committees, comprises the following five members:

- Didier Cherpitel, Chairman;
- Béatrice Dautresme;
- François de Mitry;
- François de Wendel;
- Guy de Wouters.

the Chairman of the Audit Committee, Jean-Marc Janodet, also attends.

The Governance Committee includes two independent members, as defined by the Afep-Medef code, Béatrice Dautresme and Didier Cherpitel, its Chairman. It therefore does not comply with the Afep-Medef recommendations, which advocate a majority of independent directors. Nevertheless, the Board is of the opinion that the involvement of its members, the quality of its work, the regular recourse to external experts and the frequency of meetings frequency of meetings outweigh a purely arithmetic approach to committee composition.

Responsibilities of the Governance Committee

- Propose candidates for Supervisory Board appointment after reviewing all factors that must be taken into account such as the desired balance of the Board's composition in accordance with the composition of and changes in the Company's shareholding, in particular, the desirable number of members with no direct or indirect link with the Company.
- Propose compensation packages for members of the Executive Board, including benefits in kind.
- Review the methods for apportionment of director's fees among the members of the Supervisory Board.

- review the co-investment policy proposed to management and its application, examine the results of a sale on the co-investment.
- express an opinion on any question related to the governance of the Company or the functioning of its governing bodies.
- Review any question concerning business ethics raised by the Supervisory Board.

Organization and procedures

The committee met 11 times from January 2008 up to April 2009 (vs 10 times in 2007). Average attendance at the meetings was over 80%. The meetings lasted on average two and a half hours.

The Committee may call upon recognized independent experts to shed light on its tasks. It was in this regard that it engaged Towers Perrin for several assignments during 2008. Documents and reports are usually addressed to committee members within a period of one week. Similarly, agendas and minutes of previous meetings are usually sent to Committee members within a period of two to three weeks.

Meetings dealt with the following items:

February 13, 2008 – Agenda:

- composition of the Supervisory Board;
- criteria for the granting of bonuses to members of the Executive Board;
- management participation in Group performance.

March 26, 2008 – Agenda:

- review of the draft report on corporate governance;
- evaluation of the independence of members of the Board; preparation of the discussion on the functioning of the Board;
- management participation in Group performance;
- criteria for the granting of bonuses to Executive Board members.

May 14, 2008 – Agenda:

- management participation in value creation;
- information on bonuses of Executive Board members;
- stock option policy.

June 9, 2008 – Agenda:

- stock option grant policies;
- co-investments and the impact of the sale of Editis.

September 12, 2008 – Agenda:

- sSelection of a consultant.

September 18, 2008 – Agenda:

- selection of a consultant.

December 10, 2008 – Agenda:

- conclusions of Towers Perrin on the compensation of the Chairman of the Supervisory Board;
- preliminary conclusions of Towers Perrin on the compensation of the Executive Board;
- preliminary conclusions of Towers Perrin on co-investments.

January 21, 2009 – Agenda:

- conclusions of Towers Perrin on the compensation of the Executive Board;
- conclusions of Towers Perrin on the compensation policy;
- consequences of the Afep-Medef recommendations in relation to corporate officers.

February 16, 2009 – Agenda:

- consequences of the Afep-Medef recommendations in relation to corporate officers.

March 24, 2009 – Agenda:

- bonus due in relation to 2008 to members of the Executive Board;
- departure terms and conditions of the Chairman of the Executive Board;
- proposal for the appointment of a new Chairman of the Executive Board;
- terms and conditions offered to the new Chairman of the Executive Board.

April 7, 2009 – Agenda:

- preparation for the examination by the Board of the independence of its members and the self-evaluation by the Board;
- review of candidacy of members of the Supervisory Board whose terms are up for renewal;
- review of the report on Corporate Governance;
- terms and conditions offered to the new Chairman of the Executive Board.

The Supervisory Board's Code of Conduct

The Afep-Medef code in chapter 9 recommends carrying out “the evaluation of its capacity to meet shareholder expectations (...), by periodically reviewing its composition, organization and operations (...)”

The code recommends:

- that each year the Board have one agenda item devoted to a discussion about its operation;
- that a formal evaluation be carried out at least every three years.

Wendel's Board has an agenda item every year, at the meeting to approve the annual financial statements, on the conditions for the preparation and organization of its work. The same is true of the standing committees. The Board undertook this evaluation during its meeting on April 7, 2009.

On the other hand, Wendel has yet to appoint an external auditor to carry out this review under the authority of a member of the Board. This procedure should be put in place in 2009.

2.2. The Executive Board

COMPOSITION OF THE EXECUTIVE BOARD

The Executive Board is composed of two members, who in 2008 and up to April 7, 2009 were Jean-Bernard Lafonta and Bernard Gautier. Since April 7, 2009 it has been composed of Frédéric Lemoine and Bernard Gautier.

Details of the composition of the Executive Board can be found in section 1.1 "Executive Board" page 34. This section includes information about their age, appointments in the Company, principal functions, start and end dates of appointments, biographies and lists of appointments held during the last five years.

THE OPERATION OF THE EXECUTIVE BOARD

The Executive Board met 31 times in 2008 and through the beginning of April 2009 (25 times in 2007) with an attendance rate of 100%.

The meeting agendas were as follows:

January 28, 2008:

- Q3 2007 business report;
- net asset value and share price;
- presentation of 2008 budget;
- breakdown of capital;
- regulated agreements;
- review of subsidiaries and other equity investments;
- projects.

February 4, 2008:

- approval of consolidated proforma 2007 revenues;
- review of subsidiaries and other equity investments.

February 18, 2008:

- review of subsidiaries and other equity investments;
- discussions with Saint-Gobain.

March 17, 2008:

- Q4 2007 business report;
- approval of the 2007 parent company financial statements;
- approval of the 2007 consolidated financial statements;
- preparation of 2007 management and supplementary reports;
- proposed appropriation of earnings;
- determination of the date of the Shareholders' Meeting and of the agenda therefor;
- preparation of the draft text of the resolutions;
- financial communication;
- review of subsidiaries and other equity investments.

April 21, 2008:

- current situation update;
- review of social welfare issues;
- sundry.

May 5, 2008:

- approval of Q1 2008 revenues;
- Q1 2008 business report;
- current news update.

May 13, 2008:

- capital increase resulting from the exercise of options;
- changes to the Company's by-laws;
- update on operations;
- net asset value and share price;
- current news update.

May 19, 2008:

- invitation to June 9, 2008 Shareholders' Meeting (Ordinary and Extraordinary);
- financial communication;
- renewal of guarantees, pledges and collateral;
- current news update.

June 2, 2008:

- June 9, 2008 Shareholders' Meeting;
- review of subsidiaries and other equity investments;
- current news update;
- sundry.

June 9, 2008:

- June 9, 2008 Shareholders' Meeting;
- collective performance bonuses;
- company savings plan;
- bonus share issue;
- review of subsidiaries;
- current news update.

July 15, 2008:

- H1 2008 group revenues, half-year earnings forecasts, forecast updates;
- net asset value and share price;
- grant of subscription options;
- company savings plan;
- update on operations;
- current news update.

July 21, 2008:

- conclusion of amendments.

August 26, 2008:

- group revenues and H1 2008 financial statements;
- Q2 2008 business report;
- net asset value and share price;
- financial position;
- financial communication;
- increase in capital resulting from the offer to employees;
- changes to the Company's by-laws;
- review of subsidiaries and other equity investments;
- projects.

September 22, 2008:

- situation of subsidiaries and other equity investments;
- financial position.

October 10, 2008:

- review of the general situation of the markets.

October 15, 2008:

- review of measures to be taken to address the general situation of the markets.

October 22, 2008:

- review of measures to be taken to address the general situation of the markets;
- situation of subsidiaries.

October 27, 2008:

- review of measures to be taken to address the general situation of the markets;
- financial position;
- financial communication;
- update on operations;
- current news update.

November 19, 2008:

- Q3 2008 business report;
- financial position;
- situation of subsidiaries;
- current news update.

December 1, 2008:

- update on the financial position;
- projects;
- preparation for the Unlisted Companies Day;
- net asset value;
- review of employee issues.

December 15, 2008:

- financial position;
- situation of subsidiaries and other equity investments;
- review of employee issues.

January 21, 2009:

- Q4 2008 business report;
- net asset value and share price;
- presentation of 2009 budget;
- regulated agreements;
- projects;
- review of subsidiaries;
- sundry.

February 2, 2009:

- internal measures;
- situation of subsidiaries.

February 16, 2009:

- approval of consolidated 2008 revenues;
- preparation of the Supervisory Board meeting;
- financial position.

February 20, 2009:

- preparation of the Supervisory Board meeting.

March 2, 2009:

- financial operations and condition;
- review of subsidiaries;
- internal adjustments.

March 16, 2009:

- financial condition;
- review of subsidiaries and other equity investments.

March 24, 2009:

- Q4 2008 business report;
- approval of the 2008 consolidated and parent company financial statements;
- preparation of 2008 management and supplementary reports;
- proposed appropriation of earnings;
- net asset value and share price;
- financial communication;
- corporate Governance.

April 2, 2009:

- related-party agreements;
- determination of the date of the Shareholders' Meeting and of the agenda therefor;
- drafts of resolutions to be submitted to the Supervisory Board on April 7;
- employee relations issues.

2.3. Allocation of responsibilities between the Executive Board and the Supervisory Board

The Executive Board is collectively responsible for managing the Company. In this regard it has the most extensive management and decision-making powers to be able to act in all circumstances on behalf of the Company.

Pursuant to the Company's by-laws, the Supervisory Board exercises ongoing oversight of the Executive Board's management of the Company. The Executive Board presents a detailed report to the Supervisory Board at least once a quarter on the Company's situation and prospects. In particular, it presents the performance of the subsidiaries in the investment portfolio (net sales, financial condition), projected or executed financial transactions and all other transactions that might affect the Company.

In accordance with article 15 V b of the by-laws, the approval of the Board is required for "any acquisition or divestment in excess of €100 million, any decision committing the future of the Company or its subsidiaries on an ongoing basis", any issue of shares giving access or not, immediately or in the future, to the share capital of the Company, "any proposal to shareholders at their Annual Meeting for net income appropriation and the distribution of dividends", "any merger or spin off, to which the Company would be a party", "any proposal to shareholders at their Annual

Meeting to buy back shares" and "any proposal to shareholders at their Annual Meeting with a view to the appointment or renewal of the appointment of the Statutory Auditors".

The Board is also involved in the financial communication policy and plays a role in preparing key messages of the Company, in accordance with chapter 2.1 of the Afep-Medef code.

Every quarter, the Executive Board also presents the change in net asset value per share to the Board, indicating the value created by the Company, share price performance, as well as items showing the Company's performance relative to its peers and the main indices of listed companies. It also presents details, as frequently as required, on the balance sheet position of the Company, its debt structure, its cash position and the nature and maturity of its bank or bond financing. In accordance with chapter 2.2 of the Afep-Medef code, the Board is also kept regularly informed of the risks undertaken by the Company and the measures taken by the Executive Board to address them.

The Executive Board also informs the Supervisory Board every quarter about changes in the share capital and voting rights, the Company's proposed acquisitions or divestments and any other plans that might have a material impact on the financial position of the Company. The Executive Board must obtain the Supervisory Board's approval for such plans. Similarly, the Supervisory Board must approve any significant acquisition or divestment of subsidiaries.

The Supervisory Board may carry out any checks it considers necessary.

The Executive Board presents the annual parent company and consolidated financial statements to the Supervisory Board, which presents its report and observations on the financial statements and on the Executive Board's detailed report to shareholders at their Annual Meeting.

The Supervisory Board is responsible for the appointment and the removal of members of the Executive Board. It also sets, on proposal from its own Governance Committee, the compensation policy for Executive Board members, their bonuses, as well as the number of options allocated to each of them. It also determines the rules applicable to stock option programs (vesting, restrictions, etc.). However, it is the Executive Board's responsibility to determine the grants to individual employees, the grant dates and to establish the plan rules within the framework of rules defined by the Supervisory Board. From 2009, the Board will be responsible for setting the specific performance conditions applicable to the grants of stock options to corporate officers.

The Board also decides, on proposal from the Executive Board, on the principles for the participation of managers in the performance and results of the Group and decides the overall co-investment ceiling and the amounts that can be invested by each of the members of the Executive Board.

In addition, at every meeting of the Supervisory Board, the Executive Board reports on its strategy and on the situation of the Company and other Group companies.

2.4. Corporate governance statement

Wendel operates under the framework of the Afep-Medef code as revised and published on December 8, 2008 and the related recommendations. The Supervisory Board reiterated this in a press release published on December 1, 2008, as follows:

"It [The Board] considers that the Company's approach is in line with these recommendations.

As a result, it confirms that pursuant to the July 3, 2008 law transposing the European directive 2006/46/EC of June 14, 2006 into French law, the Afep-Medef code, as amended, is the one the Company refers to in the preparation of the report provided for in article L. 225-68 of the French Commercial Code starting from this year."

It complies with all rules, except on two points:

- the Afep-Medef code recommends that the evaluation of the Board's capacity to meet the expectations of shareholders who appoint it to run the Company should be formally carried out at least every three years. Each year, at the meeting convened to review Wendel's annual financial statements, part of the meeting is devoted to reviewing the conditions under which the Board and its committees function. This review is prepared by the Governance Committee and is mentioned in the report (self-evaluation of the Board). On the other hand, Wendel has not yet appointed an external auditor to carry out this review under the authority of a member of the Board. This procedure should be put in place in 2009;
- the Afep-Medef recommendations advocate that the various Board committees should be composed of a certain percentage of independent members, namely:
 - two thirds for the Audit Committee (article 14.1),
 - a majority for the Compensation Committee (article 15.1),

Wendel's Audit Committee is composed of five members, of whom two are strictly speaking independent. However, its Chairman, although not independent in the sense of the Afep-

Medef criteria because he has held appointments for more than twelve years and chaired the boards of majority-controlled subsidiaries, is considered to be independent by the Board bearing in mind his detachment, his business experience and the absence of significant personal or family interest, as defined by the code's last paragraph in article 8.3. All in all, the Board considers that the Audit Committee, including its Chairman, has three out of five members who are independent. Similarly, the Governance Committee (grouping together functions usually looked after by an appointments committee and a compensation committee) is composed of five members and includes two independent members, including its Chairman. The result is that the Afep-Medef recommendations in this area are not applied in the strict sense, but the Board considers that the involvement of its members, the quality of its work, the regular recourse to external experts and the frequency of meetings fully compensate for an arithmetic approach to committee composition.

In accordance with the Afep-Medef code together with the AMF recommendation of December 22, 2008 on compensation of executive corporate officers of listed companies, the Supervisory Board has decided to publish the following information in the form and order recommended by the AMF:

2.4.1. SUMMARY OF COMPENSATION, STOCK OPTIONS AND BONUS SHARES GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

Jean-Bernard Lafonta	2007	2008
Chairman of the Executive Board	Amounts due	Amounts due
Compensation due in relation to the year	2,524,693	1,878,193
Valuation of options granted during the year	3,076,500	350,000
Valuation of performance bonus shares granted in the year	0	0
Total	5,601,193	2,228,193
Bernard Gautier	2007	2008
Member of the Executive Board	Amounts due	Amounts due
Compensation due in relation to the year	1,096,000	1,150,000
Valuation of options granted during the year	1,318,500	150,000
Valuation of performance bonus shares granted in the year	0	0
Total	2,414,500	1,300,000

Compensation (fixed and variable) for Executive Board members, complemented by the grant of stock options, has been developed so that it is:

- competitive compared with European investment fund rivals;
- consistent with the long-term investment strategy of Wendel;
- aligned with the interests of shareholders;
- demanding.

Thus in accordance with the provisions developed between 2005 and 2008:

- members of the Executive Board did not benefit from deferred compensation (deferred bonuses, special pension arrangements, etc.);
- stock options granted during this period were subject to the optionee's continuing employment for them to be vested and must not be exercised less than five years after their grant;

- the exercise of these options is subject to performance conditions related to the growth of the net asset value, which align the interests of Executive Board members with those of shareholders;
- after the exercise of the options, Executive Board members should remain significant shareholders of the Company during the term of their appointment;
- finally, executive corporate officers have co-invested alongside Wendel under the terms and conditions described in this reference document (see pages 102-103). These co-investments represented around two years of their total compensation, representing a very significant assumption of risk in relation to their personal wealth.

2.4.2. SUMMARY OF THE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

Jean-Bernard Lafonta	2007		2008	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Chairman of the Executive Board				
Fixed compensation	1,208,247	1,208,247	1,298,305	1,298,305
Variable compensation ⁽¹⁾	1,200,000	750,000 ⁽¹⁾	500,000	1,200,000 ⁽¹⁾
Extraordinary compensation	0	0	0	0
Director's fees	93,734	93,734	55,953	55,953
Benefits in kind	22,712	22,712	23,935	23,935
Total	2,524,693	2,074,693	1,878,193	2,578,293

Bernard Gautier	2007		2008	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Member of the Executive Board				
Fixed compensation	596,000	596,000	794,546	794,546
Variable compensation ⁽¹⁾	500,000	480,000 ⁽¹⁾	350,000	500,000 ⁽¹⁾
Extraordinary compensation	0	0	0	0
Director's fees	0	0	5,454	5,454
Benefits in kind	0	0	0	0
Total	1,096,000	1,076,000	1,150,000	1,300,000

(1) Amounts paid in 2007 in relation to 2006 and in 2008 in relation to 2007.

The amounts paid in relation to the year correspond to the amounts actually received by each corporate officer. The amounts due correspond, according to the definition provided by the AMF, to “compensation granted to the executive corporate officer during the year, irrespective of the date of payment.” In practical terms, given the time lag in the granting of the bonus for the year (paid in April of the following year), the total amount due is the sum of (i) fixed compensation, director’s fees and benefits in kind received in relation to the year and (ii) variable compensation due in relation to the year (but paid in the following year).

The fixed compensation of Executive Board members is usually approved by the Supervisory Board at its last meeting of the year prior to the beginning of the financial period and after examination by and recommendation from the Governance Committee. Its recommendation is based by reference to market practices for listed companies and the average for European private equity companies. It uses sector benchmarks provided by independent experts. In 2007 and 2008 it consulted the databases of two leading recruitment firms and, at the end of 2008, selected Towers Perrin.

Members of the Executive Board do not receive director’s fees in relation to Wendel. Director’s fees that they receive in relation to appointments that they undertake in subsidiaries and equity investments are deducted from their fixed compensation.

The provisions for the grant of bonuses to Executive Board members has been progressively changed: up until 2007, it was paid in relation to the full year in January and in June to take account of results obtained in the previous half-year period. From 2007 the Supervisory Board, based on proposals from the Governance Committee, has set targets to be attained for the year and measures the extent to which they have been attained in March /April of the following year, the date at which this bonus is paid.

The bonus amounts paid in 2007 and 2008 were approved taking account the progress of Wendel in 2006 and 2007 in regards to its medium-term objectives. The increase in amounts paid between 2007 and 2008 is explained by the success attained in 2007 by the Executive Board in the transactions that it undertook.

For 2008, the bonus was paid in relation to results obtained during the year, measured with objective criteria set at the beginning of the year by the Supervisory Board. It incorporated a quantitative component (70% of the total) and a qualitative component (30% of the total). The quantitative component was calculated in accordance with the attainment of three quantitative and measurable criteria; specifically, achieving the budget, a qualitative objective for management of the portfolio and the dividend policy. The qualitative component comprises two objective criteria relating to the management of the team and the extent of progress in adaptation plans of Group companies. The attainment rate for objectives, measured by the Governance Committee in March 2009, was 100%. Nevertheless, considering the global economic situation, members of the Executive Board have proposed and accepted that their bonuses paid in April 2009 in relation to 2008 should be reduced by around 60% to, respectively, €500,000 for the Chairman of the Executive Board and €350,000 for Bernard Gautier.

In 2008 Jean-Bernard Lafonta’s benefits in kind included a Company car and the payment of term life insurance premiums.

2.4.3. DIRECTOR’S FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

The annual amount of the director’s fees was set at €700,000 by shareholders at their May 29, 2006 Meeting. The breakdown on an annual basis, which was amended in April 2007 on a proposal from the Governance Committee to take account of the increasing frequency of meetings of the Board and Committees and the duration of each meeting, is henceforth as follows:

- basic director’s fee: €35,000;
- additional fee for committee membership: €15,000;
- fee paid to the Chairman of each committee: €60,000.

The Chairman of the Supervisory Board receives compensation for his position as Chairman, pursuant to article L. 225-81 of the French Commercial Code, now set at €105,000. He also receives a payment equal to twice the basic director’s fee.

Finally, members of the Board may be reimbursed for their travel expenses for journeys outside the Paris region.

In contrast to the Afp-Medef recommendation, the Supervisory Board has not considered it necessary, given the high attendance indicated above, to make director’s fees dependent on attendance.

The director's fees and other compensation received by the non-executive corporate officers in relation to Wendel and all companies in the Group are presented in the following table:

	2007	2008
	Amount paid	Amount paid
Non-executive corporate officers		
Ernest-Antoine Seillière		
Wendel director's fees	70,000	70,000
Other director's fees	80,751	98,110
Compensation as Chairman of the Supervisory Board	105,000	105,000
Compensation as Chairman of Oranje-Nassau ⁽¹⁾	65,910	93,500
Benefits in kind	5,031	4,996
Total	326,692	371,606
Guy de Wouters		
Wendel director's fees	50,000	50,000
Nicolas Celier		
Wendel director's fees	50,000	50,000
Didier Cherpitel		
Wendel director's fees	60,000	60,000
Béatrice Dautresme		
Wendel director's fees	50,000	50,000
Jean-Marc Janodet		
Wendel director's fees	60,000	60,000
Other director's fees	29,771	43,621
Total	89,771	103,621
Frédéric Lemoine⁽²⁾		
Wendel director's fees		29,167
Édouard de l'Espée		
Wendel director's fees	50,000	50,000
François de Mitty		
Wendel director's fees	50,000	50,000
Grégoire Olivier		
Wendel director's fees	50,000	50,000
François de Wendel		
Wendel director's fees	50,000	50,000
Total	826,463	914,394
<i>Of which Wendel director's fees</i>	<i>540,000</i>	<i>569,167</i>

(1) Increase due to expense reimbursements being taken into account as a result of new legislation in the Netherlands.

(2) Taking account of his appointment in June 2008.

2.4.4. SUBSCRIPTION OPTIONS GRANTED TO CORPORATE OFFICERS

Grants of stock options at Wendel are in line the following principles:

- option grants occur each year for at least some Wendel employees, but not necessarily for executive corporate officers, who did not receive any in 2005 and 2006;
- Neither corporate officers nor members of Wendel management benefit from stock options granted by subsidiaries or listed equity investments.

Since 2007, stock options granted to Executive Board members, as to all beneficiaries, have been subject to:

- gradual vesting over five years, with up to 20% of the total amount granted vesting each year and the first tranche only vesting after one year;
- performance conditions: the amount ultimately is a function of the change in net asset value per share (assuming dividends are reinvested) after five years. The amount granted vests in full if the increase in net asset value is greater than or equal to 120% (i.e. 2.2 times the benchmark net asset value), is reduced by 75% if growth is only 30%, and is reduced on a straight-line basis within these limits.

Similarly, all Wendel employees have benefited from stock options or bonus shares since 2007. Information on stock option and bonus share programs is provided on page 222 of this report.

For several years the grants have taken place each year after the Shareholders' Meeting and the dividend record date. The price is calculated according to the share price in the 20 trading days prior to the grant date. No discount is applied. Executive corporate officers receive around 50% of the annual grants.

Since 2007, the Supervisory Board has required that executive corporate officers retain at least 30% of the shares obtained.

In 2008 executive corporate officers benefited from a stock option grant. The amount of the grant was approved at the Supervisory Board meeting of June 9, 2008 on recommendation from the Governance Committee and is as shown in the table below:

Name of executive corporate officer	Plan No. and date	Option Type	Value	Number of options granted	Exercise price	Exercise period
Jean-Bernard Lafonta	W 1-2 07/15/2008	Subscription	350,000	350,000	€67.50	From 07/15/2013 to 07/15/2018
Bernard Gautier	W 1-2 07/15/2008	Subscription	150,000	150,000	€67.50	From 07/15/2013 to 07/15/2018
Total			500,000	500,000	€67.50	

With his forthcoming departure from the Group, Jean-Bernard Lafonta will lose all of the options that were granted to him in 2008 and will only retain the vested share of the 350,000 options that were granted to him in 2007.

2.4.5. OPTIONS EXERCISED BY EXECUTIVE CORPORATE OFFICERS DURING THE YEAR

Executive corporate officers did not exercise any options during the year.

2.4.6. PERFORMANCE BONUS SHARES TO CORPORATE OFFICERS DURING THE YEAR

Corporate officers did not receive any performance bonus shares during the year.

The granting of free bonus shares that began in 2007 was in 2008 reserved for employees who did not benefit from stock option grants.

2.4.7. HISTORY OF SUBSCRIPTION AND PURCHASE OPTIONS GRANTED TO CORPORATE OFFICERS

Plans Compagnie générale d'industrie et de participations						Plans WENDEL-Investissement					Plan WENDEL		Total
Plan no. 4			Plan no. 5			Plan no. 1	Plan no. 2	Plan no. 3			Plan no. 1		
Date of Shareholders' Meeting	02 juin 1999		30 mai 2000			13 juin 2002	27 mai 2003	10 juin 2004			04 juin 2007		
Date of Board of Directors or Executive Board Meeting	02 june 1999	30 may 2000	20 july 2000	19 july 2001	25 sept. 2001	17 july 2002	16 july 2003	09 july 2004	06 july 2005	04 july 2006	04 june 2006	15 july 2008	
Plans	CGIP 4-1	CGIP 4-2	CGIP 5-1	CGIP 5-2	CGIP 5-3	WI 1-1	WI 2-1	WI 3-1	WI 3-2	WI 3-3	W1-1	W1-2	
Options granted	179,997	213,025	5,919	224,549	82,643	283,510	323,821	428,223	49,000	60,600	837,500	890,600	3,579,387
Number of shares that may be subscribed or purchased by corporate officers													
Mr Seillière											90,000	–	90,000
Mr Lafonta											350,000	350,000	700,000
Mr Gautier	20,190										150,000	150,000	320,190
Starting date for exercise of the options	02 june 2002	30 may 2003	20 july 2000	19 july 2002	25 sept. 2002	17 july 2003	16 july 2004	09 july 2005	06 july 2006	04 july 2007	04 june 2012	15 july 2013	
Expiration date of the options	01 june 2009	29 may 2010	19 july 2010	18 july 2011	24 sept. 2011	16 july 2012	15 july 2013	08 july 2014	05 july 2015	03 july 2016	04 june 2017	15 july 2018	
Subscription price per share	€37.10	€44.23	€44.23	€33.35	€28.50	€24.59	€25.96	€39.98	€65.28	€90.14	€132.96	€67.50	
Discount	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Number of shares subscribed at 12.31.2008	168,559	188,742	5,919	214,148	82,643	261,249	306,661	360,206	0	100	0	0	1,588,227
Number of options that have expired											100		100
Number of options remaining to be subscribed or purchased at 12.3.2008	11,438	24,283	0	10,401	0	22,261	17,160	68,017	49,000	60,400	837,500	890,600	1,991,060

2.4.8. OPTIONS GRANTED TO TOP TEN OPTIONEES, EXCLUDING CORPORATE OFFICERS, AND OPTIONS EXERCISED BY THEM

During 2008 the top ten employee optionees, excluding corporate officers, received and exercised the following number of options:

	Total number	Weighted average price
Options granted during the year	225,000	€67.50
Options exercised during the year	12,799	€84.38

2.4.9. POSITION OF EXECUTIVE CORPORATE OFFICERS IN REGARD TO THE AFEP-MEDEF RECOMMENDATIONS

The table below summarizes the position of executive corporate officers in regards to the Afep-Medef recommendations as of December 31, 2008:

Executive corporate officers	Employment contract	Supplementary pension plan	End-of-contract payment	Non-compete clause payment
Jean-Bernard Lafonta				
Chairman of Executive Board				
Date of appointment: May 2005	Yes	None	None	None
Term of appointment ends: May 31, 2009				
Bernard Gautier				
Member of Executive Board				
Date of appointment: May 2005	Yes	None	None	None
Term of appointment ends: May 31, 2009				

The employment contract of the Chairman of the Executive Board was suspended on July 12, 2002.

As of December 31, 2008 none of the Executive Board members benefited from a supplementary pension plan, end-of-contract or non-compete payment provisions.

Following the resignation of Jean-Bernard Lafonta, the Supervisory Board on April 7, 2009 formed a new Executive Board composed of Frédéric Lemoine and Bernard Gautier when Mr Lemoine was appointed as Chairman.

He approved their compensation based on the Governance Committee report, in full compliance with the Afep-Medef recommendations, to which Wendel adhered on December 1, 2008.

These compensation amounts are significantly less those of the previous Executive Board.

Frédéric Lemoine

The components of Frédéric Lemoine's compensation are as follows:

- his annual fixed compensation has been set for 2009 at €1,200,000 (pro rata in proportion to time in the position) and also for 2010;
- his variable compensation could represent a maximum of 50% of his fixed compensation, i.e. up to €600,000 for each of these two years. This maximum variable compensation will be subject to quantitative and qualitative criteria. It cannot be paid, in whole or in part, unless these criteria have been attained. It is under no circumstance guaranteed;
- he also has a vehicle provided by the Company and an insurance policy underwritten by GSC, an association that provides unemployment insurance for entrepreneurs, business owners and corporate officers. The cost of these benefits in kind for the Company in 2009 will be €9,330;

- he has health, and death & disability insurance under the same terms and conditions as Wendel management employees.

As Frédéric Lemoine does not have an employment contract the Supervisory Board has decided to put in place a departure clause, whose terms and conditions for its implementation are as follows:

- the Chairman of the Executive Board would have the right after a period of one year following his appointment, in the event of removal from office or non-renewal of his appointment, not arising from a situation of failure, subject to the performance conditions referred to below, to an indemnity whose amount would be equivalent to a number of months of fixed and variable compensation in proportion to the time spent in the Company, up to a maximum limit of two years;
- the payment of this indemnity would be subject to performance conditions, set each year by the Supervisory Board on proposal of the Governance Committee, related, in particular, to the growth in the net asset value of the Company.

These criteria shall be explained and publicly communicated on the Company's website before April 7, 2010.

If the appointment should end within a period of twelve months from April 7, 2009, the indemnity due would be for an amount equivalent to six months of fixed and variable compensation. The implementation of this indemnity for this first year would be assessed in regard to the realization of a performance condition related to the implementation of quality relationships with key individuals in the Group, essential to the realization the expected performances of the Company in the long term.

Finally, it should be specifically stated that, contrary to rumors about his compensation widely taken up by the press in April 2009 despite a formal denial from the Company, Frédéric Lemoine has not benefited from any welcome bonus.

Bernard Gautier

Based on a proposal of the Governance Committee, the Supervisory Board decided on the following compensation components as part of the renewal of Bernard Gautier's appointment:

- his annual fixed compensation has been set for 2009 at €700,000;
- his variable compensation could represent a maximum of 50% of his fixed compensation, i.e. up to €350,000 for 2009. This maximum variable compensation will be subject to quantitative and qualitative criteria. It cannot be paid, in whole or in part, unless these criteria have been attained. It is under no circumstance guaranteed.

Bernard Gautier will retain his employment contract in line with Afep-Medef recommendations. He would therefore have the right, in the event of removal from office or non-renewal of his contract, to an indemnity payment whose amount would be equal to the indemnity guaranteed under the collective bargaining agreement that governs his employment contract. This indemnity could be increased by a number of months of compensation whose amount would be a function of the level attained under the performance conditions referred to below.

The performance conditions, defined and monitored by the Supervisory Board on proposal from the Governance Committee have been linked to:

- obtaining, during two of the three most recent years, a bonus equivalent to 50% of the target as set annually by the Supervisory Board on proposal from the Governance Committee, based on quantitative and qualitative annual performance criteria;
- the positive change in net asset value of the Company during the most recent six-month period (the value calculated at the departure date must be greater than or equal – with a margin of tolerance of 10% – to the average value of the previous six months).

In the event these performance targets are fully attained or exceeded, the total amount of this payment may not however exceed a maximum of two years' compensation, including collective bargaining agreement rights under the employment contract.

These provisions comply with Afep-Medef recommendations.

2.5. Internal control and risk management procedures

The Chairman's report on internal control presented to shareholders at their Annual Meeting, which appears on pages 58-64 of this Reference Document, describes the internal control procedures put in place by the Company.

2.6. Participating in Shareholders' Meetings

All shareholders have the right to participate in Shareholders' Meetings under the conditions set down by the law.

The conditions relating to participation are described in article 25 of the Company's by-laws.

A summary of these rules appears on 219-220 of this document.

2.7. Items liable to have an influence in the event of takeover bid (pursuant to article L. 225-100-3 of the French Commercial Code)

The items likely to have an influence in the event of a takeover bid are presented on page 239 of this Reference Document.

Report on the internal control and risk management procedures

1. DEFINITIONS AND OBJECTIVES OF INTERNAL CONTROL

Wendel has used the guidelines and framework defined by the French stock exchange authorities (Autorité des marchés financiers – AMF) as the basis for the development of its internal control system for the management of its activities and the prevention of risks. The Company has defined and put in place an internal control system that aims to ensure:

- compliance with laws and regulations;
- the application of instructions and strategies laid down by the Executive Board;
- the efficient operation of internal procedures of the Company, in particular those concerned with the protection of its assets through appropriate monitoring and control;
- the reliability of financial information;

and generally, that contributes to the control of its activities, the effectiveness of its operations and the efficient use of its resources.

The internal control system plays a key role in the management and control of the Company's various activities. It contributes to preventing and controlling risks that may impede the ability of the Company to attain its objectives.

It is also directed at preserving the image of the Company and its position as a public issuer of securities, by protecting it against the risks of disclosure of confidential information, illegal insider trading and financial fraud.

Internal control cannot, however, provide an absolute guarantee that such risks are totally eliminated and that the objectives of the Company will be achieved.

2. INTERNAL CONTROL SCOPE AND DUTIES OF THE CHAIRMAN

The internal control system put in place by Wendel and described in this report covers all operations carried out within the Group, both by the parent company and its subsidiaries.

Nevertheless, Wendel is a decentralized group, including in the choice of organizational structure and internal control systems. The Group includes listed and unlisted companies in different businesses and of varying sizes. As a result, the scope and characteristics of internal control can vary from one company to another. Each company and its executives are responsible for designing and implementing their own internal control systems, in line with the Group's philosophy and organization.

For this, Wendel has relied on the AMF's guidelines and framework to carry out a number of reviews relating to internal control under the aegis of a working group including the CFO and the Corporate Secretary. The review findings were communicated to the Audit Committee for approval.

In 2007, this working group defined the general principles for the review of internal control relevant to Wendel and distributed these to the main subsidiaries. In 2008 for the second consecutive year the working group distributed a self-evaluation questionnaire to the main subsidiaries, including Wendel itself, and used it to estimate the progress made compared to the previous year.

This questionnaire covered the following areas of internal control:

- organization and operating methods: organization and operation of the Company's governing bodies, formalization of job descriptions and delegations of authority, human resources management policies, IT systems security, compliance with ethical and employee behavior codes;
- dissemination of information internally: procedure for reporting critical information to the Company's governing bodies, policy for the confidentiality and protection of sensitive information,
- risk management: procedure for the identification, analysis, classification and monitoring of risks, and for reporting to the Company's governing bodies;
- control activities: existence and monitoring of controls enabling risks to be managed, existence and monitoring of performance indicators necessary for the control of activities, procedures for the management and control of cash and debt, control and monitoring of acquisitions, monitoring of outsourced activities;
- internal control management: systems to ensure that controls in place operate effectively and that the necessary measures for improvement are put in place; reporting to the Company's governing bodies.

In the same way, a questionnaire on the management of accounting and financial information has been distributed to Group subsidiaries. The following areas were covered:

- general organization: documentation of accounting and financial procedures and closing operations, organization of the accounting function, compliance with accounting principles;
- resource management: process for review of the adequacy of resources available and the organization of the team responsible for the closing of the accounts;
- application and management of accounting standards: procedures ensuring correct IFRS application, notably on new accounting issues – regulatory watch system, identification of complex accounting points, compliance with Group accounting principles and account closure timetables, in-depth examination and communication of Statutory Auditor reports;

- organization and security of IT systems;
- role of senior executives and the Company's governing bodies in relation to the financial statements.

Finally, a questionnaire relating to the preparation of financial information was distributed in 2008. Wendel itself completed this questionnaire and the subsidiaries extended its application to their main divisions. This questionnaire covers all accounting cycles, by identifying the areas of risk specific to the business of each subsidiary and Wendel.

The Audit Committee of each subsidiary has examined and analyzed the replies given in the questionnaires and a summary thereof has served as the basis for this report.

This gradual approach was extended in 2008. The data gathered have enabled improvement plans to be drawn up and implemented for the control points that require it.

3. SUMMARY OF CONTROL PROCEDURES

3.1. ORGANIZATION

- Input from several parties ensures the reliability of internal control processes. The Group is structured with an Executive Board and a Supervisory Board with the Executive Board reporting to the Supervisory Board at least quarterly on the Group's situation, that of its subsidiaries and on key indicators (revenues, contribution to earnings of subsidiaries and equity investments, margins, debt, net asset value per share, etc.), annual budget and twice-yearly updates thereto being presented to the Supervisory Board, the Audit Committee examining the quality and reliability of the financial statements, members of the Board being able to seek advice from independent experts whenever they consider it necessary, the frequency of meetings of the Supervisory Board and Executive Board, as described in the Corporate Governance Report. All of these provide assurance on the importance attached to the exercise of internal controls. All these points, including the accounting principles derived from law or statutes, appear in the Board Charter, which was revised in 2006.
- Other items: Wendel's Supervisory Board and its standing committees regularly analyze their operating methods. They may decide to convene any meeting or request any information necessary to their effective operation, including calling upon external experts. For example, the Audit Committee asks Associés en Finance to value the Company's assets several times a year. The Statutory Auditors present a summary of their audit work to

the Audit Committee without the Company's senior managers being present. Also, Audit Committee discussions in relation to the financial statements are held without the Company's senior managers.

- Specific focus on how published accounting and financial information is prepared and processed: Wendel's Audit Committee reviews the financial reporting and internal control process every year. As indicated above, the Executive Board makes comprehensive reports of the situation of subsidiaries and the Group to the Supervisory Board whenever required and at least four times a year.

As for the subsidiaries, each entity enjoys full management autonomy, but presents regular financial reporting to Wendel, according to a common format for all entities. Because Wendel is an investment company, it does not have its own internal audit function but relies on those of its subsidiaries, on reporting from subsidiaries and on the work of the Statutory Auditors.

Finally, the Executive Board each week convenes the Operations Committee, which includes all executive managers of the Company, to take stock of the situation in the Group and raise any difficulties encountered. It also convenes the Investment Committee on a weekly basis, bringing together all the Investment Unit teams in order to ensure effective monitoring of the subsidiaries and to identify and handle the subsidiaries' or the Group's potential investments or divestments.

3.2. INTERNAL DISSEMINATION OF INFORMATION

At Wendel, each person's responsibility for preparing and reporting information is clearly identified. When necessary, responsibilities are formalized through delegations of authority. The system for the delegation of authorities is to be extended in 2009 to a larger number of employees.

Similarly, Wendel has had half-yearly appraisal interviews in place for several years for all members of the Operations Committee, as well as in the investment team. This process will be extended to all employees of the Company in 2009: progress interviews will take place between now and the end of the first half of the year between each employee and his or her immediate superior. A common half-yearly appraisal framework will be established, with a view to launching the first interviews for all Wendel employees in 2009. The purpose of these interviews is to enable each person to know precisely the objectives that are assigned to them, the resources that they are assigned to attain them and their strengths and weaknesses. This will also lead, where appropriate, to recommendations for training to enable each person to address, if feasible, their possible weaknesses.

The Chairman of the Executive Board convenes meetings of all the Company's employees to share information, whenever necessary and at least four times a year, in addition to the weekly meetings mentioned above and internal team meetings. Also, group reflection and motivation seminars involving all employees may be organized. For example, in January 2009 all teams met for a day and a half to review the Company's position and its environment, and to encourage each person to express his or her expectations about the Company's operation. Following this seminar it was decided to extend the use of appraisal interviews beginning in the first half of 2009.

An intranet was installed at Wendel in February 2008. Its purpose is to share useful information with all interested parties. There have been several versions since its launch, and it is regularly enhanced with information or new functions. Finally, personnel have access to a forum within the intranet allowing them to share their views and request improvements.

Wendel is constantly endeavoring to preserve the utmost confidentiality over the sharing of sensitive information. A process for preventing the dissemination of sensitive information (daily rounds, secure information destruction system, secured access to the head office, etc.) was introduced and strengthened in 2008. The securing of computer equipment and access, begun in mid-2006, continued and was strengthened in 2008 and is regularly tested by independent experts. Similarly, the policy for computer data protection was adapted in 2008. The provisions will continue to be deployed and strengthened in 2009, notably in relation to the migration of IT systems, through cluster solutions.

3.3. RISK IDENTIFICATION, ANALYSIS AND MANAGEMENT SYSTEM

The chapter dealing with risk in the Management Report details the main risks encountered within the Group and the way in which they are addressed. The organization of the Company and its Committees allows for active management of the main risks. The Executive Board assigns and distributes risk monitoring responsibilities to various departments of Wendel:

- the Investment Unit monitors the valuation risk of Wendel's assets, subsidiary performance on a monthly basis and the operational risks specific to each subsidiary;
- the Legal Department monitors the legal validity of contracts prepared in the structuring of transactions (financing, purchases or divestments, etc.) and regulations that apply to Wendel and to the transactions it undertakes;
- the Tax Department monitors regulations and the prevention of tax risks;
- the General Secretariat monitors AMF regulations, accident and property insurance contracts, the management of risks to people and equipment, and the prevention of IT risks (intrusions, data security and storage, continuity of operation, etc.);
- the Finance Department monitors accounting regulations, financial statement preparation and financial risks (exchange rate, interest rate, liquidity, etc.).

Each department may be assisted, to the extent necessary, by outside experts (lawyers, investment bankers, brokers, etc.).

The Executive Board manages the monitoring of risk with each department and may decide to set up ad hoc committees for certain risks.

As indicated above, the Executive Board presents details of the main risks that could significantly impact Wendel's net asset value to the Supervisory Board, whenever required and at least four times a year. Subsidiaries manage their own risks, particularly operational risks, and take the necessary steps to understand and monitor them. It is for them to decide whether it is necessary to map these risks and to determine the action plans to be implemented each year. Nevertheless, Wendel's presence in the governing bodies of its subsidiaries allows it to ensure major risks are actively monitored (see below).

3.4. INTERNAL CONTROL MANAGEMENT AND STEERING ACTIVITIES

New investments and divestments

The Investment Committee, composed of all the investment teams and the Executive Board, meets every week to examine the progress of purchase or divestment transactions and potential opportunities. Members of the Executive Board select a team comprising people with the requisite expertise to review each proposed transaction. A senior member of the team is appointed coordinator and is responsible for the investment/divestment recommendation. Once the project analysis has been finalized and received approval from the Executive Board, it is presented to the Supervisory Board. This presentation includes an analysis of the impact of the transaction on net income from business sectors, the financial position and the net asset value of the Group. It shows the outcome under favorable and unfavorable scenarios. If the Supervisory Board approves the transaction, the Executive Board supervises the successful execution of the transaction by the team responsible for it.

Monitoring investments

Monitoring the existing portfolio involves:

- monthly operational report;
- a monthly work session with management whose agenda includes, in addition to a review of the business, an in-depth review of an important topic (procurement policy, optimization of business assets, research and development, analysis of the situation of major subsidiaries, existence and organization of internal control, etc.);
- an annual budget meeting and two budget updates a year;
- numerous exchanges or meetings organized with members of the subsidiary's management if required.

The senior members of the Investment Unit team meet with the Executive Board twice a month to coordinate initiatives. They present a summary of their work monitoring the investments for which they are responsible and make recommendations in the event significant decisions concerning an investment need to be made.

Over the last three years the Executive Board has sought to ensure, as a matter of course, that members of the Operations Committee are represented on the Boards of subsidiaries and, in particular, on their Audit Committees, of which the CFO (or one of his direct reports) is a full member.

This is in order to reinforce the control on subsidiaries, better understand their operational environment and share the concerns of their management. At each meeting of the Wendel Supervisory Board the Executive Board gives a presentation on the situation of the Company and companies in the Group. The report details the activities of the Supervisory Board, its committees and the Executive Board, both on an ongoing basis and during 2008, as well as their reports.

In all subsidiaries, the choice of the CEO and his senior executives is made in agreement with Wendel management. In addition, the Executive Board monitors the compensation of subsidiaries' senior managers closely and ensures its incentive character. It ensures the alignment of interests between the Company and the managers of subsidiaries through a co-investment system (see pages 102-103).

Monitoring the Company's financial position

The procedures put in place by executive management are designed to provide continuing reasonable assurance that financial transactions are carried out under secure conditions and in accordance with objectives. The Executive Board, in liaison with the Supervisory Board, significantly strengthened the rules and procedures for the monitoring of the Company's financial and cash position in the context of the chaotic financial markets encountered in 2008:

- monthly reporting of the cash position of the parent company and the consolidated holding companies, implemented by the CFO;
- regular monitoring by the Executive Board of the cash position presented by the CFO and regular presentation by the Executive Board to the Supervisory Board of the liquidity position;
- examination of the impact on net asset values of the fall in the markets;
- hedging of part of the non-recourse financing for the investment in Saint-Gobain through the purchase of puts with maturities similar to those of the financing;

- maturity extensions of the bank financing for the investment in Saint-Gobain during 2008 (an additional one to two years) and improvement of the flexibility;
- schedules showing cash position, debt positions and bank covenants are forwarded to the Audit Committee;
- the Chairman of the Audit Committee reports regularly to the Supervisory Board on the work of the Committee on the Company's financial position;
- in addition, the Company has mandated Standard and Poor's to rate the Company since September 2002.

Compliance with ethical rules

- Prevention of illegal insider trading: because of the Company's activities, employees may have access to information that is not in the public domain and that is covered by business confidentiality, and whose disclosure and/or use is likely to be detrimental to the Company. When such privileged information concerns companies whose shares are traded on a regulated market, it becomes inside information, the direct or indirect use of which constitutes illegal insider trading.

The Code of Ethics was revised during 2006 and distributed to all employees to inform them of the laws in force relating to the use of inside information. In this way, the Company aims to avoid being implicated or having its employees implicated in situations that constitute stock exchange violations or, more generally, give rise to disputes. Its provisions were strengthened further in July 2007. The Code reiterates the rules for the protection of privileged information inside and outside the Company. It explains what inside information is, details its "specific", "non-public" and "sensitive" characteristics, defines a long list of permanent insiders, specifies the rules for refraining from stock exchange transactions during the thirty calendar days prior and the two days subsequent to the announcement of the semi-annual or annual results (blackout periods) and at any other time, either on decision of the Executive Board, or when an employee has privileged information about the Company, an investment or a company that is being analyzed for investment.

In a concern for transparency and prudence, the Code of Ethics requires employees to declare transactions on securities issued by the Company to the Company Secretary and restricts trading in derivatives and certain transactions on the shares, with the exception of transactions conducted as part of the Group savings plan. It also comprises a handbook reminding each employee of the rules and restrictions in force under current legislation and, if necessary, their application at Wendel when this is more restrictive. In this regard, the Executive Board has laid down the principle forbidding the ownership or trading at any time in the shares of the Group's subsidiaries where these are listed. Ethical compliance is the responsibility of the Company Secretary. He regularly receives requests by e-mail from members of the team and he responds to them prior to any transaction in the shares of the Company. He ensures that these messages are properly archived.

- Prevention of fraud: in order to prevent the risk of fraud as much as possible, the Company has introduced strict rules that have been tightened further since the beginning of 2009:
 - only the Corporate Accounting and Finance Department may issue checks or funds transfer orders on the basis of requests backed up by invoices and validated by a member of the Operations Committee,
 - all checks or transfers must have two signatures; primary and secondary signatory lists must be updated regularly, so that there are two signatories at all times,
 - expense and/or reimbursement vouchers, with supporting documentation and a strict expenditure policy put in place in January 2009 with limits by expense category and compulsory justification of each expense overrun or an item will not be paid,
 - expenditure approved by a member of the Operations Committee for amounts less than €10,000, and the Executive Board above that,
 - estimates systematically obtained from several providers,
 - systematic control of the consistency of invoices with the estimates by the responsible member of the Operations Committee and then by the accounting department at the time of payment,
 - the Operations Committee member or members in charge must systematically negotiate and verify supplier estimates.

- Protection of the integrity of IT data: in order to prevent the risks of corruption of computer tools or the input of false or fictitious data into IT systems, the IT department reports directly to the Company Secretary. He has sole authority over access to the systems and the protection or retention of data at regular intervals. The policy for securing data was altered in 2008 and will be revisited following the migration of information systems scheduled in 2009. A general compliance audit on the preservation of data has been launched, with the support of an external specialist firm, during the last quarter of 2008 and will conclude during the first half of 2009.

4. PREPARATION OF WENDEL ACCOUNTING AND FINANCIAL INFORMATION

The internal control procedures designed to ensure that the annual and semi-annual financial statements (parent company and consolidated) present a true and fair view of the income from operations as well as the Company's financial position and net assets are as follows:

Procedures for the preparation and consolidation of the financial statements

The Wendel Group has applied the International Financial Reporting Standards (IFRS) for the consolidated financial statements since 2005. The principal rules applicable are described in the annual report and distributed to subsidiaries as part of the process for the communication of information and the preparation of financial statements. However, because of the diversity of the subsidiaries' activities, Wendel leaves it up to each subsidiary to propose specific accounting treatments for its business. The Finance Department and the person responsible for the consolidation at Wendel ensures uniformity of treatment within the Group, notably by examining accounting principles appearing in the financial statements of each subsidiary and through the procedures set out below:

- in coordination with the Finance Department of each subsidiary, a timetable is determined for the submission of financial statements with the supplementary information required for the preparation of the parent company financial statements;
- the Company's CFO or his staff meet with the finance department of each subsidiary to prepare the accounts closing and to review the highlights of the period as well as any significant or exceptional transactions.

Procedures for the auditing of the financial statements

At the subsidiary level:

- coordination of the Group's auditing networks to ensure better communication with the parent company's Statutory Auditors. The Group's rule, to the extent possible, is to use the same audit firms for the parent company and all of its subsidiaries. This is why, in the tender process for the renewal of Statutory Auditor appointments undertaken by the Audit Committee at the beginning of 2007, the ability to ensure the audit of all directly-owned and other subsidiaries throughout the world and the ability of the principal Statutory Auditors to obtain audit results and any observed anomalies from their colleagues featured among the selection criteria;
- the Corporate Accounting and Finance Department is involved in end-of-audit meetings of subsidiaries under exclusive control and receives details of audit and internal control observations raised by the subsidiaries' auditors during the course of their audit;
- one or more members of the Executive Board, the Investment unit and/or the Corporate Accounting and Finance Department attend subsidiaries' Board of Directors/Supervisory Board meetings and/or Audit Committee meetings.

At the parent company level:

- the Group CFO is responsible for accounting policies and, in particular, reviewing compliance with accounting rules in the Group holding company and subsidiaries. If required, he has authority to commission audits. He regularly holds pre-closing meetings with the Statutory Auditors to ensure that points raised in previous financial periods have been addressed and to review transactions of the financial period with the Statutory Auditors and decide on the appropriate accounting treatment;
- the Chairman of the Executive Board is in constant contact with the CFO during the preparation of the financial statements. In particular, he is informed of the financial and accounting impact of any significant event. Meetings between the Statutory Auditors and the Chairman of the Executive Board are organized when subjects arise where the accounting interpretation is complex or significant to the financial statements. He also reviews all financial communication of the Group and is informed of any subject that is likely to have an impact on it.

- the Audit Committee: the Committee's purview, its mode of operation and its activity during the financial period are presented in detail in the report on corporate governance. The Committee can decide to take independent expert advice to confirm its views on the financial position of the Company and, in particular, ask an independent expert to determine the net asset value (see above). Members also meet regularly with the Statutory Auditors to ensure with them the reasonableness of the parent company and consolidated financial statements. They also ensure the consistency of, or changes to, accounting policies.

Internal control procedures related to financial information

All financial announcements and publications (press releases, shareholders' letters, documents distributed to analysts) are systematically submitted to the Audit Committee for an opinion before being examined by the Supervisory Board and the Statutory Auditors.

5. 2008 ACTION PLANS AND ACHIEVEMENTS – 2009 OUTLOOK

The work undertaken in 2007 by Wendel and its subsidiaries continued in 2008 with the following focus:

- update to self-assessment questionnaires in relation to the general principles of internal control and the monitoring of improvement plans that will be implemented in the Group;
- review of internal control systems for the preparation of accounting and financial information, using the AMF Accounting and Finance Application Guide as a basis.

The following matters for improvement had been identified in 2007:

- organization of operating procedures: introduction of position descriptions and responsibilities (currently being deployed with finalization due in mid-2009), formalization of delegation of authorities (put in place in 2009), procedures for human resources management (currently being deployed via the intranet launched in February 2008 through secured access) and introduction of systematic expense authorizations (currently being deployed);
- financial management control: implementation of documentation relating to accounting principles and controls for transactions (currently being deployed), existence of information channels aiming at the complete capture of economic events (put in place in January 2009, deployment of dedicated software in 2009), schedule summarizing the periodic financial information requirements (will be put in place in 2009) and review of the implementation and compliance with accounting principles (will be implemented as soon as the glossary is finalized and disseminated);
- IT systems: maintenance of an appropriate level of security and data security (introduction of clustering solutions with migration of systems in 2009), review of IT legal aspects (validation launched in fourth quarter of 2008), overhaul of backup procedures (in 2009) and qualitative monitoring (planned for 2009).

Statutory Auditors' report

prepared in accordance with article L. 225-235 of the French Commercial Code (*Code de commerce*) on the report prepared by the Chairman of the Supervisory Board of Wendel

To the shareholders,

In our capacity as Statutory Auditors of Wendel, and in accordance with article L. 225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with article L. 225-68 of the French Commercial Code for the year ended December 31, 2008.

It is the Chairman's responsibility to prepare and submit for approval by the Supervisory Board's a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by article L. 225-68 of the French Commercial Code, notably, in relation to the procedures on the subject of corporate governance.

It is our responsibility:

- to report to you our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information;
- to certify that the report includes the other information required under article L. 225-68 of the French Commercial Code, it being specified that it is not our responsibility to audit the fairness of this other information.

We performed our procedures in accordance with the professional standard applicable in France.

Information about the internal control procedures relating to the preparation and processing of financial and accounting information

Professional audit standards require that we perform procedures to assess the fairness of the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of financial and accounting information. These procedures mainly consisted of:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report and existing documentation are based;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in internal control relating to the preparation and processing of financial and accounting information that we may have identified during the course of our work are properly described in the Chairman's report.

On the basis of these procedures, we have no matters to report in connection with the information given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the report of the Chairman of the Supervisory Board, prepared in accordance with article L. 225-68 of the French Commercial Code.

Other information

We certify that the Chairman's report contains the other information required under article L. 225-68 of the French Commercial Code.

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Sustainable development

Although Wendel Group does not implement an environmental protection policy from an operational standpoint, sustainable development issues are key to its long-term investment strategy. Particularly aware of environmental challenges and its corporate social responsibility, Wendel Group also takes steps to ensure that these issues are central to the growth strategies of all its subsidiaries.

Wendel

Compliance of Group companies with current environmental and International Labor Organization regulations is reviewed and evaluated on a regular basis, as is the ability of managers in subsidiaries and affiliates to ensure long-term management of social and environmental responsibilities. When an audit is conducted prior to an acquisition, environmental risks and the target company's prevention policy undergo thorough evaluation and, if necessary, appraisal by an outside expert. The Wendel Group is made up of companies operating in diverse business sectors and in numerous geographic regions. The Group is organized in a decentralized manner. Each entity has management autonomy, and the officers of these subsidiaries and affiliates assume full responsibility for their company's sustainable development policy.

Highlights of the sustainable development policies of the companies of which the Group is the majority shareholder and whose financial statements are therefore fully consolidated by Wendel, are presented below.

Bureau Veritas

Quality, Health, Safety and Environment (QHSE) is an integral part of Bureau Veritas's business activities and its corporate culture. The Group offers its customers a range of services to help them better meet the growing demands of markets and government authorities in terms of controlling risks related to working conditions and the safety of employees and users. These risks include the environmental impact of the quality or non quality of their business activities and of the products and services they sell. With 80% of its business activities performed on customer sites, the majority of their impact is observed outside the Group, in the continuous improvement of its customers' QHSE performances.

Regarding the environment in particular, the new Health, Safety and Environment (HSE) statement clearly stipulates that Bureau Veritas employees must:

- contribute to the protection of the environment;
- comply with Bureau Veritas group requirements and local HSE legislation;
- reduce their impact on the environment as a result of sustainable development initiatives that minimize the quantity of resources consumed as well as the volume of waste generated;
- ensure that all HSE management processes and programs are proactive.

The Group's main environmental objectives for 2008 were to:

- introduce paper and energy consumption reduction programs in the ten largest countries in which the Group does business;
- make the head office a recognized benchmark for the management of paper and energy consumption;
- build awareness and develop action plans for environmental priorities such as transportation and energy and paper consumption.

In 2008, €200,000 were invested in specific initiatives, such as implementing an environmental management system in the United Kingdom (ISO 14001) and developing the IPSO FACTO environmental protection method at the Group's head office in France. A tool to measure the "carbon footprint" was also developed and is expected to be rolled out in 2009.

Main initiatives taken in 2008 in the following areas were:

- **energy and waste management:** Bureau Veritas continued the pilot project it launched in 2007 to reduce energy, paper and water consumption and the volume of waste produced. By the end of 2008, 12,000 employees in over 20 countries on four continents were participating in this initiative;
- **indicators:** Half-year reports tracking relevant indicators were published. Many initiatives were taken in 2008 to reduce energy, water and paper consumption, both through motivating people (awareness raising campaign, etc.) and modifying practices (optimized watering/lighting systems, etc.);
- **Carbon footprint:** Internal experts developed a tool to measure CO₂ emissions, enabling sites to assess the effectiveness of improvement action plans. The tool will be finalized in early 2009.

Materis

Respect for the environment and the health and safety of its employees is fundamental to the culture of the Materis group. The Group strives to control the environmental impact of its business activities through its sustainable development policy. It has demonstrated its commitment for over fourteen years with its dedicated management system based on the continuous improvement principle. As a result, the number of green products is constantly on the rise, especially in its Paints, Admixtures and Mortars businesses. Materis's efforts in this area are also reflected in the growing number of sites that have obtained ISO 14001 and OHSAS 18001 certification. The Group aims to obtain OHSAS 18001 certification for all its sites by the end of 2012.

Materis's management system has led to advances on many subjects:

- **development of products in line with health, safety and environmental requirements and respect for natural resources:**

- systematic replacement, where possible, of raw materials that are dangerous for the environment and human health, by raw materials that present no such danger (2006-2008 global action plans for all activities),
- manufacture and sale of solvent-free paste tile adhesive,
- launch of new dustless renders and mortars developed using an innovative new technology that protects the environment and the user's health, while continuing to roll out this technology in the main countries where Materis is located,
- new dry-mix floor-leveling compounds that meet the standards of high-environmental quality (Haute Qualité Environnementale, or HQE) construction,
- extended range of external insulation products, of which Materis is a pioneer, to achieve the energy consumption reductions required by France's Grenelle Environment Forum,
- biodegradable and plant-based products,
- admixtures to reduce the levels of hexavalent chromium in cement;

- **waste management:**

- materis is developing special packaging that cuts waste weight by a factor of five and hazardous industrial waste by a factor of 12,
- the Group implemented service policies for the return of soiled packaging and the selective sorting of waste,
- processes were implemented to extract value from waste in the refractory industry;

- **reduction of air and water pollution:**

- 100% of industrial waste water (wash water) and 60% of rain-water is treated,
- significant investments continued to be made to reduce dust emissions at certain sites;

- **continuous improvement efforts:**

- a structured safety policy supported by management, with a continuous decrease in the occurrence of work accidents followed by disability leave and, from 1995 to 2008, a decline in the "TF1" frequency rate of accidents causing lost working time from 60 to 5.8,
- materis is constantly developing risk prevention and inspection programs using an increasingly comprehensive and scalable reporting system;

- **materis, responsible corporate citizen:**

Every year, Materis works with charity and local organizations to help the least fortunate. In 2008, it participated in initiatives in Cambodia, South Africa and China.

Oranje-Nassau

Oranje-Nassau operates in two business sectors: energy and investment of private funds, managed with a single objective of profitable, long-term growth. Only the first of these involves environmental risks.

The group researches, develops and extracts oil and gas, in partnership with other investors in Europe, Africa and the Middle East.

All activities in the energy sector are carried out by third parties, which work together under joint-venture arrangements. Oranje-Nassau associates only with qualified operators with extensive experience in the oil and gas sector.

In these types of projects, every precaution is taken to limit risks, including the selective recruitment of qualified staff, targeted, regular training in all aspects of the business, and strict application of health, safety and environmental regulations, whatever the size of the business.

The principal environmental risks are linked to oil and gas drilling, production and transmission. Any technical incident or human error can have an impact on the environment, property or human health. The operators, such as Oranje-Nassau, take out the customary insurance policies necessary for the operation of oil wells to cover, notably, pollution risks.

Deutsch

In 2008, Deutsch continued to implement its environmental policy with international initiatives. Its efforts led to ISO 14001 certification for an additional site in France; 70% of the Group's sites are now certified.

Each business unit integrated the new requirements set forth in the European REACH regulation on chemicals by pre-registering so-called "phase in" substances for both Deutsch and relevant supplier sites.

The Offshore Division launched an OHSAS 18001 certification project, which it expects to complete in the first half of 2009. This standard includes, in addition to environmental issues, specific requirements related to occupational health and safety management.

Every Deutsch site improved its recycling performance (recycling of paper, cardboard, plastics, etc.) through the implementation of suitable action plans and appropriate investments. All energy consumption indicators (water, electricity, gas and fuel oil) are monitored and have been significantly decreasing for several years.

Stallergenes

The allergens used to make Stallergenes products are made from small quantities (about two tons) of high value-added raw materials of plant or animal origin. They are obtained by extraction in a saline solution and are then purified by filtration. These operations generate almost no emissions or effluents to air, water or soil, and practically no noise or disagreeable odor. The risk of pollution can be considered very limited to nonexistent. The annual consumption of water (27,700 m³) is very low: it represents a mere 38 m³ per year and per person. Annual energy consumption is 10,700 MWh, which includes 6,700 MWh of electricity for air conditioning and machines and 3,500 MWh of gas for heating. Again, this annual consumption of 13.8 MWh per year and per person is very low.

The environmental expenses of the group are thus limited to the cost of reprocessing the waste, which is €130,000 per year. All waste is processed by specialized companies accredited by FNADE (the French Federation of Waste Management Services). There are three types of waste: ordinary industrial waste (approximately 1,000 m³/year), chemical waste (approximately 2 m³/year) and bacteriological waste (approximately 250 m³/year).

Human resource policies

As a firm believer that a company's long-term survival and growth depend as much on its financial strength as on the skills enrichment and fulfillment of its employees, Wendel Group makes human resource policies a priority. In particular, the Group invests significantly in training to give all employees the means to better their performance through continuous access to knowledge and improved technical practices.

Wendel

Since Wendel is a holding and investment company, its workforce is small.

The 2008 data below apply to the parent company only.

EMPLOYMENT

Workforce as of december 31, 2008

	Employees	Management level	Total
Women	14	15	29
Men	7	29	36
Total	21	44	65

Staff hired in 2008

	Employees	Management level	Total
Women	2	8 ⁽¹⁾	10
Men	1	3	4
Total	3	11	14⁽¹⁾

⁽¹⁾ Including five changes in employee status.

Departures in 2008

	Employees	Management level	Total
Women	6 ⁽¹⁾	–	6
Men	1	1	2
Total	7	1	8⁽¹⁾

⁽¹⁾ Including five changes in employee status.

Temporary employment in 2008

The number of hours worked by temporary employees is equivalent to one third of a full-time employee. Temporary employment was used for secretary replacement.

WORKING TIME

Wendel's workforce is divided into three categories:

- executives, who are members of the Operations Committee with no hourly worktime restrictions;
- managers, who work a set number of days in the year (218);
- non-management employees, who worked 1,723 hours in 2008.

This total comprised 1,600 hours plus 7 hours for the "national solidarity day" and 116 hours of overtime. Non-management employees benefitted from days allotted through the worktime reduction program, based on the number of hours worked per week.

A total of 2,376 hours of overtime were worked in 2008.

Absences (in hours)

	Employees	Management level	Total
Illness	1,599	523	2,122
Work-related accidents	–	23	23
Maternity leave	–	–	–
Other leave	55	148	203
Total	1,654	694	2,348

Compensation in 2008 (Paid in France)

In thousands of euros	
Payroll	8,264
Social welfare contributions	4,336

There was a general increase in salaries of 2% as of January 1, 2008.

All health and personal protection coverage for employees was renegotiated, much to their satisfaction.

Moreover, the collective performance bonus introduced in 2006 enabled all employees to participate again in the creation of value in the Group in 2008.

MULTIPLE EMPLOYERS

70% of management-level staff have multiple-employer contracts. They are compensated by Wendel and subsidiaries located in Luxembourg, London and Singapore. In accordance with regulations, they are subject to French social welfare contributions throughout the European Union and subject to tax locally.

LABOR RELATIONS

In 2008, Wendel employees elected a single body of employee representatives. It has six members:

- two principal representatives and two alternate representatives for management-level staff;
- one principal representative and one alternate representative for non-management-level staff.

HEALTH AND SAFETY

Wendel employees work in premises that comply with health and safety standards.

TRAINING IN 2008

Number of employees trained	40
Number of hours paid	989
Training expenditure ⁽¹⁾	245,102 €

(1) Excluding payment to a collecting organization 76,385 €

Wendel invests more in training than it is legally required to:

- Wendel makes every effort to provide training programs – often for individuals – suited to the needs of each of its employees in order to constantly maintain and improve their skills and employability;
- in 2008, Wendel experts began to provide job-awareness training for all staff.

Wendel also strengthened its communication to employees by holding a greater number of meetings to keep teams informed about the economic and financial environment in which they work.

EMPLOYEES WITH DISABILITIES

The mandatory contribution paid to AGEFIPH, a private organization that promotes the employment of people with disabilities, was €10,208 in 2008.

EMPLOYEE SERVICES

The company allocated €29,000 to the Works Council to fund social and cultural activities for employees in 2008.

Wendel also expanded its range of employee services by offering “Cesu” payment vouchers for home services and an outsourced conciergerie service. Wendel’s contribution to the payment of these services in 2008 was €98,000.

SUBCONTRACTING

Wendel uses subcontractor services, mainly for building operation and maintenance (security, office cleaning, receptionists, landscape maintenance, etc.). The Company endeavors to maintain long-term, quality relationships with its service providers. In particular, it takes care to ensure that their personnel are well received.

NON DISCRIMINATION

Wendel has made the promotion of equality and the fight against discrimination a pillar of its human resource policy. The company has signed up to the Diversity Charter and has regular dialogue with the HALDE, the French equal opportunity and anti-discrimination commission.

Bureau Veritas

NUMBER AND BREAKDOWN OF EMPLOYEES AROUND THE WORLD

As of December 31, 2008, the group had 40,053 employees in 140 countries, compared with 33,018 employees as of December 31, 2007. Of this 21% increase in employee numbers:

- approximately 9% related to the employees of newly acquired companies (in particular, 1,200 employees at Amdel, 950 employees at Cesmec, and 300 employees at Geoanalitica);
- 12% were due to growth of the group.

The global workforce, which is 64% male and 36% female, can be categorized into:

- operational functions (inspectors, auditors, experts, sales staff, etc.);
- support functions (technical, finance, IT systems, human resources, etc.).

Workforce as of december 31, 2008

Total workforce	40,053
By geographic region	
France	7,442
EMEA ⁽¹⁾	11,262
Asia-Pacific	13,380
North and South America	7,969
By function	
Operational functions	29,063
Support functions	10,990

(1) The EMEA region includes Europe, the Middle East and Africa.

Bureau Veritas hired nearly 10,500 employees worldwide in 2008.

At the Group level, employee turnover was around 14% for the 2008 fiscal year. The highest rates were observed in the Asia and the Middle East region because of very strong demand for qualified employees. In France, the Group benefits from the image and reputation of the Bureau Veritas brand, which facilitates the stability of the workforce (turnover was around 4%).

WORKPLACE HEALTH AND SAFETY

In 2008, the Bureau Veritas group invested roughly €250,000 in initiatives to improve health and safety in the workplace.

Although OHSAS 18001 certification is not yet mandatory, the group's companies are strongly encouraged to develop workplace environment management systems meeting international standards.

OHSAS certification is expected to cover over 40% of the Bureau Veritas workforce by 2010.

At the same time, Bureau Veritas France continues its initiatives aiming to obtain MASE (Enterprise Safety Improvement Manual) certification for all its sites in 2009.

Going above and beyond the regulatory monitoring required in certain countries, as of 2006, Bureau Veritas established a system to track health and safety indicators in every country where it operates.

DATA RELATING TO THE PARENT COMPANY, BUREAU VERITAS SA

Number and breakdown of employees

As of December 31, 2008, the Company had 6,560 employees (of which 4,259 men and 2,301 women), compared with 6,419 employees as of December 31, 2007, an increase of more than 2% between 2007 and 2008.

In 2008, the number of staff hired was 961 employees, with 301 on fixed-term contracts and 660 on permanent contracts. The number of dismissals was 79.

The rate of employee resignations in 2008 was 4.59%.

There were 9,585 hours of paid overtime in 2008. The workforce external to the company numbered 82 employees.

Organization of working time

The organization of working time was as follows:

- for sedentary non-management employees: 35 hours per week;
- for itinerant non-management employees: annual envelope of 1,701 hours or 35 hours per week;
- for management employees: annual envelope of 211 working days, annual envelope of 1,701 hours or 35 hours per week.

Absences

The ratio of the number of absences to the theoretical number of working days was 4.1% in 2008. Absences for illness, paid or unpaid, totaled 37,437 days for 2008 and concerned 2,635 employees. Of these, 1,441 employees were absent for less than one week and 343 for more than one month.

Labor relations

The agreements signed in 2008 dealt with the Health, Safety and Working Conditions Committee (CHSCT), the collective performance bonus, forward-looking career and skills management and the release of profit-sharing bonuses.

Training

In 2008, 3,349 employees took part in training courses, for a total of 169,048 hours.

Employees with disabilities

The number of employees with disabilities as of December 31, 2008 was 100, including 21 employees disabled following work accidents on company premises.

Employee services

In 2008, the company allocated €1,974,527 to the Works Council for employee services.

Oranje-Nassau

Oranje-Nassau's policy is to maintain a small, pluridisciplinary workforce that is highly qualified and motivated. Oranje-Nassau complies with all current labor regulations, as defined by the Dutch Labor Code.

EMPLOYMENT

Workforce as of december 31, 2008

	Non-management and management employees	Executives	Total
Women	9	–	9
Permanent staff	8	–	8
Fixed-term contracts	1	–	1
Men	11	2	13
Permanent staff	11	2	13
Fixed-term contracts	–	–	–
Total	20	2	22
Permanent staff	19	2	21
Fixed-term contracts	1	–	1

Temporary employment in 2008

Oranje-Nassau employed one temporary IT worker three days a week.

WORKING TIME

The standard working week is 37.5 hours. In 2008, there were 200 days of absence for sick leave.

Compensation in 2008

In thousands of euros	
Payroll	3,734
Social welfare contributions	932

There was a general increase in salaries of 1.6% as of January 1, 2008.

Labor relations

There is no trade union representation or works council.

Health and safety

Oranje-Nassau employees work in premises that comply with health and safety standards.

Training in 2008

	Non-management and management employees	Executives	Total
Women	1	–	1
Men	2	–	2
Total	3	–	3

Training expenditure totaled €4,000 in 2008.

Employees with disabilities

Oranje-Nassau has no employees with disabilities.

Materis

EMPLOYMENT

Workforce as of december 31, 2008

	Total
France	4,054
Europe (excluding France)	1,615
U.S.	421
Latin America	749
Asia	1,747
Australia	120
Africa	297
Total	9,003

	Non- management staff	Management level	Total
Women	1,890	445	2,335
Permanent staff	1,726	437	2,163
Fixed-term contracts	164	8	172
Men	4,980	1,688	6,668
Permanent staff	4,596	1,670	6,266
Fixed-term contracts	384	18	402
Total	6,870	2,133	9,003
Permanent staff	6,322	2,107	8,429
Fixed-term contracts	548	26	574

Staff hired in 2008

	Fixed-term contracts	Permanent employees	Total
Women	148	281	429
Men	448	784	1,232
Total	596	1,065	1,661

Departures in 2008

	Dismissal	Resignation	Retirement	Total
Women	237	134	26	397
Men	745	337	62	1,144
Total	982	471	88	1,541

Temporary employment in 2008

1,290 temporary employees worked 1,342,965 hours.

WORKING TIME

Working time (average full-time/week)

	Total
France	35
Europe (excluding France)	37.5 to 44
U.S.	38 to 42.5
Latin America	42 to 48
Asia	37 to 48
Australia	38 to 40
Africa	40

In 2008, the absence rate varied from 0.52% to 8.24%, depending on the country.

Compensation in 2008

In thousands of euros	
Payroll	271,960
Social welfare contributions	107,082

The average increase of salaries was between 3% and 28% depending on the countries (figures take into account rates of inflation that may be significant).

Many agreements were concluded in 2008 throughout the group, in particular in the following areas:

- collective performance bonus, compensation, employee savings plans;
- moral harassment;
- forward-looking career and skills management.

HEALTH AND SAFETY

Materis Group employees work in premises that comply with health and safety standards.

From 1995 to 2008, the "TF1" frequency rate of accidents causing lost working time decreased from 60 to 5.8. Materis continues to implement a structured safety policy, supported by its management.

TRAINING IN 2008

Number of employees trained: 4,517

Training expenditure: €306,000

EMPLOYEES WITH DISABILITIES

There are 101 employees with disabilities in the Materis Group.

EMPLOYEE SERVICES

In 2008, the Materis Group allocated €1,865,000 to employee services.

DEUTSCH

EMPLOYMENT

Workforce as of december 31, 2008

	Blue collar	Non-management employees	Management level	Total
Women	1,251	398	51	1,700
Permanent staff	1,123	383	51	1,557
Fixed-term contracts	14	5	–	19
Temporary employees	114	10	–	124
Men	921	692	271	1,884
Permanent staff	760	667	270	1,697
Fixed-term contracts	11	17	1	29
Temporary employees	150	8	–	158
Total	2,172	1,90	322	3,584
Permanent staff	1,883	1,050	321	3,254
Fixed-term contracts	25	22	1	48
Temporary employees	264	18	–	282

Staff hired in 2008

	Permanent staff	Fixed-term contracts	Total
Women	591	10	601
Men	645	8	653
Total	1,236	18	1,254

N.B.: The high number of new hires was due to the nature of the business and to the type of contract in use in the United States.

Departures in 2008

	Dismissal	Resignation	Retirement	Total
Women	257	166	19	442
Men	316	205	13	534
Total	573	371	32	976

N.B.: The high number of departures was due to the nature of the business and to the type of contract in use in the United States.

Working time

The French companies in the Deutsch Group apply a 35-hour workweek, with various company-wide agreements and application methods.

The non-French companies apply work schedules in compliance with local legislation in force.

The absence rate averaged less than 2.8%.

Compensation in 2008

The average salary increase was less than 3% in 2008.

Labor relations

Meetings with employee representative bodies in French companies were held monthly (Works Council, employee representatives) or quarterly (Health, Safety and Working Conditions Committee). Non-French companies adhered to local labor legislation in force.

Health and safety

Health and safety conditions were tracked in each of the French sites through the meetings of the Health, Safety and Working Conditions Committee and the Works Council.

Training

On average, approximately 3% of the payroll of the French companies in the Group was devoted to training.

In all Group companies, a training plan is developed on the basis of the needs of the divisions.

Employees with disabilities

The companies in the Group employed over 45 people with disabilities.

Stallergenes

EMPLOYMENT

Workforce

The Stallergenes Group had 782 employees as of December 31, 2008, including 551 in France.

The Group's workforce grew 13% over one year.

Female employees make up two-thirds of the workforce and 11% of employees work part-time.

There are 710 permanent employees.

Recruitment, working time and training

There were 88 employees hired on permanent contracts in 2008. Over three years, Stallergenes created 295 permanent jobs. The increasing seasonality of the business explains the relatively limited, but increasing recourse to temporary work, overtime hours and fixed-term contracts.

The absence rate reflected this rise yet remained relatively low (4.3% compared with 4.1% in 2007).

Continuous efforts to promote training, in addition to the required minimum, ensure rapid integration of new hires, ongoing adaptation by employees to the company's new businesses, and internal promotion for 50% of the job openings.

Salary policy

There is broad consensus in the company on the compensation policy. Salary increases are subject to agreement with labor unions.

Company-wide agreements exist on work schedules, the Company savings plan, the profit-sharing plan and the collective bonus plan.

Stallergenes' significant collective performance bonus plan acts as a supplement to the legally mandated profit-sharing plan in France and is based on operating income. Everyone's participation in the success of the business has been a very significant factor over the past twenty years in the cohesion and the motivation of the company's employees. This benefit represented an average of €10,640 per employee in 2008.

Payroll & social welfare contributions = €46,919,000.

Profit-sharing and collective performance bonus = €5,862,000.

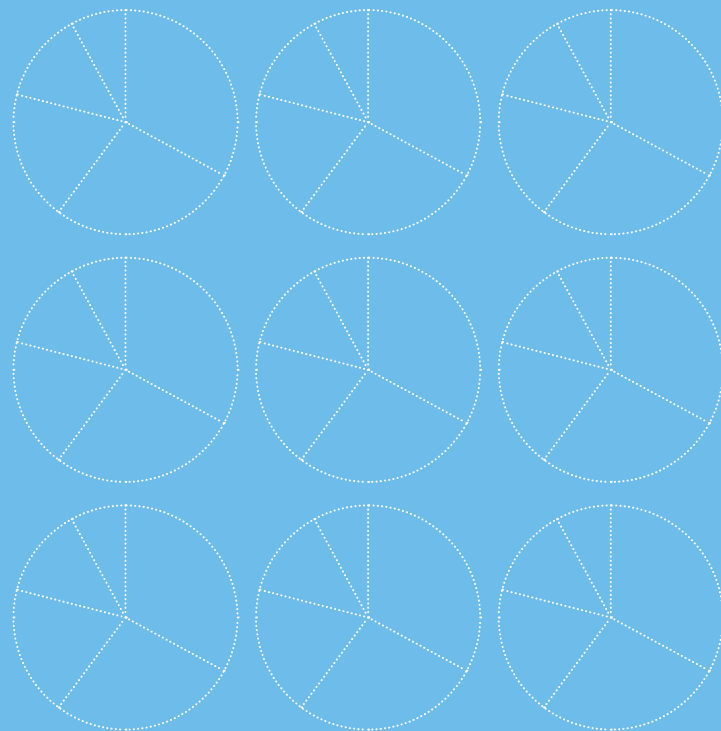
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Analysis of the consolidated financial statements

CONSOLIDATED INCOME STATEMENT

The consolidated financial statements of Wendel include:

- fully consolidated companies, i.e. the holding companies and subsidiaries over which Wendel exercises exclusive control: Bureau Veritas, Materis, Deutsch, Oranje-Nassau, Stallergenes and, until May 30, 2008, Editis;
- companies accounted for by the equity method, i.e. companies over which Wendel has significant influence, specifically Legrand, Stahl and Saint-Gobain (since December 31, 2007);
- income from divested subsidiaries (Editis in 2008 and the Real Estate division of Oranje-Nassau in 2007). Pursuant to IFRS, this is presented in a separate line of the income statement entitled "Net income from discontinued operations and operations held for sale" for each year presented.

The economic presentation of the financial statements has not been audited.

Accounting presentation of the consolidated income statements

In millions of euros	2008	2007
Net sales	5,412.5	4,712.0
Operating income	589.9	1,329.4
Net financial income (expense)	-426.7	-523.5
Income taxes	-237.0	-121.4
Net income from equity method investments	44.5	128.6
Net income (loss) from continuing operations	-29.4	813.0
Net income from discontinued operations and operations held for sale	256.6	80.8
Net income	227.2	893.8
Net income - minority interests	69.1	14.5
Net income, Group share	158.1	879.3

Economic presentation of the consolidated income statements

The consolidated income statement reflects the aggregate earnings of the various equity investments held by Wendel. These are either fully consolidated or accounted for on an equity basis.

As such, the accounting presentation of the income statement does not allow for a direct, in-depth analysis. For this reason, Wendel regularly provides an income statement prepared on an economic basis.

Net income from business sectors

Net income from business sectors is the recurring net income of the Group. It comprises the net income from investments (or companies consolidated) and the net income from holding companies excluding non-recurring items and the impact of goodwill allocations as defined below:

- "Net income from business sectors" is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Oranje-Nassau, Materis, Stallergenes, Deutsch and, until May 30, 2008, Editis) and Wendel's share in the net income of investments accounted for by the equity method (Saint Gobain, Legrand and Stahl) before non-recurring items and the impact of goodwill allocations. The financing costs for the acquisition of Saint-Gobain are applied against the proportionate interest in the recurrent net income of Saint-Gobain.
- The net income of holding companies incorporates the general and administrative expenses of Wendel and its holding companies, the cost of the net borrowings put in place in connection with the financing of Wendel and its holding companies, and the income tax expenses and benefits related to these items. The amounts indicated are those recognized by Wendel and by all consolidated financial holding companies (excluding the acquisition holding company and operating subsidiaries).

Non-recurring income

“Non-recurring income” includes, for the entire scope of consolidation, the amounts (net of tax) that are not related to the operating activities of the business sectors:

- capital gains and losses from the divestment of assets;
- restructuring costs;
- exceptional legal disputes, notably those that are not linked to operating activities;
- interest income and expenses on shareholder loans, as these are linked to the financial structure used to realize the investment in the subsidiaries and affiliates. These items do not usually give rise to a settlement in cash prior to divestment. The tax impact related to these items is considered as recurring if it is a structural one;
- changes in “fair value”;
- impairments of assets, and notably losses in value of goodwill;
- currency impact on financial liabilities;

- financial restructuring expenses and the income and expenses related to the extinguishment of debt;
- and any other significant item unconnected with the recurring operations of the Group.

Impact of goodwill allocation

Goodwill allocations have an impact on the income statement when acquired assets and liabilities are revalued at the time of the investment (or reappraised within twelve months following the transaction). They concern, notably:

- inventories and work-in-process;
- property, plant and equipment;
- intangible assets, including trade names and contracts; and
- deferred taxes related to them.

These accounting entries modify the net income from investments, separating the income statement from the cash flow deriving from the subsidiary's activity (the entries arise from the acquisition of the investments, not from their business activity).

In millions of euros	2008	2007
Bureau Veritas	241.8	188.5
Legrand	138.2	129.0
Saint-Gobain	99.4	–
Matéris	33.0	46.4
Stallergenes	19.0	16.0
Deutsch	31.7	10.2
Stahl	–0.1	3.4
Oranje Nassau	78.0	58.9
Editis	–5.3	48.9
Income from subsidiaries and affiliates	635.8	501.1
Overheads	–43.3	–36.4
Management fees	2.2	7.4
Taxes	–0.2	12.2
Wendel financing costs	–75.4	–76.2
Net income from business sectors	519.2	408.1
Non-recurring income (loss)	–292.0	485.9
Consolidated net income	227.2	893.9
Net income - minority shares	69.1	14.5
Net income, Group share	158.1	879.3

Consolidated financial statements

In a context of crisis the Wendel Group continued its growth, posting consolidated sales up 15% at €5,412 million. This performance was obtained through a balance between organic growth, averaging 7.6%, and growth from acquisitions, of 7.5%. Group share of net income from business sectors reached €395 million, up 10% from 2007. The total net income from all business sectors totaled €519 million.

Bureau Veritas, the world leader in certification and verification services, contributed €242 million to net income from business sectors, up 28%. In 2008, Bureau Veritas, posted sales of €2.5 billion, up 23% (27% at constant exchange rates). Operating income before amortization of intangibles and impairment losses on goodwill increased by 24% to €388 million compared to €312 million in 2007.

Legrand (accounted for by the equity method), world specialist in products and systems for electrical installations and information networks, contributed €138 million, up 7%. Consolidated sales grew by 1.8% to €4,202 million. Adjusted operating income⁽¹⁾ was €746 million, representing 17.7% of sales, a stable, high margin compared with 2007.

After deduction of interest expense related to the Saint-Gobain holding structure, this equity investment contributed €99 million to net income from business sectors in its first year. Consolidated sales by Saint-Gobain, world leader in the habitat market, totaled €43.8 billion, up 3.7% at constant exchange rates. Operating income totaled €3,649 million and the group's operating margin was 8.3% of sales, compared to 9.5% in 2007. Group profitability improved, particularly in the "Emerging economies and Asia-Pacific" region, posting a margin of 10.5%.

Net income from business sectors of Materis, leader in specialty materials for the construction industry (paints, mortars and admixtures), was €33 million in 2008, down by 29%, with net sales up by nearly 3% to €1,867 million. This included organic growth of 1.6% resulting from higher prices, an improved product mix and business growth in emerging markets. Adjusted operating income⁽¹⁾ stood at €214.6 million, with the posted margin falling by 1% because of industrial costs (purchases, production and logistics).

Net sales of Stallergenes, world leader in sublingual immunotherapy, totaled €170.9 million, an advance of 16.2% over 2007, a year in which the company also experienced strong growth. Operating income, before R&D, increased from €49.1 million to €58.1 million, 18.5% up on 2007. Net income from business sectors also increased to reach €19 million.

Net sales of Deutsch, world leader in high-performance connectors, totaled \$659.7 million, reflecting robust organic growth of 5%. Adjusted operating income⁽¹⁾ rose by 44% to reach \$129 million. The operating margin increased by 4.5% and is one of the highest in the sector. The contribution from this subsidiary to net income from business sectors went from €10 million in 2007 to €32 million in 2008.

Net sales of Stahl (accounted for by the equity method), world leader in leather finishing products and high-performance coatings, totaled €296.3 million and were down 4.8% (down 2.1% organically), with a significant contraction in the fourth quarter of 2008. The adjusted operating margin⁽¹⁾ of this investment represented 13.2% of sales. The contribution from Stahl to net income from business sectors was nil.

Net sales of Oranje-Nassau, a specialist oil and gas investment company, totaled €374 million, up by 54%, with net income from business sectors growing by 32% to €78 million.

The non-recurring net loss of €292 million resulted notably from the gain on the Editis divestment (€273 million), amortization of items related to goodwill allocation on subsidiaries and investments (€275 million), impairments recognized in the book value of subsidiaries and investments (€555 million) and changes in the value of financial instruments (€299 million), including income of €418 million, representing an unrealized gain on the hedges covering part of the investment in Saint-Gobain.

Net income was €227 million and the Group share of net income was €158 million.

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

Conversion from accounting presentation to economic presentation

The following table shows how the line items in the 2008 income statement in its accounting presentation are allocated to the various headings used in the economic presentation.

In millions of euros	Income from equity investments	Holding company costs	Non-recurring income			Total	Consolidated net income
			Non-recurring	Effects related to goodwill	Asset impairment losses		
Operating income	948.2	-41.1	6.9	-115.5	-208.6	-317.2	589.9
Finance costs, net	-529.8	-75.0	-5.0	0.0	0.0	-5.0	-609.7
Other financial income and expenses	-38.0	-0.5	280.0	-4.4	-54.0	221.5	183.0
Net finance income	-567.8	-75.4	275.0	-4.4	-54.0	216.5	-426.7
Income tax expense	-276.1	-0.2	5.7	33.6	0.0	39.2	-237.0
Net income from equity method investments	536.8	0.1	-14.1	-186.0	-292.3	-492.4	44.5
Net income from discontinued operations or operations held for sale	-5.3	0.0	264.7	-2.9	0.0	261.8	256.6
Net income	635.8	-116.7	538.2	-275.2	- 554.9	-292.0	227.2
Net income, group share	512.3	-116.9	558.9	-250.1	- 546.0	-237.3	158.1

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CONSOLIDATED BALANCE SHEET

Assets	12.31.2008	12.31.2007	Liabilities and shareholders' equity	12.31.2008	12.31.2007
Goodwill, net	2,608	3,211	Shareholders' equity	2,034	2,332
Intangible assets and property, plant and equipment	2,571	2,515	Minority interests	284	248
Net financial assets ⁽¹⁾	799	147	Provisions	367	383
Equity method investments	5,881	5,338	Financial liabilities	11,943	11,035
Cash and cash equivalents ⁽¹⁾	2,728	2,847	Deferred tax liabilities	434	444
Working capital requirements	474	385			
	15,061	14,443		15,061	14,443

(1) In this presentation of the consolidated balance sheet, cash and cash equivalents accounts and unpledged cash and cash equivalents accounts are shown under a separate heading from Non-current financial assets.

Breakdown of principal variations in the consolidated balance sheet

Goodwill as of December 31, 2007	3,211	Consolidated shareholders' equity as of December 31, 2007	2,332
Acquisitions by Bureau Veritas	229	Net income for the year	158
Acquisitions by Materis	27	Dividend paid by Wendel	-101
Acquisitions by Deutsch	7	Gains and losses on derivatives qualifying as hedges	-127
Divestment of Editis	-638	Translation reserve and other	-229
Impairment losses during the year	-206	Consolidated shareholders' equity as of December 31, 2008	2,034
Currency fluctuations and other	-22		
Goodwill as of December 31, 2008	2,608		
Equity method investments as of December 31, 2007	5,338	Financial debt as of December 31, 2007	11,035
Acquisition of Saint-Gobain shares	740	Changes in debt at:	
Share in net income for the year	298	Bureau Veritas	251
Dividends paid	-222	Deutsch	58
Impairment losses	-253	Materis	31
Other	-20	Oranje-Nassau Groep	80
Equity method investments as of December 31, 2008	5,881	Stallergenes	-0
		Groupe Eufor	1,008
		Wendel and holding companies	-5
Cash and cash equivalents and pledged cash and cash equivalents accounts as of December 31, 2007	2,847	Editis - exit from consolidation scope	-514
Cash flows from operating activities	1,007	Financial debt as of December 31, 2008	11,943
Acquisition of Saint-Gobain shares	-740		
Acquisition of shares by subsidiaries	-391		
Acquisition of intangible assets and property, plant & equipment	-357		
Divestment of Editis	495		
Dividends paid by Wendel	-100		
Dividends received	233		
Increase in loans and other financial liabilities	1,837		
Decrease in loans and other financial liabilities	-917		
Change in consolidation scope - Editis	-114		
Net finance costs	-587		
Net cash flows related to taxes	-253		
Other	-231		
Cash and cash equivalents and pledged cash and cash equivalents accounts as of December 31, 2008	2,728		

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ASSETS

In millions of euros	Note	12.31.2008	12.31.2007
Goodwill, net	1	2,607.6	3,211.3
Intangible assets, net	2	1,509.7	1,530.5
Property, plant & equipment, net	3	1,061.6	985.1
Non-current financial assets	4	2,294.9	1,349.7
Equity-method investments	5	5,881.3	5,337.5
Deferred tax assets	15	168.5	123.3
Total non-current assets		13,523.7	12,537.3
Assets and operations held for sale		20.6	52.8
Inventories	6	373.0	393.7
Trade receivables	7	1,203.2	1,253.4
Other current assets	8	150.4	193.5
Current income tax assets	15	6.8	66.4
Other current financial assets	4	1,444.7	2,189.3
Total current assets		3,178.0	4,096.4
Total assets		16,722.3	16,686.5

LIABILITIES AND SHAREHOLDER'S EQUITY

In millions of euros	Note	12.31.2008	12.31.2007
Share capital		201.5	201.3
Share premiums		246.9	244.8
Retained earnings and other reserves		1,427.4	1,006.8
Net income for the year		158.1	879.3
		2,033.8	2,332.1
Minority interests		283.7	248.4
Total shareholders' equity	10	2,317.6	2,580.5
Long-term provisions	11	357.2	355.8
Long-term borrowings and debt	12	11,318.4	10,691.1
Other non-current financial liabilities	4	150.3	116.4
Deferred tax liabilities	15	602.4	567.2
Total non-current liabilities		12,428.4	11,730.4
Liabilities of operations held for sale		23.5	29.4
Short-term provisions	11	9.3	27.5
Short-term borrowings and debt	12	624.8	344.2
Other current financial liabilities	4	62.1	428.9
Trade payables	13	555.0	691.6
Other current liabilities	14	618.1	734.8
Current income tax liabilities	15	83.6	119.2
Total current liabilities		1,952.8	2,346.2
Total liabilities and shareholders' equity		16,722.3	16,686.5

Consolidated financial statements

Consolidated income statement

In millions of euros	Note	2008	2007
Net sales	17	5,412.5	4,712.0
Other income from operations		8.2	63.7
Operating expenses	18	-4,639.6	-4,170.9
Income from ordinary activities	19	781.1	604.9
Other operating income and expenses	20	-191.2	724.5
Operating income		589.9	1,329.4
Income from cash and cash equivalents		108.4	65.6
Finance costs, gross		-718.1	-417.3
Finance costs, net	21	-609.7	-351.7
Other financial income and expenses	22	183.0	-171.8
Tax expense	23	-237.0	-121.4
Share of net income from equity-method investments	24	44.5	128.6
Net income from continuing operations		-29.4	813.0
Net income from discontinued operations and operations held for sale	25	256.6	80.8
Net income	26	227.2	893.8
Net income – minority interests	10	69.1	14.5
Net income – Group share	26	158.1	879.3

In millions of euros	Note	2008	2007
Basic earnings per share (in euros)	27	3.15	17.51
Diluted earnings per share (in euros)	27	3.09	17.42
Basic earnings per share from continuing operations (in euros)	27	-1.96	15.90
Diluted earnings per share from continuing operations (in euros)	27	-2.01	15.81
Basic earnings per share from discontinued operations (in euros)	27	5.11	1.61
Diluted earnings per share from discontinued operations (in euros)	27	5.10	1.60

Statement of recognized income and expenses

Since January 1, 2006, Wendel has applied the amendment to IAS 19 enabling actuarial differences relating to defined-benefit plans to be recognized under shareholders' equity. The statement of recognized income and expenses is as follows, in accordance with IAS 19.93B:

In millions of euros	Note	2008	2007
Translation reserves		-332.0	-71.4
Actuarial gains and losses		-146.7	14.8
Gains and losses on assets available for sale		0.9	13.2
Gains and losses on qualified hedges		-148.4	-145.8
Tax effects		48.9	17.4
Earnings previously recognized in shareholders' equity taken to the income statement		5.4	-91.0
Income and expenses recognized directly in shareholders' equity (A)		-571.8	-262.8
Net income for the year (B)		227.2	893.9
Total income and expenses recognized for the year (A) + (B)		-344.7	631.1
Attributable to:			
• shareholders of Wendel	10	-389.2	626.6
• minority interests	10	44.6	4.6

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Consolidated cash flow statement

In millions of euros	Note	2008	2007
Cash flows from operating activities			
Net income		227.2	893.9
Share of net income from equity-method investments		-44.5	-128.6
Net income from discontinued operations and operations held for sale		-256.6	-54.9
Depreciation, amortization, provisions, and other non-cash items		528.7	302.7
Non-cash income and expense related to stock options and similar items		10.6	8.3
Expenses on investments and asset disposals		4.2	28.3
Gains/losses on disposal of assets		-36.3	-767.1
Financial income and expenses		426.8	547.4
Taxes (current and deferred)		237.0	146.7
Cash flow from consolidated companies before tax		1,097.1	976.9
Change in working capital requirement related to operating activities		-90.1	-43.1
Net cash flows from operating activities		1,006.9	933.8
Cash flows from investing activities			
Acquisitions of intangible assets and property, plant & equipment	28	-357.0	-209.1
Disposals of intangible assets and property, plant & equipment	29	49.6	17.2
Acquisition of equity investments	30	-1,131.3	-5,122.4
Disposal of equity investments	31	504.8	1,556.2
Expenses on investments and asset disposals		-4.2	-46.5
Impact of changes in Group structure and operations held for sale		-106.0	10.4
Changes in other assets and financial liabilities and other		-213.1	-316.3
Dividends received from equity-method investments and non-consolidated companies	32	233.0	69.2
Change in working capital requirements related to investing activities		1.0	36.1
Net cash flows from investing activities		-1,023.3	-4,005.2
Cash flows from financing activities			
Proceeds from issuance of shares		2.3	3.8
Contribution of minority shareholders		6.5	46.9
Share buybacks		-3.8	-5.9
Dividend paid by the parent company		-100.5	-100.5
Dividend paid to minority shareholders		-34.9	-5.0
New borrowings		1,836.5	6,016.8
Repayment of borrowings	33	-916.8	-590.6
Finance costs, net		-586.7	-358.9
Other financial income (expenses)		-65.5	19.1
Change in working capital requirement related to financing activities		40.5	64.9
Net cash flows from financing activities		177.9	5,090.7
Cash flows related to taxes			
Current tax		-279.3	-183.8
Change in tax assets and liabilities (excluding deferred taxes)		25.8	-1.5
Net cash flows related to taxes		-253.4	-185.3
Effect of currency fluctuations		-26.5	-14.3
Net change in cash and cash equivalents		-118.5	1,819.7
Cash and cash equivalents at the beginning of the year	9	2,846.6	1,026.9
Cash and cash equivalents at the end of the year	9	2,728.1	2,846.6

Details on the cash and cash equivalents account and how it is classified on the consolidated balance sheet are provided in note 9. At December 31, 2008, cash and cash equivalents were composed of €1.4 billion in pledged cash recognized under non-current financial assets and €1.3 billion in unpledged cash recognized under current financial assets. At December 31, 2007, these figures were, respectively, €0.7 billion and €2.1 billion.

The 2007 fiscal year included cash flow generated by Editis during this period. Changes in consolidation scope included mainly the impact of the May 2008 divestment of Editis.

Notes to the consolidated financial statements

Wendel is a *société anonyme* (public limited company) governed by French law and with the commercial registry number 572 174 035. Its head offices are located at 89, rue Taitbout, Paris, France. Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

The consolidated financial statements of the Wendel group (hereinafter: "Wendel" or the "Group") cover the twelve-month fiscal year ended on December 31, 2008 and are expressed in millions of euros. They include:

- the balance sheet and income statement;
- the statement of recognized income and expenses;
- the cash flow statement;
- notes.

These financial statements were approved by Wendel's Executive Board on March 24, 2009.

A. GENERAL PRINCIPLES

Wendel's consolidated accounts for the fiscal year ended December 31, 2008 have been drawn up in accordance with IFRS principles and methods as adopted by the European Union on December 31, 2008, in accordance with Regulation no. 1606/2002 of the European Council and the European Parliament pertaining to the application of international accounting standards, adopted on July 19, 2002.

IFRS principles and methods are available for consultation on the website of the European Community: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

These accounting principles are consistent with those used in preparing the consolidated annual accounts for the fiscal year ended December 31, 2007, with the exception of the following new standards and interpretations, which were adopted and have no meaningful impact on Wendel's financial statements:

- amendments to IAS 39 and IFRS 7 "Reclassification of financial assets";
- IFRIC 11 "Group and treasury share transactions";
- IFRIC 12 "Service concession arrangements";
- IFRIC 14 "The limit on a defined-benefit asset, minimum funding requirements and their interaction".

These principles do not differ from IFRS, such as published by the IASB, and which are mandatory for accounting periods that began on or after January 1, 2008.

The following new standards, amendments to existing standards and interpretations, are applicable to accounting periods begun after January 1, 2008 and were not adopted prior to this date by the Group:

- IFRS 8 "Operating segments", mandatory as of January 1, 2009;
- amendment to IFRS 2 "Vesting conditions and cancellations", mandatory for accounting periods begun on or after January 1, 2009;
- IAS 1 revised "Presentation of financial statements", mandatory for accounting periods opened on or after January 1, 2009;
- amendment to IAS 23 "Borrowing costs", mandatory for accounting periods opened on or after January 1, 2009;
- amendment to IAS 32 "Puttable financial instruments and obligations arising on liquidation", mandatory for accounting periods begun on or after January 1, 2009;
- revision of IFRS 3 "Business combinations", and IAS 27 "Consolidated and separate financial statements", mandatory for accounting periods opened on or after July 1, 2009;
- IFRIC 13 "Customer loyalty programs", mandatory for accounting periods opened on or after July 1, 2008;
- amendments to IAS 27 "Consolidated and separate financial statements";
- amendments to IAS 1 and IAS 27 "Cost of an investment in a subsidiary, jointly controlled entity or associate";
- amendments to IAS 39 "Financial instruments: recognition and measurement: Exposures eligible for hedge accounting";
- IFRIC 15 "Agreements for the construction of real estate";
- IFRIC 16 "Hedges of a net investment in a foreign operation";
- IFRIC 17 "Distribution of non-cash assets to owners".

IFRS 8 "Operating segments" is mandatory for accounting periods begun on or after January 1, 2009. Wendel has not implemented this standard prior to this date. IFRS 8 provides that sector information be compiled on the basis of information reviewed by the Group's management entities. Wendel has concluded that its operating segments as provided under IFRS 8 would be the same as those presented on the primary level under IAS 14. What additional sector information would be required under the standard is currently being reviewed.

The implementation of this standard in 2009 will have no impact either on Wendel's financial situation or its financial performance.

Consolidated financial statements

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

Reclassifications have been made to the 2007 income statement, in order to reflect the impact of discontinued activities and activities held for sale in 2008, mainly Editis (see “Changes in consolidation scope”).

B. ACCOUNTING PRINCIPLES

Consolidation methods

The companies over which Wendel has exclusive control are fully consolidated.

Oranje-Nassau group's energy companies, which are under joint control, have been consolidated proportionally.

Companies in which Wendel has significant influence have been accounted for based on the equity method.

Net income of acquired subsidiaries is consolidated beginning with their acquisition date, while net income of divested subsidiaries is consolidated up to their divestment date.

Financial statements used as the basis for the consolidation

Wendel's consolidated accounts have been prepared on the basis of:

- the consolidated accounts of the twelve-month fiscal year ended on December 31, 2008 of Bureau Veritas, Materis (Materis Parent), Deutsch (Deutsch Group), Oranje-Nassau Groep, Stallergenes, Legrand, Stahl and Saint-Gobain;
- the consolidated accounts of Editis (Odyssée 1) for the five-month period from January 1 to May 30, 2008, date of the Editis sale;
- for the other companies, their individual accounts for the 12-month fiscal year ended on December 31, 2008. Some holding companies have a 12-month fiscal year from July 1 to June 30; in this case, 12-month accounts from January 1 to December 31 have been prepared for consolidation purposes.

IFRS financial information relating to these subsidiaries and shareholdings has been prepared in accordance with IFRS recognition and measurement rules.

Inter-company asset sales and transfers

Gains and losses on the sale or transfer of assets between consolidated companies have been eliminated from income, and the assets have been maintained at their initial value, except in the event of losses deemed prolonged, for which an impairment charge has been recognized on the income statement.

Conversion of financial statements of foreign companies

Wendel's operating currency is the euro.

The balance sheet of foreign companies whose operating currency is not the euro have been converted into euros at the exchange rate prevailing at the closing date, and the income statement at the average exchange rates for the fiscal year or consolidation period. The discrepancy resulting from the application of these exchange rates has been allocated to consolidated reserves under “translation differences”. Translation differences related to subsidiaries are recognized on the income statement when those subsidiaries are divested.

The following exchange rates have been used in the consolidated financial statements:

	Closing rate		Average rate	
	12.31.2008	12.31.2007	2008	2007
USD/EUR	1.3917	1.4721	1.4635	1.3687

Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in such financial statements. These estimates and judgments are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the balance sheet date, as well as information on those facts and circumstances that was available on the date on which the accounts were approved. They are based on Group management's past experience and various other factors deemed reasonable, such as market data and whether an independent appraiser was used, and are reviewed on a regular basis. Forecasts were made difficult by the uncertainty surrounding global economic trends in late 2008, and the actual amounts could be different from the forecasts.

The most significant estimates and judgments used in preparing these financial statements concern mainly goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes and derivatives.

Measurement rules

Goodwill

Goodwill represents the excess of the cost of acquiring the shares of consolidated companies, including related expenses, and the Group's share of the fair value of their net assets, liabilities and identifiable contingent liabilities at the date of acquisition. The fair value of the assets and liabilities of acquired companies must be determined within 12 months of acquisition.

Goodwill is presented, where applicable, net of any cumulative recognized loss in value.

Goodwill is not amortized, but is instead tested for impairment at least once per year, on December 31, or more frequently if there is any indication that it may be impaired. For purposes of impairment testing, goodwill is allocated to Cash Generating Units (CGU). Each of the Group's operating entities (Bureau Veritas, Materis, Deutsch, Oranje-Nassau Groep and Stallergenes) represents a Cash Generating Unit. Goodwill impairment losses are recognized on the income statement under "Other operating income and expenses" and are not reversed.

Whenever an operating subsidiary identifies an impairment loss on goodwill within its consolidation scope, this loss is maintained at the level of Wendel's consolidated accounts, even if Wendel's analysis of the subsidiary's goodwill does not show any impairment. This stance has been taken to allow Wendel to recognize unrealized losses as soon as they appear, as they would inevitably be recognized anyway if the subsidiary were to sell the CGU showing such losses.

Goodwill pertaining to equity-method investments is included in the book value of the shares of these companies and therefore not presented separately (IAS 28.23). It is therefore not subject to a separate impairment test, as the value of equity-method investments is subject to a separate test, goodwill included. Hence, as regards equity-method shareholdings, in the event of an improvement in their value justifying an impairment write-back, the entire impairment is written back, including the portion pertaining to goodwill.

Impairment tests on goodwill and equity-method investments are described in notes 1 "Goodwill" and 5 "Equity-method investments".

Intangible assets

Editorial design costs of the Editis group

Editorial design costs of the Editis group, which was divested in 2008, were presented under intangible assets.

Brands of the Bureau Veritas, Deutsch, Materis and Editis groups

These brands have been valued using the relief-from-royalty approach, which consists of discounting to perpetuity royalty cash flows determined at a theoretical rate based on net sales generated by the brands. These brands are considered to have an indefinite useful life, as there is no foreseeable time limit on their potential to generate cash flow. They are therefore not amortized but instead are subjected to an annual impairment test.

The brands of the Bureau Veritas group's subsidiaries have been depreciated over ten years. Only those brands identified by Wendel when it acquired control of Bureau Veritas (i.e., Bureau Veritas, BIVAC and BVQI, which has since become BV Certification) are considered to have an indefinite life.

Contracts and client relationships of the Bureau Veritas, Materis, Deutsch and Editis groups

The value of these assets corresponds to the margin expected to be generated over the residual lives of contracts in force at the date of acquisition/transfer of control, taking into account contract renewals, where such renewals are considered probable based on historical statistical data. These contracts and client relationships are therefore depreciated over the period used for the calculation of each contract category (up to 30 years, depending on the contract and subsidiary) or over their useful life.

Other intangible assets

The cost of developing software intended for internal use and other development costs have been capitalized when it is likely that these expenditures will generate future economic benefits. These costs are then depreciated over the asset's estimated useful life.

Stallergenes' development costs have therefore not been capitalized, as its development projects do not meet the criteria of IAS 38. According to IAS 38 and pharmaceutical industry practice, development costs incurred prior to obtaining full marketing approval for the related drugs are not capitalized.

Consolidated financial statements

Property, plant and equipment

Property, plant and equipment are recognized at their historical cost, determined at the time of acquisition of these assets or of a business combination.

Property, plant and equipment, other than land and investment properties, are depreciated on a straight-line basis over a period corresponding to their likely useful life. The depreciation basis of a tangible fixed asset is its historical cost less the residual value, i.e., the value expected at the end of the asset's useful life, after allowing for divestment costs.

The following useful lives are applied:

Buildings	10 to 50 years
Plant	3 to 10 years
Equipment and tooling	3 to 10 years

Assets acquired under long-term or other leases where the risks and rewards of ownership have been substantially transferred to the Group are accounted for as finance leases, and are depreciated on a straight-line basis over their estimated useful life, as described above.

Investment properties, mainly held by Oranje-Nassau, are recognized on the balance sheet at fair value, with the change in fair value being recognized on the income statement under "Operating income". The fair value of these buildings is determined by the management of the Oranje-Nassau Groep, backed by independent appraisers.

Oranje-Nassau's Real Estate division was divested in 2007.

Impairment of property, plant and equipment and intangibles

In accordance with IAS 36 "Impairment of Assets", the value in use of property, plant and equipment and intangibles is tested when there is an indication of impairment. Impairment tests are done at least once per year for assets having indefinite useful lives, which for the Group, are limited to goodwill and brands. Any impairment losses are recognized on the income statement under "Other operating income and expenses".

Measurement of oil & gas assets

Oranje-Nassau's oil & gas investments have been measured using the "successful efforts" method. Exploration costs are expensed until such time as a productive field is discovered; later expenses are then capitalized. Amortization for each production unit is calculated on the basis of residual reserves.

At each balance sheet date, the net book value of property, plant and equipment must be less than the estimated present value of reserves, less future production expenses. An additional depreciation charge is recognized for any surplus.

Future dismantling and removal costs in oil and gas exploration and production equipment give rise to provisions for risks and contingencies for their discounted amount, offset by fixed assets of the same amount. Depreciation of these assets is calculated by production unit on the basis of residual reserves. The provisions and assets are adjusted to reflect any change in present value of the estimated future costs. The impact of the passage of time on these provisions is recognized under "Other financial income and expenses".

Financial assets and liabilities

Financial assets include investments in non-consolidated companies, operating receivables, debt securities, marketable securities, derivatives and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives and operating liabilities. Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial instruments: recognition and measurement".

Financial assets at fair value through profit or loss

These assets include financial investments without the characteristics of cash equivalents. These assets are measured at market value at the balance sheet date, and gains and losses arising from changes in value are recognized through the income statement.

Financial assets available for sale

In accordance with IAS 39.9, classifying a financial asset as available for sale does not necessarily mean that the Wendel group actually intends to sell it. This category, in fact, includes all non-derivative financial assets that are designated as available for sale or that are not classified in any of the other categories of financial assets.

They have been measured at fair value, and gains or losses arising from changes in fair value are recognized under shareholders' equity. Any prolonged decline in the fair value of these financial assets below their cost gives rise to an additional impairment provision on the income statement. This impairment cannot be written back through the income statement, except in the event of sale.

Investments held to maturity

Investments held to maturity are financial assets with a fixed income stream that the Group intends to hold to maturity. They are stated at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are stated at amortized cost using the effective interest method. Their carrying amount represents outstanding principal, adjusted for any non-amortized acquisition costs, premiums or discounts. Loans and receivables are tested for recoverable value at least once a year at the balance sheet date, or whenever there is an indication that they are impaired – i.e. that their recoverable amount is lower than their carrying amount. The impairment loss is recognized on the income statement.

Financial liabilities

All borrowings and other financial liabilities are stated at amortized cost using the effective interest method, except for derivatives and derivatives embedded in exchangeable bonds.

Derivatives

Derivatives have been assessed at fair value. Gains and losses arising from changes in the fair value of derivatives are recognized on the income statement, apart from certain exceptions set out below.

Derivatives can be designated as hedges of fair value, future cash flow or net investment value:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to shifts in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from a present or future asset or liability; Wendel and its subsidiaries use cash flow hedges to offset shifts in foreign currency exchange rates, interest rates, oil and commodity prices, and asset acquisitions and divestments;
- hedges of a net investment in a foreign business can be designated as hedging instruments, as long as they meet the corresponding IAS 39 criteria. These hedges help offset fluctuations in value due to conversion into the reporting currency used by the parent company in its consolidated accounts. Financial debt denominated in the operating currency of the hedged investment can be designated as an investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

- the hedging relationship is clearly defined and documented at the outset;
- the effectiveness of the hedging relationship can be demonstrated from the outset and throughout its term.

The use of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value on the balance sheet. Changes in the fair value of the hedged item are recognized on the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent that the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated as, and qualify for, cash flow hedges is recognized directly in shareholders' equity. The gain or losses from the ineffective portion is recognized on the income statement. Amounts accumulated in shareholders' equity are passed through the income statement in the same periods as the corresponding hedged items, or are written back against the acquisition cost of the assets in which the financial risk related to the acquisition price was hedged;
- for net investment hedges, the portion of a gain or loss that is considered effective in a hedge of a net investment in a foreign business, is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement. Cumulative gains and losses in shareholders' equity are recognized on the income statement when the foreign business is sold.

Derivatives are measured using Wendel's mathematical models, as well as by independent appraisers and/or the Group's counterparties.

Exchangeable bonds

The option component of these bonds is separated from the liability component and is carried on the balance sheet at fair value as an independent derivative. Any changes in fair value are recognized on the income statement. The liability component is stated at amortized cost using the effective interest method.

Inventories

Inventories have been stated at cost or net realizable value, whichever is lower. Production cost includes the costs of raw materials, direct labor and any overheads that can reasonably be associated with production.

Consolidated financial statements

Cash and cash equivalents and pledged cash and cash equivalents accounts

Cash is cash at banks.

In accordance with IAS 7 and the March 9, 2006 notification from the *Autorité des marchés financiers*, cash equivalents are short-term, highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of shift in value. They are measured at fair value at the balance sheet date.

The 2007 financial statements included cash and cash equivalents (pledged and available) under “Cash and cash equivalents” in current assets. In 2008, for the December 31, 2008 balance sheet and the December 31, 2007 comparison basis, pledged cash accounts and cash equivalents were presented under non-current financial assets, as they were not immediately available.

Provisions

In accordance with IAS 37 “Provisions, contingent liabilities and contingent assets”, a provision is set aside when the group has an obligation with respect to a third party as a result of a past event, for which it is probable or certain that there will be an outflow of resources, without at least an equivalent inflow from that third party. Provisions for restructuring costs are set aside only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan.

Provisions are discounted on the basis of the estimated duration of the obligation. The impact of this discounting is recalculated at each balance sheet date, and the related adjustment is recognized on the income statement under “Other financial income and expenses”.

Provisions for employee benefits

Defined-contribution plans: contributions are recognized under operating expenses.

Defined-benefit plans: the present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the retrospective method.

The obligation is determined at each balance sheet date taking into account the age of the Company's employees, their length of service and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments.

The funding provision corresponds to the difference between the total obligation as set out above and any assets invested with insurance companies in order to cover these obligations.

Actuarial gains and losses are recognized directly in shareholders' equity as soon as they are booked (IAS 19.93A).

Deferred taxes

In accordance with IAS 12 “Income taxes”, deferred taxes are recognized for timing differences between the carrying amounts of assets and liabilities and their tax base.

Tax-loss carryforwards are recognized as deferred tax assets when it is likely that they can be offset against tax on earnings in the next few fiscal years or when they can be offset by deferred tax liabilities of an equal or higher amount. In application of this principle, no deferred taxes have been recognized with respect to Wendel's tax-loss carryforwards, while the Eufor group's tax loss carryforwards have been recognized up to the amount of deferred tax liabilities.

Regarding equity-method investments, a deferred tax liability is recognized for all timing differences between the carrying amount of the related shares and their tax base, except:

- if the Group is able to control the date of the reversal of the timing difference; and
- it is probable that the timing difference will not reverse itself in the foreseeable future.

Deferred taxes are calculated by the variable carryforward method, based on the tax rates in effect at the balance sheet date, i.e., for French companies 34.43% for income subject to standard assessment.

Treasury shares

All treasury shares held by the Group are stated at their acquisition cost as a deduction from shareholders' equity. Proceeds from any sales of treasury shares are credited directly to shareholders' equity, and any divestment gains or losses therefore have no impact on income for the fiscal year.

Commitment to guarantee the liquidity of Bureau Veritas shares

Wendel has pledged to guarantee the liquidity of Bureau Veritas shares issued or to be issued in connection with employee stock option plans. This pledge pre-dated the acquisition of a controlling stake in Bureau Veritas (in late 2004).

This commitment came to an end with the Bureau Veritas 2007 initial public offering (see “Changes in consolidation scope”).

The provision recognized earlier was cancelled through shareholders’ equity when the commitment came to an end in 2007 (+€41.1 million).

Accounting treatment of managers’ participation in Group investments

The percentage interest taken into account for the consolidation of a newly-acquired subsidiary is equal to the ratio between Wendel’s equity investment and the total equity investment (i.e., Wendel + co-investors + managers).

The manager’s co-investment structures can dilute Wendel’s investment in a given subsidiary (see note on “Participation of managers in Group investments”). This potential dilution varies as a function of time and performance realized. It is not known in advance because it depends on ultimate performance. The impact of the dilution is therefore not taken into account until a gain or loss on divestment. In addition, the consolidated book values of the subsidiaries concerned are not recognized on Wendel’s financial statements at market value and therefore do not reflect this performance.

Assets held for sale and activities being divested

An asset or group of assets is classified as held for sale if its carrying amount will be recovered mainly through a sale transaction rather than through continued use and when its sale is highly probable. Depreciation ceases when an asset has been classified as held for sale, and a provision is set aside if the asset’s residual carrying amount exceeds its likely realizable value.

A business is considered as being divested when it meets the criteria of assets held for sale. Assets and liabilities of these businesses are presented on a separate line in the balance sheet of the current fiscal year, and net income for the year from discontinued operations and operations held for sale is presented on a separate line in the income statement (including fiscal years presented for comparison’s sake). Net income for the year from discontinued operations and operations held for sale includes, where applicable, any divestment gains or losses or any impairment losses recognized for this business.

Revenue recognition

Revenue from sales of good is recognized under net sales when the risks and rewards of ownership are substantially transferred to the buyer.

At the Bureau Veritas group, most contracts are short-term. For these contracts, Bureau Veritas recognizes income when the service has been supplied to the customer. For other contracts, Bureau Veritas uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be reliably determined. The percentage of completion is determined for each contract by reference to the costs incurred at the balance sheet date, compared to the total estimated costs. The increment of this percentage, applied to the total forecast income from the contract, represents the profit margin recognized in the period. In the event of a forecast negative margin, provisions are set aside for the entire contract.

Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. Receivables and payables in foreign currencies are translated into euros at the exchange rate at the balance sheet date. Exchange differences resulting from the translation of transactions in currencies other than euros are recognized on the income statement under “Other financial income and expenses”.

In the event of hedges of a net investment in a foreign business (see above, “Derivatives”), the portion of the gain or loss on a hedging instrument covering a foreign business that is considered to be an effective hedge is recognized directly in shareholders’ equity. The ineffective portion is immediately recognized on the income statement.

Subscription and purchase-type stock option plans

In accordance with IFRS 2 “Share-based payments”, the Group recognizes a personnel expense for employee stock options in an amount corresponding to their fair value at the grant date. The expense is spread out over the options’ vesting period. As stock-option grants have no impact on the Group’s cash position and net assets at the grant date, the contra entry to this expense is recognized in consolidated shareholders’ equity.

Wendel uses the Black & Scholes model and the binomial model to determine the fair value of options granted. In 2007 and 2008, Wendel’s plans were valued by an independent appraiser.

Consolidated financial statements

Balance sheet presentation

An asset is classified as current when it meets any of the four following criteria:

- it is expected to be realized in, or is intended for sale or consumption in the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the balance sheet date;
- it is cash or cash equivalent carrying no restriction on exchange or use in settlement of a liability for at least 12 months after the balance sheet date. When the asset is in a pledged cash or cash equivalent account, the amount is recognized under non-current assets.

A liability is classified as current when it meets any of the four following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the balance sheet date;
- the group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All other assets and liabilities are classified as non-current.

Income statement presentation

"Operating income" includes income and expenses not resulting from financial activities, equity-method investments, discontinued activities, activities held for sale, and income taxes.

"Other operating income and expenses" correspond to the impact of limited, unusual, abnormal or infrequent events. These may include gains or losses on divestments of property, plant and equipment or intangibles, impairment losses on property, plant and equipment or intangibles, restructuring costs, provisions for claims and litigation and the gains and losses from the sale of consolidated investments.

Financial income and expenses include "Finance costs, net" and "Other financial income and expenses". The latter account includes gains and losses on divestments of financial assets, impairment losses on financial assets, dividends paid by non-consolidated companies, changes in the fair value of "financial

assets assessed at fair value through profit or loss", the impact of discounting receivables, liabilities, provisions and foreign exchange differences.

Earnings per share

Earnings per share are calculated:

- by dividing net attributable income by the average number of shares outstanding during the fiscal year;
- by dividing net attributable income by the average number of shares outstanding during the fiscal year, adjusted according to the "treasury stock" method. Dilutive instruments (subscription-type stock options and share warrants) issued by the Group's subsidiaries are also taken into account in calculating net attributable income.

If the income statement presents income from discontinued businesses separately, earnings per share for continuing and discontinued businesses are also presented separately.

C. CHANGES IN CONSOLIDATION SCOPE

Fiscal year 2008

At the level of Wendel

Investment in Saint-Gobain (production, transformation and distribution of construction materials)

At Saint-Gobain's 2008 Shareholders' Meeting, two representatives of the Wendel group were appointed to Saint-Gobain's board of directors, thus reflecting Wendel's significant influence in this investment.

In 2008, Wendel raised its stake in Saint-Gobain from 17.9% as of December 31, 2007 to 21.6% (net of treasury shares) as of December 31, 2008, for an investment of €740 million. Wendel owned 81,541 million Saint-Gobain shares as of December 31, 2008. Income from this period has been consolidated at an average stake of 20.8%, and contributed €201.5 million to "Share of net income from equity-method investments" before impairment. This income included an impact of -€167.8 million related to acquisition price allocation entries (see below), i.e., a €369.3 million share of income before these entries. After acquisition of the shares in 2008, impairment and income from the period, the amount of equity-method investments was €5.4 billion.

The allocation of the 2007 and 2008 acquisition price was done on the basis of public information on Saint-Gobain and other companies having comparable business, and on the basis of sector studies done with the assistance of an independent appraiser. The revaluation of Wendel's share of identifiable assets and liabilities pertains to:

- €66 million in inventories net of deferred tax, recognized on the income statement in the first half of 2008;
- €805 million for the portfolio of brands, net of deferred tax, as their useful life is considered as indefinite;
- €411 million for the client portfolio net of deferred tax; this asset has been depreciated over a range of five to nine years, depending on the divisions;
- €167 million for the technologies portfolio net of deferred tax; this asset has been depreciated over five years;
- the revaluation of the provision for litigation over alleged anti-competitive practices in the flat glass business: €86 million (out of the full figure of €400 million in Saint-Gobain's accounts), following the European Commission's November 2008 ruling. The adjustment of this provision in Saint-Gobain's 2008 income statement had no direct impact on Wendel's earnings, but did result in an upward adjustment in residual goodwill for this same amount. This IFRS-compliant accounting stance had no impact on Wendel's 2008 net income, as the increase in residual goodwill resulted in an increase of the same amount of the impairment loss recognized on the Saint-Gobain shares (see note on "Equity-method investments").

In accordance with IFRS, this allocation was definitive at December 31, 2008. Wendel's share of residual goodwill was €3.2 billion.

Divestment of Editis (publishing and distribution)

On May 30, 2008, Wendel sold Editis. Its enterprise value was €1,026 million, and Wendel's net proceeds on the sale were €500 million. The divestment generated a €256 million profit:

Divestment proceeds net of co-investments*:	€500 million
Editis' value in the accounts: (share capital and shareholders loans)	€221 million
Editis' net income over the period (5 months): (after goodwill allocation; Editis' earnings are seasonal in nature, with most being generated in the second half of the fiscal year)	–€17 million
Divestment costs:	–€6 million
Divestment profit:	€256 million

In accordance with IFRS 5, all items on Editis' income statement for the period from the beginning of the fiscal year until the divestment date are presented under "Net income from discontinued operations", along with the divestment profit. The 2007 income statement was also presented with Editis' income statement items classified under "Net income from discontinued operations" (see note 25).

Treasury shares

The number of shares held for the liquidity contract rose by 42,846 to 132,435 (unit price: €35.53 per share).

No employee stock-options were exercised. As of December 31, 2008, there remained 10,401 shares to cover the stock-option plans, just as there were on December 31, 2007. Wendel therefore owned 0.3% of its share capital.

Changes in consolidation scopes of subsidiaries and shareholdings

Acquisitions of the Bureau Veritas group (certification and quality control)

The Bureau Veritas group made €319 million in acquisitions in 2008. Amdel (the Australian leader in laboratory analyses of minerals) was the year's main acquisition. Almost all companies acquired in 2008 were fully held.

The total amount of goodwill on these acquisitions was €229 million.

Acquisitions contributed €10 million to net income.

* The co-investment systems set up for the Editis investment were unwound upon its sale. See section entitled "Participation of managers in Group investments".

Consolidated financial statements

Acquisitions of the Materis group (specialty chemicals for construction)

The Materis group made €18 million in acquisitions in 2008. In almost all of these transactions Materis acquired 100% of the share capital. The total amount of goodwill on 2008 acquisitions of subsidiaries consolidated in 2008 was €11 million (in addition, €12 million was generated on subsidiaries acquired in 2007 and consolidated in 2008; while +€4 million results from adjustments in acquisition prices).

Acquired subsidiaries did not make a significant contribution to Wendel's net income.

Companies acquired in 2008 that were not consolidated at December 31, 2008, because of a lack of accounting information, have not been included in the previous paragraph. These companies accounted for €3 million of non-current financial assets at end-2008.

Acquisitions of the Deutsch group (high-performance connectors)

The Deutsch group made €54 million in acquisitions, mainly the 60% stake in Ladd (a US distributor of Deutsch products in the US Industry division). A total of €7 million in goodwill was generated.

Acquisitions contributed €17 million to Wendel's net income (including minorities).

Acquisitions of the Saint-Gobain group (production, transformation and distribution of construction materials); an equity-method investment

On March 13, 2008, Saint-Gobain effectively acquired the Maxit group from HeidelbergCement for €2,087 million, including €559 million in assumed debt. Maxit was fully consolidated, effective March 1, 2008, by Saint-Gobain and was folded into its Industrial Mortars business. This investment contributed €1,019 million to consolidated net sales.

In the first half of 2008, Saint-Gobain acquired the Danish materials trading company Dalhoff Larsen & Horneman A/S (DLH) and the Estonian materials trading company Famar Desi. Saint-Gobain also acquired the UK materials distributor Gibbs & Dandy through a public takeover offer that closed on July 1, 2008.

Acquisitions of the Legrand group (electrical equipment); an equity-method investment

Legrand's main acquisitions of 2008 were PW Industries (North American ceiling cable tray systems for offices and industry), Estap (the Turkish leader in Voice-Data-Image cabinets and enclosures), HDL (no. 1 in audio and video entry phones in Brazil) and Electrak (a UK leader in under-floor cable routers for the tertiary sector).

Entities consolidated for the first time in 2008 contributed €136 million to Legrand's net sales. When including the impact of their consolidation, these same entities generated operating income of €5 million in Legrand's accounts.

Fiscal year 2007

At the level of Wendel

Bureau Veritas IPO

In October 2007, Bureau Veritas was listed on the stock market at €37.75 per share. This reduced Wendel's stake from 98% (after cancellation of the impact of the liquidity commitment: see "Summary of significant accounting policies") to 63%.

After IPO expenses (net of tax), the gain on the transaction was €744.4 million, out of total proceeds of €1,208 million (before expenses).

Investment in Saint-Gobain (production, transformation and distribution of construction materials)

As of December 31, 2007, Wendel held 66.8 million Saint-Gobain shares, or 17.9% of its share capital and 17.0% of its voting rights. In accordance with IAS 28, these Saint-Gobain shares were accounted for at their acquisition cost under "Equity-method investments" as of December 31, 2007. Wendel became Saint-Gobain's largest shareholder in the autumn of 2007, and its stake as of the end of 2007 demonstrated the significant influence necessary for applying this recognition method (IAS 28.2 and 28.6), especially as this stake had already allowed Wendel to obtain a seat on the board of directors (IAS 28.7).

No earnings were recognized for the period between the date at which Wendel gained significant influence (10% threshold exceeded in late October 2007 and 15% threshold exceeded in mid-November 2007) and December 31, a period of about two months. There was no significant impact on Wendel's 2007 earnings from not recognizing Saint-Gobain's earnings for this period (after deduction of the negative impact related to the accounting treatment of the cost of acquisition).

Divestment of Neuf Cegetel investment

In September 2007, Wendel sold its entire 2.4% stake in Neuf Cegetel for a total of €148 million. These shares were classified in the "Financial assets available for sale" category. The gain realized was €81.6 million (including €72.1 million as change in value recognized under shareholders' equity in previous fiscal years).

Treasury shares

The changes in 2007 were as follows:

- on May 29, 2007 the Executive Board cancelled 5,257,773 treasury shares;
- the number of shares held under the liquidity contract rose by 58,589, to 89,589 shares (average cost per share: €102.13);
- 16,388 shares were sold for €0.6 million following the exercise of employee stock options; as of December 31, 2007 there were 10,401 shares earmarked to cover stock option plans.

As of December 31, 2007, Wendel held 99,990 shares, or 0.2% of the share capital.

Changes in consolidation scope at the level of subsidiaries and shareholdings

Acquisitions by the Bureau Veritas group (certification and quality control)

Acquisitions by the Bureau Veritas group in 2007 represented an investment of €238 million (including acquisition costs and €28 million paid in previous fiscal years).

The main acquisitions were ECA (Spain), part of whose share capital was already held at the beginning of 2007, when the shares were classified under "Assets available for sale", CCI (Australia) and AQSR (North America). All companies acquired in 2007 were 100% owned at the balance sheet date.

Total goodwill arising from these acquisitions was €161 million.

The contribution from acquired subsidiaries to net income was €2.3 million.

Acquisitions by the Editis group (publishing)

The Editis group acquired De Boeck, Gründ and Paraschool in 2007. In all of these transactions, Editis acquired 100% of the share capital. The total investment for the period was €72 million.

Total goodwill from these acquisitions was €60 million.

The contribution from acquired subsidiaries to net income was not significant.

Acquisitions by the Materis group (specialty chemicals for the construction sector)

The Materis group made €44.3 million in investments. In almost all of these transactions, Materis acquired 100% of the share capital. Total goodwill arising from 2007 acquisitions of subsidiaries consolidated in 2007 was €42 million. In addition, €14 million was recognized on subsidiaries acquired in 2006 and consolidated in 2007.

The contribution from acquired subsidiaries to net income was not significant.

Companies acquired in 2007 that were not consolidated as at December 31, 2007 because of insufficient accounting information have not been included in the preceding paragraph. They were shown as non-current financial assets and totaled €19 million at December 31, 2007.

Sale of the Oranje-Nassau Real Estate division

The Oranje-Nassau Real Estate division, whose assets were classified as "Investment properties", was sold in 2007. A €51.6 million gain was realized on the sale and recognized as "Net income from discontinued operations" under net income for the fiscal year.

Acquisitions of the Legrand group (specialized in electrical equipment); an equity-method investment

The main changes in consolidation scope between 2006 and 2007 were the consolidation of Alpes Technologies, TCL Wuxi, Macse, Kontaktor, UStec and HPM Industries. The total investment (net of cash in the companies acquired) was €265 million.

D. RELATED PARTIES

Wendel's related parties are:

- Legrand, accounted for by the equity method;
- Saint-Gobain, accounted for by the equity method since the stake acquired in late 2007;
- Stahl, accounted for by the equity method since its acquisition at the end of June 2006;
- members of the Supervisory Board and Executive Board;
- SLPS, Wendel's control structure.

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Legrand

Wendel received €56.4 million in dividends from Legrand in 2008.

Saint-Gobain

Wendel received €164.9 million in dividends from Saint-Gobain in 2008. The Saint-Gobain group has commercial relations with some of Wendel's fully-consolidated subsidiaries, mainly Materis. They have been realized at market value and were not affected by the stake that Wendel acquired in Saint-Gobain.

Stahl

The Stahl investment was realized in part through a shareholder loan. It totaled €66.2 million at December 31, 2008 (excluding IFRS accounting restatements and prior to impairment).

Members of the Supervisory Board and Executive Board

Members of the Supervisory Board and Executive Board held 4.9% of Wendel's share capital at December 31, 2008.

€4.8 million in compensation was paid to members of Wendel's Supervisory Board and Executive Board in 2008.

At December 31, 2008, 1,110,190 unexercised stock options had been granted to members of the Supervisory Board and Executive Board. Pursuant to the terms and conditions of the stock-option plan, only 118,000 stock options have potentially vested, provided performance conditions are met. Stock-option expenses – as defined by IFRS 2 – amounted to €1.9 million in 2008.

Finally, certain corporate officers are shareholders in the co-investment companies described in the section below entitled "Participation of managers in Group investments", notably the Eeditis co-investment, which was unwound in 2008 when it was divested.

SLPS

SLPS is owned by approximately 950 individual shareholders, who are members of the Wendel family. It owns about 34% of Wendel's share capital.

Other than dividends received, there are no significant economic or financial relations between Wendel and SLPS.

There is a memorandum of understanding on the use of the "Wendel" name and a brand licensing agreement (and exclusive operating license for the Wendel brand, "WENDEL Investissement"), as well as a convention for administrative assistance by Wendel to SLPS.

E. PARTICIPATION OF MANAGERS IN GROUP INVESTMENTS

1. Participation of subsidiaries' managers in the performance of their companies

Group subsidiaries and shareholdings have set up various mechanisms to allow managers to participate in company performance. For listed subsidiaries and shareholdings (Bureau Veritas, Legrand, Stallergenes, Saint-Gobain), these mechanisms consist in subscription and purchase-type stock option plans (refer to the registration documents of each entity for a description of these plans).

For unlisted subsidiaries the participation policy is based on:

- a co-investment mechanism for executive managers who are invited to invest individually through dedicated companies, in committing significant amounts of their personal funds, along side Wendel;
- a stock option mechanism for other managers.

The investment by top managers does not generate gains until a certain profitability threshold has been reached on Wendel's investment (7%-15%).

These investments present a risk for the executives in as much as the amounts invested may be completely lost if the return on investment is below this threshold. In return for accepting this high level of risk, executives share in any performance beyond the threshold, in variable proportions.

As of December 31, 2008, such arrangements were in place at Materis, Deutsch and Stahl. They are generally unwound when the corresponding investment is fully or partially divested.

2. Participation of Wendel executives in group performance

It was Wendel's wish that its employees be directly and personally involved in its most recent investments, while sharing in the risks and benefits, in accordance with its entrepreneur-investor philosophy.

Hence, after approval by its Supervisory Board and on the advice of its Governance Committee, the Company set down the principles of co-investment by the executive managers as follows:

- a significant investment alongside the Company equal to no more than 0.5% of Wendel's initial investment, it being understood that the co-investors are solely responsible for financing their co-investment;
- co-investors are entitled to 10% of the total capital gain, as long as Wendel has achieved an annual return of 7% (based on initial value and investment dates) and a total capital gain of 40% on its investment (two and a half years after the investment); if one of these thresholds has not been crossed, the amounts invested by the managers are lost;
- rights linked to the co-investment will vest gradually over a period of five years in tranches of 20% per year (20% at the investment date, then 20% upon each anniversary date); nevertheless, should a co-investor leave the Company, Wendel has the option to buy the unvested rights;
- the capital gain will be recognized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

Insofar as this mechanism involves certain corporate officers, and with a view to transparency and good governance, these co-investment principles were approved under the procedure for related-party agreements set down by the Supervisory Board at its meetings of December 2006, April 26, 2007 and July 18, 2007, on the advice of the Governance Committee, and were mentioned in the Statutory Auditors' Special Report on Regulated Agreements and Commitments for the previous fiscal year; they were approved by shareholders on June 4, 2007 and June 9, 2008.

At December 31, 2008, in application of these principles and based on the above-mentioned terms, after approval by the Supervisory Board on the advice of the Governance Committee, top managers and Executive Board members co-invested alongside Wendel in Winvest International (a venture-capital investment firm and Wendel subsidiary carrying investments in Materis, Deutsch, Stahl and AVR) in several tranches for a total of €3.9 million and in Compagnie de Saint-Gobain in several tranches for a total of €7.2 million. There is no equivalent mechanism for investment in Stallergenes, Bureau Veritas and Legrand.

3. Impact on Wendel of these co-investment mechanisms

The programs in place for existing investments could have a dilutive impact of 10%-15% over five years on Wendel's percentage interest in these companies, assuming the business plans envisioned by Wendel at the time of the acquisitions are realized. In the near term, the ongoing economic and financial crisis has made the prospect of dilution less likely.

During the 2008 fiscal year, following the sale of Editis to Planeta, 10% of the proceeds of the sale were applied to unwinding the co-investment and stock-option plans implemented with regard to Editis, almost half of which concerned Editis managers.

F. RISK MANAGEMENT

Managing equity market risk

Group assets are mainly investments in which Wendel is the main or controlling shareholder. These companies enjoy solid fundamentals and potential for profitable growth in the medium and long term. Some are listed (Saint-Gobain, Bureau Veritas, Legrand and Stallergenes) and others are unlisted (Materis, Deutsch, Oranje-Nassau and Stahl). The Group also holds investments as a minority shareholder, but these are not material.

These assets are actively managed through constant monitoring of the performance of each company. Growth in Wendel's net asset value depends on the capacity of its managers to select, purchase, develop and then resell companies able to establish themselves as leaders in their sectors. Operational and financial performances of these companies is monitored and analyzed at meetings held with each company's management at least once a month. These in-depth discussions are supplemented with regular forward-looking analyses. Sharing of information with the subsidiary's management creates genuine sector expertise, making this analysis meaningful. This regular review also makes it possible to anticipate developments in each subsidiary and affiliated company and to make appropriate decisions.

This company-specific approach is supplemented at Wendel's level by an overall analysis of its breakdown of subsidiaries and investments by industrial sector, in an effort to ensure sufficient diversification of the Group's assets, not only among the various economic sectors but also from the point of view of competitive positioning and resiliency to business cycles.

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Nevertheless, there is a risk that the subsidiary's economic results will not meet Wendel's expectations. This risk is significant amidst the current heavy volatility on the financial markets and the global economic crisis, which has generated much uncertainty on economic activity trends.

In addition Wendel may use equity or index derivatives to hedge its asset portfolio. For example, Wendel has hedged almost 40% of its Saint-Gobain investment. This protection frees Wendel from collateral calls on part of the financing for the Saint-Gobain investment (see sections entitled "Managing liquidity risk" and "Derivatives"). Similarly, Wendel has bought protection against financial market declines for a notional amount of €300 million (see section entitled "Derivatives"). Wendel can also use derivatives with a view to organizing the sale of one of its assets, carrying out an acquisition, or obtaining specific economic exposure.

Equity market risk includes:

- derivatives on listed shares and indexes, which are recognized at market value on the balance sheet, with the impact of a shift in their value being recognized as income. As an indication, at year-end, a +/-5% variation of the benchmark price of these financial instruments would have an impact of about +/-€35-40 million on the income statement;
- consolidated and equity-method securities, whose "recoverable values" used for impairment tests are based on market parameters, including, and depending on the case, the discount rate used in calculating "value in use" or the market price used in calculating "fair value" (see notes on "Goodwill" and "Equity-method investments");
- changes in collateral given, which are described in the note on managing liquidity risk related to the financing of the Eufor group.

Managing credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk, and the receivables for which a risk exists are subject to write-down. At year-end, there was no significant concentration of credit risk.

Derivative contracts are entered into with top-rated financial establishments and cash surpluses are invested with top-rated banks.

Interest rate risk management

Details on borrowings contracted by subsidiaries and the interest rates applicable are given in note 12. Details on cash balances are given in note 9, and details of interest-rate hedges are given in note 4.

In 2007, Wendel's interest-rate exposure was minimal, insofar as more than 90% of net borrowings were at fixed or capped rates:

In billions of euros	Fixed rate	Capped rate	Floating rates
Gross notional debt	2.8		8.2
Cash and financial investments			-2.9
Impact of derivatives	4.2	1.7	-4.5
Interest-rate exposure	7.0	1.7	0.8
	73%	18%	9%

In 2008, Wendel's interest-rate exposure was also very limited, insofar as almost all borrowings were at fixed or capped rates:

In billions of euros	Fixed rate	Capped rate	Floating rates
Gross notional debt	3.1		8.8
Cash and financial investments			-2.7
Impact of derivatives	3.6	1.5	-5.1
Interest-rate exposure	6.7	1.5	1.0
	73%	17%	10%

A +/-100 basis-point variation in the interest rates to which the consolidated Group's interest-rate exposure is indexed would have an impact in the range of -€15/+€13 million on net financial expense before tax. At the end of 2007 the potential impact was in the range of -€11/+€15 million (based on year-end exposure and interest rates, impact on the following year given maturities of interest-rate hedges).

Each subsidiary manages its interest-rate exposure by taking into account the restrictions imposed by its financing agreements (notably in the case of LBO-type finance without recourse to Wendel). Nevertheless, the Group's overall position is monitored by Wendel, which may use derivatives to manage the Group's overall interest-rate exposure.

Managing liquidity risk

The maturities of Group borrowings and unused credit lines are described in note 12.

Wendel

Gross debt with recourse to Wendel includes Wendel bonds, whose repayment schedule is given in note 12. These bonds total €2,779 million, including €279 million due in June 2009, with the other maturities spread out between 2011 and 2017. In accordance with Wendel's long-term investment strategy, the average maturity of this debt (except for the 2009 maturity date) is six years.

With the exception of the Eufor group, Wendel and its holding companies held €902 million in cash at the end of 2008. None of it was pledged. The Eufor group (Saint-Gobain's investment vehicle) held €1,409 million in cash, of which €1,400 million has been given in guarantee of financing for the Saint-Gobain investment (see below).

Even in the event of a sharp decline in the financial markets, Wendel's cash on hand would be enough to meet the maturities falling in 2009, as well as additional Eufor financing collateral.

Bonds issued by Wendel

With the exception of the Capgemini exchangeable bond, bond issues have a change-of-control clause that allows bondholders, under certain conditions, to obtain reimbursement or repurchase of their bonds in the event of a change in control of the issuer, in accordance with standard practice in the bond markets. Change of control is understood to be the ownership by one or more persons, acting on their own or jointly, other than existing shareholders of the issuer, excluding free float, of 50% of the issuer's share capital and voting rights, where this change of control would lead to a rating downgrade of the issuer.

These bonds are not subject to financial covenants.

Wendel syndicated credit line (undrawn as of December 31, 2008)

The syndicated credit line contains financial covenants based primarily on the market value of Wendel's assets and on the amount of net debt.

This net debt figure is calculated on the basis of a consolidation of the Group's financial holding companies and does not include the debt of operating companies or the debt facilities of the holding companies set up for the purpose of acquisitions.

Net debt of the Saint-Gobain, Bureau Veritas, Materis, Deutsch, Legrand, Stallergenes, Stahl and Oranje-Nassau groups, as well as the debt related to the acquisition of Saint-Gobain shares, without recourse to Wendel, are deducted from gross revalued assets.

The covenants are as follows:

- the net financial debt of Wendel and its financial holdings must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio between:
 - (i) the unsecured gross debt of Wendel and its financial holding companies, plus their off-balance sheet commitments that are treated as unsecured debt, less available cash (i.e., not pledged or placed in escrow),
 - and
 - (ii) the sum of 75% of the value of the listed assets available (not pledged or in escrow) and 50% of the value of unlisted available assets (not pledged or in escrow)
 shall not exceed 1.

These ratios are tested half-yearly when there are drawdowns of the syndicated credit line. As the credit line had not been drawn upon as of December 31, 2008, the test was not done. The covenants are sensitive to equity market trends, and in the very poor equity market conditions on the date the financial statements were approved it would not have been possible to draw on the syndicated credit line.

As of year-end 2008 and the date the financial statements were approved, Wendel's cash on hand allowed it to forego this short-term credit.

The documentation of the syndicated credit line includes a change-of-control clause similar to that for bond issues.

Financing the Saint-Gobain investment (Eufor group)

As of December 31, 2008, Eufor's gross debt came to €5,452 million, and €1,400 million in cash was pledged to secure this debt. Net debt thus worked out to €4,052 million. €2,011 million of this were subject to collateral calls. The other €2,041 million were not subject to collateral calls.

This financing is without recourse to Wendel, with the exception of a first-demand guarantee of €239 million given by Wendel:

- €3,357 million in gross debt subject to collateral calls in the form of cash and/or listed shares (Bureau Veritas and Legrand). The value of collateral given by Wendel (i.e. financed Saint-Gobain shares, listed shares and cash) must remain within banking covenant limits, based on the amount of debt. In the event of a decline in this value, the bank demands further collateral; in the event of an increase, a portion of the collateral is freed up. As of December 31, 2008, collateral was composed of financed Saint-Gobain shares, €509 million in cash as part of the initial collateral, €837 million as a result of collateral calls, and €1,450 million in listed shares (Bureau Veritas and Legrand at market value) as a result of collateral calls.

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So, all other things being equal, the theoretical economic exposure to Saint-Gobain's share price in the event that its price falls to zero, is €561 million as at December 31, 2008; this corresponds to the amount of gross debt subject to collateral calls, less collateral granted (cash and listed shares at market value), with the value of pledged Saint-Gobain shares considered to be nil.

Unpledged cash of Wendel and Eufor (€911 million) and unpledged listed shares (€1,816 million, including unpledged Bureau Veritas, Legrand and Stallergenes shares) provide some leeway in coping with sharp declines in the financial markets;

- €2,095 million in gross debt for which financed shares and protection against declines in Saint-Gobain's share price (see note 4 discussion of financial instruments) have been pledged. As the value of this protection and financed shares, taken together, is always above the gross debt, regardless of share price trends, this financing is not subject to collateral calls, with the exception of initial collateral of €54 million put up in the form of cash.

Bureau Veritas syndicated credit line

Bureau Veritas' bank borrowings come with the following required ratios:

- an interest-cover ratio of above 5.5. This ratio corresponds to last-twelve-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA) divided by net interest expenses, and is calculated on a rolling 12-month basis;
- the ratio between consolidated net debt of Bureau Veritas and the LTM EBITDA must be below 3. The USPP contract provides for a ratio below 3.25.

These ratios are tested every six months. At December 31, 2008, Bureau Veritas was in compliance with the covenants.

The credit agreements entered into by Bureau Veritas contain standard restrictions for this type of corporate credit line. For example, certain transactions, such as mergers, asset divestments, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require prior approval from the lending banks.

This debt is without recourse to Wendel.

Materis bank debt

Materis bank borrowings come with the following ratio requirements:

- the ratio between Materis' consolidated net debt (excluding shareholders loans) and the LTM EBITDA must be below 6.80 as of December 31, 2008 (this ceiling falls to 3.5 at December 31, 2016);
- debt-service coverage ratio of more than 1, corresponding to cash flow after Capex and dividends divided by total debt service, i.e. interest payable plus repayment of principal. This ratio is calculated on a rolling 12-month basis;
- interest cover of more than 2.05 at December 31, 2008. This ratio, which corresponds to LTM EBITDA divided by net interest expense, is calculated on a rolling 12-month basis. The minimum rises to 3.2 at December 31, 2015;
- Capex must not exceed €93.3 million for 2008 (this amount is set at 4.5% of net sales – adjusted for any postponed Capex, until 2016).

These ratios are tested every quarter. At December 31, 2008 Materis was in compliance with all covenants. In light of the difficult economic environment and the uncertainty on business trends, Materis has opened talks with the banking syndicate, in order to obtain greater flexibility on the covenants.

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

This debt is without recourse to Wendel.

Deutsch bank debt

Deutsch's bank debt comes with the following ratio requirements:

- the ratio between Deutsch's consolidated net debt (excluding shareholders loans) and the LTM EBITDA must be below 6.50 as of December 31, 2008 (this ceiling falls to 3.5 at June 30, 2013);
- debt-service coverage ratio of more than 1, corresponding to cash flow after Capex and dividends divided by total debt service, i.e. interest payable plus repayment of principal. This ratio is calculated on a rolling twelve-month basis;

- interest cover of more than 1.80 at December 31, 2008. This ratio, which corresponds to LTM EBITDA divided by net interest expense, is calculated on a rolling 12-month basis. The minimum rises to 3 at September 30, 2013;
- Capex must not exceed US\$41.5 million for 2008.

These ratios are tested every quarter. At December 31, 2008 Deutsch was in compliance with all covenants. In light of the difficult economic environment and the uncertainty on business trends, Deutsch has undertaken reviews to determine, first and foremost, how to comply with these covenants amidst the worsening economic picture and secondly, to prepare for the consequences that could result from a sudden increase in the risk of non-compliance with one of these covenants. The credit agreements entered into by Deutsch contain standard restrictions for this type of LBO credit line. Certain transactions, such as mergers, exit from Wendel's tax consolidation group, asset divestments, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require prior approval from the lending banks.

This debt is without recourse to Wendel.

Managing currency risk

Companies controlled by Wendel operate in a number of countries and, as a result, derive a share of their earnings in currencies other than the euro. Most of the Group's foreign exchange risk is concentrated within the oil and gas operations of Oranje-Nassau, at Bureau Veritas, at Deutsch and, to a lesser extent, at Materis.

Oranje-Nassau

Oranje-Nassau derives a large proportion of its oil and gas income in US dollars. Around 80% of its oil and gas sales are made in US dollars, or about €300 million in 2008. Operating costs denominated in US dollars are considered immaterial. Hence, a +/-5% fluctuation in the EUR/USD exchange rate would have an impact of about +/-€15 million on operating income. The impact of a +/-5% fluctuation in the value of the US dollar on USD-denominated financial instruments would be immaterial to income before taxes (i.e. about +/-€1 million in 2008 and less than +/-€3 million in 2007) and to shareholders' equity (about +/-€2 million in 2008 and +/-€1 million in 2007).

Bureau Veritas

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

In 2008, almost half of its sales were realized in currencies other than the euro, including 16% in US dollars, 5% in pounds sterling, 6% in Hong Kong dollars and 6% in Australian dollars. No other currency individually accounts for more than 3% of Bureau Veritas's net sales. This change is a result of the strong growth of Bureau Veritas's businesses outside the euro zone and notably in US dollars or dollar-zone currencies. However, as a general rule, natural hedges are in place, as services are supplied locally and costs are therefore proportional to income in most countries where Bureau Veritas operates. As a result, Bureau Veritas has limited exposure to currency risk from transactions in various currencies.

Hence, a +/-5% fluctuation in the EUR/USD exchange rate would have had a +/-0.9% impact on Bureau Veritas' 2008 operating income, and a +/-5% fluctuation in the Hong Kong dollar vs the euro would have had a +/-0.5% impact, hence an overall impact of +/-€5 million on operating income.

In addition, Bureau Veritas's multi-currency financing enables it to borrow in local currencies. If it deems it necessary, Bureau Veritas can therefore hedge certain commitments by pegging its financing costs to operating revenues in the currencies concerned.

The USPP loan (see note 12 on "Financial debt") was set up in July 2008 in currencies that are different from the operating currency of the entity that took out the loan, i.e. the US dollar and pound sterling. In order to protect against currency risk on the income statement and to convert the debt synthetically into euros, the USPP loan has been hedged through a cross-currency swap (see note on "Derivatives").

Finally, the impact on income before tax of a +/-5% fluctuation in the EUR/USD exchange rate in USD-denominated financial assets and liabilities held by entities having a non-USD operating currency is less than +/-€2 million.

Deutsch

The Deutsch group is mainly based in the United States, with around 60% of its business denominated in US dollars, which is its operating currency. A +/-5% fluctuation in the EUR/USD exchange rate would have an impact of less than +/-€1 million on 2008 income from ordinary activities, as expressed in US dollars (excluding entries related to the allocation of goodwill and expenses incurred in setting up the Group's new organizational structure), and an impact of almost +/-€3.5 million on the same income item in Wendel's euro-denominated accounts. The breakdown in Deutsch's financial debt currencies is similar to the breakdown in its operating currencies.

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Meanwhile, Deutsch has a financial debt of about €100 million denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a $\pm 5\%$ fluctuation in the EUR/USD exchange rate, a translation impact of about $\pm \text{€}5$ million would be recognized in net financial income.

Materis

The US dollar's impact on Materis' operating income is limited to the Materis group's presence in the United States and to certain raw-material purchases. In 2008, a $\pm 5\%$ fluctuation in the USD exchange rate would have had an immaterial impact on income from ordinary activities.

Managing oil price risk: Oranje-Nassau energy division

Oranje-Nassau uses derivatives to hedge the risk to its Energy division sales incurred by shifts in oil prices. Amounts hedged are not allowed to exceed the volume of expected sales. These derivatives are designated for accounting purposes as hedging instruments. Any change in value is therefore accounted for in shareholders' equity. A rise/fall in oil prices would lead to a reduction/increase of the value of these instruments and would therefore have a negative/positive impact on shareholders' equity.

G. Notes to the consolidated balance sheet

Note 1. Goodwill

In millions of euros	12.31.2008	12.31.2007
Goodwill, gross		
Bureau Veritas	574.3	574.3
Deutsch	366.0	359.6
Editis	–	639.1
Materis	899.5	899.5
Oranje-Nassau Groep	41.5	41.5
Stallergenes	0.9	0.9
Subsidiaries of Bureau Veritas	784.9	583.5
Subsidiaries of Deutsch	7.5	–
Subsidiaries of Materis	127.4	99.4
Subsidiaries of Stallergenes	28.2	28.2
Total	2,830.3	3,226.1

In millions of euros	12.31.2008	12.31.2007
Impairment		
Deutsch	47.9	–
Materis	159.5	–
Subsidiaries of Bureau Veritas	15.2	14.1
Subsidiaries of Editis	–	0.7
Total	222.6	14.8

In millions of euros	12.31.2008	12.31.2007
Goodwill, net		
Bureau Veritas	574.3	574.3
Deutsch	318.0	359.6
Editis	–	638.4
Materis	740.0	899.5
Oranje-Nassau Groep	41.5	41.5
Stallergenes	0.9	0.9
Subsidiaries of Bureau Veritas	769.7	569.4
Subsidiaries of Deutsch	7.5	–
Subsidiaries of Materis	127.4	99.4
Subsidiaries of Stallergenes	28.2	28.2
Total	2,607.6	3,211.3

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Change in net value of goodwill

In millions of euros	2008	2007
Net at beginning of year	3,211.3	3,356.5
Business combinations ⁽¹⁾	263.5	277.1
Bureau Veritas IPO	–	–321.6
Sale of Editis	–638.4	–
Impacts of changes in currency translation adjustments and other	–22.6	–100.4
Impairment for the year ⁽²⁾	–206.1	–0.3
Net at end of year	2,607.6	3,211.3

(1) Business combinations in 2008 mainly involved acquisitions by Bureau Veritas (€229.5 million) and Materis (€26.9 million). In 2007, they involved acquisitions by Bureau Veritas (€161.0 million), Editis (€59.7 million) and Materis (€56.4 million).

(2) Impairment losses were recognized at Materis (–€159.5 million) and Deutsch (–€45.6 million).

Goodwill impairment tests

The tests set out below are based on the assessment of Wendel and its subsidiaries of the facts and circumstances existing at the balance sheet closing date, as well as information available at the date the financial statements were approved on situations existing on the balance sheet date. Forecasts have been made difficult by the uncertain global economic picture, and the actual amounts could ultimately be different from the projections that resulted from these tests. If so, value in use may also be different from that determined on the basis of assumptions and estimates at the close of the 2008 fiscal year.

Impairment test on Materis goodwill

Amidst a slowdown in construction markets, Materis undertook an impairment test on its Cash Generating Units. In accordance with IAS 36, value in use (i.e., the present value of future cash flows) was determined for each CGU and compared with their book values. Materis drew up its business plans on the basis of the latest information available for each market underlying these CGUs. A 2.25% long-term growth rate was assumed for post-business plan cash flows. The discount rate used was between 7% and 9%, depending on the business, and was based on market parameters (i.e., risk-free rate, market premium and beta) prevailing during the test. A total of €160 million in impairment losses were recognized by Materis on the basis of this test. This loss was maintained in Wendel's accounts.

As Materis constitutes a CGU in Wendel's accounts, an IAS 36 test was also done on Materis at the level of Wendel's consolidated accounts. Value in use as determined by Wendel for this test is a present value of future cash flows. The business plan assumptions were the same as those used by Materis for each of its CGUs. A 7.9% discount rate was used, and a 2.25% long-term growth rate was applied to post-business plan cash

flows. Materis' value in use, calculated thus by Wendel, was above its book value at December 31, 2008, and Wendel recognized no impairment in addition to that recognized by Materis. In addition, Wendel's analysis of the test's sensitivity to the discount rate and to long-term growth assumptions showed there would be no impairment in the event either of these parameters were to fluctuate up or down by 0.5%.

Impairment test on Deutsch goodwill

Amidst a slowdown in the overall economy, Deutsch undertook an impairment test on its Cash Generating Units. In accordance with IAS 36, value in use (i.e., the present value of future cash flows) was determined for each CGU and compared with their book values. Deutsch drew up its business plan on the basis of the latest information available for each of the markets underlying these CGUs. A 2.5% long-term growth rate was assumed for post-business plan cash flows. The discount rate used was between 8.5% and 20.5%, depending on the business, and was based on market parameters (i.e., risk-free rate, market premium and beta) prevailing during the test. A total of €48 million in impairment losses were recognized by Materis on the basis of this test. This loss was maintained in Wendel's accounts.

As Deutsch constitutes a CGU in Wendel's accounts, an IAS 36 test was also done on Deutsch at the level of Wendel's consolidated accounts. Value in use determined by Wendel for this test is a present value of future cash flows. The business plan assumptions were the same as those used by Deutsch for each of its CGUs. An 8.6% discount rate was used, and a 2.5% long-term growth rate was applied to post-business plan cash flows. Deutsch's value in use, calculated thus by Wendel, was above its book value at December 31, 2008, and Wendel recognized no impairment in addition to that recognized by Deutsch.

In addition, Wendel's analysis of the test's sensitivity to the discount rate and to long-term growth assumptions showed there would be no impairment in the event that these parameters fluctuated by, respectively, +0.5% and -0.5%.

Impairment test on Bureau Veritas goodwill

Amidst the ongoing financial crisis and economic slowdown, an impairment test was performed. In accordance with IAS 36, recoverable value was determined on the basis of the higher of fair value (as defined by paragraph 6 of this standard), which is the closing share price (€28.7 per share), or value in use (as defined by paragraph 6 of this standard), which is the present value of future cash flows.

The end-2008 book value of Bureau Veritas shares was €13.2 per share, far below the fair value and value in use determined by Wendel. No impairment was therefore recognized.

Impairment test on Stallergenes goodwill

Amidst the ongoing financial crisis and economic slowdown, an impairment test was performed. In accordance with IAS 36, recoverable value was determined on the basis of the higher of fair value (as defined by paragraph 6 of this standard), which is the closing share price (€38.1 per share), or value in use (as defined by paragraph 6 of this standard), which is the present value of future cash flows.

The book value of the Stallergenes shares in the end-2008 accounts was €6.5 per share, far below the fair value and value in use determined by Wendel. No impairment was therefore recognized.

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Note 2. Intangible assets

In millions of euros	12.31.2007		
	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated			
• Editorial design costs	70.4	58.7	11.8
• Other intangible assets	4.6	3.5	1.1
	75.0	62.2	12.9
Acquired			
• Concessions, patents and licenses	30.6	7.7	22.9
• Customer relationships ⁽¹⁾	955.7	302.9	652.8
• Software	107.6	77.3	30.2
• Other intangible assets	26.2	21.3	4.9
	1,120.1	409.3	710.9
Assets of indefinite useful lives			
Acquired			
• Brands ⁽²⁾	814.9	9.3	805.6
• Other intangible assets of acquired businesses	1.2	–	1.2
	816.0	9.3	806.7
Total	2,011.2	480.7	1,530.5

In millions of euros	12.31.2008		
	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated			
Editorial design costs	–	–	–
Other intangible assets	6.1	4.3	1.8
	6.1	4.3	1.8
Acquired			
Concessions, patents and licenses	51.7	10.4	41.3
Customer relationships ⁽¹⁾	1,011.3	387.9	623.4
Software	79.1	56.2	22.9
Other intangible assets	29.7	11.7	18.0
	1,171.9	466.2	705.6
Assets of indefinite useful lives			
Acquired			
Brands ⁽²⁾	811.3	10.2	801.2
Other intangible assets of acquired businesses	1.0	–	1.0
	812.4	10.2	802.2
Total	1,990.3	480.7	1,509.7

Analysis of movements in intangible assets

In millions of euros	2008	2007
Amount at beginning of year	1,530.5	1,560.3
Acquisitions	14.4	11.9
Internally generated assets	–	14.1
Sale of Editis	–45.1	–0.8
Impact of business combinations ⁽³⁾	136.8	97.9
Impact of currency translation adjustments and other	–7.9	–17.7
Amortization and impairment for the year	–119.0	–135.3
Amount at end of year	1,509.7	1,530.5
Of which:		
Wendel and holding companies	–	–
Bureau Veritas	500.7	514.2
Deutsch	218.3	174.2
Editis	–	45.1
Materis	782.6	794.4
Stallergenes	8.1	2.6
Total	1,509.7	1,530.5

(1) Customer relationships were mainly recognized upon the acquisitions of Materis (€236.0 million) and Deutsch (€153.7 million) in 2006, and the takeover of Bureau Veritas (€436.0 million) in 2004. Acquisitions in 2008 were made mainly by Deutsch, amounting to €50.4 million.

(2) The net worth of brands at December 31, 2008 included, in net values, Bureau Veritas (€197.5 million), Materis (€571.8 million) and Deutsch (€31.9 million).

(3) The results of business combinations in 2008 included the impact of acquisitions by Bureau Veritas (€76.8 million) and Deutsch (€53.4 million). In 2007, they included the impact of acquisitions by Bureau Veritas (€67.3 million), Editis (€17.5 million) and Materis (€13.1 million).

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Note 3. Property, plant and equipment

In millions of euros	12.31.2007		
	Gross amount	Amortization and provisions	Net amount
Land	84.8	5.0	79.8
Buildings	365.5	179.2	186.3
Plant, equipment and tooling	720.4	431.3	289.1
Oil & gas assets	762.4	597.1	165.3
Other property, plant and equipment	491.1	290.4	200.7
Assets under construction	63.8	–	63.8
Total	2,488.1	1,503.0	985.1

In millions of euros	12.31.2008		
	Gross amount	Amortization and provisions	Net amount
Land	76.8	4.3	72.5
Buildings	287.3	135.4	152.0
Plant, equipment and tooling	852.8	495.8	357.0
Oil & gas assets	778.7	565.6	213.2
Other property, plant and equipment	481.9	282.8	199.0
Assets under construction	68.0	–	68.0
Total	2,545.5	1,483.9	1,061.6

Change in net value of property, plant and equipment

In millions of euros	2008	2007
Amount at beginning of year	985.1	1,103.6
Acquisitions ⁽¹⁾	342.0	183.2
Disposals	–20.6	–123.1
Changes related to operations held for sale or sold	–1.2	–15.8
Impact of business combinations	–0.2	39.5
Impact of currency translation adjustments	–43.0	–36.3
Depreciation, amortization and provisions recognized during the year	–200.4	–165.9
Amount at end of year	1,061.6	985.1
Of which:		
Bureau Veritas	193.4	134.0
Deutsch	114.1	123.4
Editis	–	34.4
Materis	480.0	479.4
Oranje-Nassau Groep	214.3	165.7
Stallergenes	51.7	40.4
Wendel and holding companies	8.1	7.7
Total	1,061.6	985.1

(1) In 2008: mainly at Oranje-Nassau Groep (€148.5 million), Bureau Veritas (€83.3 million) and Materis (€73.7 million).

Note 4. Financial assets and liabilities

Financial assets

In millions of euros	Accounting method under IFRS 7	12.31.2008	12.31.2007
Cash and cash equivalents – A	Income statement ⁽¹⁾	1,328.5	2,116.9
Pledged cash and cash equivalents – A	Income statement ⁽¹⁾	1,399.6	729.7
Assets available for sale – B	Shareholders' equity ⁽²⁾	24.2	43.5
Financial assets at fair value through profit or loss	Income statement ⁽¹⁾	27.2	44.2
Loans – C	Amortized cost	41.4	87.4
Deposits and guarantees	Amortized cost	19.6	22.7
Derivatives – D	Income statement ⁽¹⁾ /Shareholders' equity ⁽²⁾	867.4	464.4
Other	Income statement ⁽¹⁾	31.8	30.2
Total		3,739.6	3,539.0
<i>Of which non-current financial assets</i>		<i>2,294.9</i>	<i>1,349.7</i>
<i>Of which current financial assets</i>		<i>1,444.7</i>	<i>2,189.3</i>

Financial liabilities

In millions of euros	Accounting method under IFRS 7	12.31.2008	12.31.2007
Derivatives – D	Income statement ⁽¹⁾ /Shareholders' equity ⁽²⁾	178.0	491.7
Other	Income statement ⁽¹⁾	34.4	53.6
Total		212.4	545.3
<i>Of which non-current financial liabilities</i>		<i>150.3</i>	<i>116.4</i>
<i>Of which current financial liabilities</i>		<i>62.1</i>	<i>428.9</i>

(1) Change in fair value recognized on the income statement.

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

A. See note 9 "Cash and cash equivalents and pledged cash and cash equivalents accounts". In 2007, both pledged and unpledged cash and cash equivalents were included under "Cash and cash equivalents" in the "Current assets" section of the balance sheet. In 2008, pledged cash and cash equivalents were presented under "Non-current financial assets", as they were not immediately available, both for 2008 and for the 2007 comparative statements.

B. Including, at December 31, 2008 the investment funds held by Oranje-Nassau Groep (€11.1 million).

C. Loans:

In millions of euros	12.31.2008	12.31.2007
AVR shareholder loan	39.4	39.4
Stahl shareholder loan ⁽¹⁾	–	56.1
Adjustment to Stahl	–	– 12.4
Other loans	2.0	4.3
Total	41.4	87.4
<i>Of which non-current portion</i>	<i>41.4</i>	<i>87.4</i>
<i>Of which current portion</i>	<i>–</i>	<i>–</i>

(1) Stahl shareholder loan fully written off at December 31, 2008 (see note on Equity-method investments).

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D. Derivatives:

In millions of euros	12.31.2008		12.31.2007	
	Assets	Liabilities	Assets	Liabilities
Ownership interest acquired in Saint-Gobain ⁽¹⁾	760.4	–	348.8	359.2
Derivatives on securities – not qualifying for hedge accounting ⁽²⁾	27.2	2.0	68.1	68.1
Commodity derivatives – hedging of cash flows ⁽³⁾	44.7	15.9	1.0	52.9
Commodity derivatives – not qualifying for hedge accounting	–	–	0.1	–
Interest rate swaps – hedging of cash flows ⁽⁴⁾	30.2	129.1	6.3	1.5
Interest rate swaps – not qualifying for hedge accounting ⁽⁴⁾	4.8	30.9	29.0	9.7
Forward sales – hedging of cash flows	–	–	–	0.4
Forward sales of US dollars against euros	–	–	11.0	–
Total	867.4	178.0	464.4	491.7
Of which:				
• non-current portion	782.7	147.5	448.1	112.4
• current portion	84.7	30.6	16.4	379.4

The change in fair value of derivatives that do not qualify as hedge derivatives has been recognized on the income statement. The change in fair value of derivatives that, for accounting purposes, **qualify** as cash flow hedges has been recognized under shareholders' equity (see "Accounting principles").

(1) At December 31, 2008, protection against a decline in Saint-Gobain's share price with maturities at end-2010-2012 (not qualifying as hedges under accounting standards, as the underlying assets are equity-method investments). This protection has been pledged against the portion of the financing for the Saint-Gobain shares that is subject to collateral calls and covers almost 40% of the investment. The book value of this protection corresponds to the value at which the counterparty would have agreed to unwind them. It reflects the market parameters prevailing at the balance sheet date, including share price, volatility, liquidity of underlyings and transaction size. This value is €127 million below the value that would be produced by a mathematical model that ignores market parameters related to the size of the transaction. For the 2008 fiscal year, the impact on net income of the change in value of this protection is +€418 million. A +/-5% shift in Saint-Gobain's share price would have led to a change in the fair value of the protection of about +/-€35 million on the income statement.

As of December 31, 2007, the assets corresponded to the above-mentioned protection, and the liabilities to –€193.5 million in financial instruments, which, for accounting purposes (IAS 39), were considered to be a cash flow hedge on the economic risk incurred by the Saint-Gobain shares. The rest of this item was composed of financial instruments that did not qualify as hedges under accounting standards.

IFRS prohibits valuing protection on the same basis as the underlying investments, which are accounted for by the equity method. The protection is valued, in accordance with IAS 39, on the basis of market parameters prevailing at the balance sheet date, whereas the underlying shares are valued, in accordance with IAS 28, by the equity method and are subject to impairment tests based on a discounted free cash flow valuation (IAS 36). Hence, applying these accounting standards can generate a distortion in measurements, which affects the income statement.

(2) At December 31, 2008, this item corresponded to:

- protection against declines in financial markets, indexed to the Eurostoxx 50;
- purchase of puts with a €300 million notional value, a strike price of 2000 points, and a November 2009 maturity;
- purchase of a put spread with a €200 million notional value, strike prices at 2435 points and 1948 points, and a June 2009 maturity;
- sale of a put spread with a €200 million notional value, strike prices of 1948 and 1461 points, and a June 2009 maturity.

The market value of this Eurostoxx 50 protection was €25 million at December 31, 2008. A +/-5% variation in the index would have generated a variation in the marked-to-market value of the protection of about +/-€4 million on the income statement.

- 7,000,000 Capgemini options embedded in bonds exchangeable into Capgemini shares on the liabilities side (strike price of €39.86 and expiration date of June 2009), and, on the assets side, 6,939,658 Capgemini options purchased to hedge the options embedded in the exchangeable bonds (with the same characteristics).

(3) This item corresponds mainly to the Energy division of Oranje-Nassau Groep, which has set up various hedges on its future oil output. These contracts cover 3,140,000 barrels for 2009 and 3,040,000 barrels for 2010 and 2011.

(4) Interest rate swaps

Nominal amount (Sign convention: (+) asset, (-) liability)	Qualified as	Start	Maturity	12.31.2008	12.31.2007
Hedging of bonds carried by Wendel					
€100M Pay 3.98% against 4.21%		pre-closing	05.2016	1.6	1.6
€100M Pay Euribor (3.42% floor and 4.02%) cap 4.06%		pre-closing	02.2011	0.1	-0.2
€400M Pay 7-year CMS (3.43% floor and 3.85%) cap 3.89%		pre-closing	02.2011	1.2	-0.7
€95.7M Pay 3.20% against 3.89%		pre-closing	02.2011	1.3	2.0
€300M Pay 12-mo. Euribor +0.93% betw. 1.70% and 2.60%, 3.40% if < 1.70% and 3.53% if > 2.60% against 3.49%		pre-closing	08.2017	-0.3	-2.0
				3.9	0.7
Hedging of Eufor's bank debt					
€2,800M Pay 4.19% against Euribor	Hedge	pre-closing	10.2011	-105.2	
				-105.2	19.1
Hedging of subsidiaries' debt					
€50M Pay 3.56% against Euribor		01.2009	01.2010	-0.7	
€100M Pay 3.84% against Euribor		pre-closing	06.2013	-5.7	
€150M Pay 4.09% against Euribor	Hedge	pre-closing	12.2010	-4.4	
US\$30M Pay 2.81% against Libor		pre-closing	09.2009	-	
US\$90M Pay 3.43% against Libor	Hedge	pre-closing	01.2010	-1.5	
US\$50M 2.95%–4.43% interest rate collar on 5-year CMS against Libor	Hedge	pre-closing	12.2009	-0.6	
€50M 4.49%–4.98% interest rate collar on Euribor	Hedge	pre-closing	06.2012	-2.9	
€100M 4.05% cap on Euribor		pre-closing	01.2009	0.2	
€50M 3.20% floor on Euribor		01.2009	01.2010	0.5	
€170M Pay 4% against Euribor	Hedge	pre-closing	12.2009	-3.4	
€250M Pay 3.25% against Euribor	Hedge	04.2009	04.2010	-3.0	
€50M Pay 3.49% against Euribor	Hedge	pre-closing	07.2009	-0.4	
€580M Pay 3.99% against Euribor	Hedge	pre-closing	03.2009	-0.6	
€350M Pay 3.55% against Euribor	Hedge	06.2009	09.2010	-5.6	
€200M Pay 3.94% against Euribor	Hedge	pre-closing	10.2010	-3.7	
US\$55M Pay 3.49% against Libor	Hedge	pre-closing	01.2010	-0.6	
€100M 2.65%–3.80% interest rate collar on Euribor		pre-closing	07.2009	-0.1	
€100M 3.42%–4.09% interest rate collar on Euribor		04.2009	01.2011	-1.6	
€100M 3.27%–4.04% interest rate collar on Euribor		pre-closing	01.2011	-1.7	
€300M 3.32%–3.96% interest rate collar with 3.07% Knock-In on Euribor		03.2009	01.2011	-4.7	
€325M 3.99% cap on Euribor		pre-closing	04.2009	0.2	
€80M 3.70% FRA on Euribor	Hedge	04.2009	10.2009	-0.6	
€200M 3.01% FRA on Euribor	Hedge	01.2009	04.2009	-0.2	
US\$50M 5.1%–5.75% interest rate collar on Libor		pre-closing	07.2009	-0.7	
US\$390M Pay 5.46% against Libor		pre-closing	03.2010	-13.1	
€50M Pay 3.69% against Euribor		pre-closing	06.2009	-0.3	
€9M 3.15%–3.49% interest rate collar on Euribor		pre-closing	12.2009	-0.1	
€4.9M 4.50% cap on Euribor		pre-closing	01.2013	-	
Other financial derivatives				-5.4	
				-60.5	4.3
Cross currency swaps ^(a)	Hedge			36.7	
Total				-125.1	24.1

(a) Bureau Veritas: USPP debt denominated in US dollars and pounds sterling was hedged in order to convert the debt into euros. The notional value of the derivatives under this hedge was £23 million maturing in July 2018, £40 million maturing in July 2020, US\$155 million maturing in July 2018, and US\$111 million maturing in July 2020. The market value of these derivatives was €36.7 million at December 31, 2008.

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Note 5. Equity-method investments

In millions of euros	12.31.2008	12.31.2007
Saint-Gobain ⁽¹⁾	5,353.9	4,804.7
Legrand	521.3	498.5
Stahl	–	29.0
Investments of Bureau Veritas	2.8	2.2
Investments of Editis	–	0.1
Investments of Materis	3.3	3.0
Lumina Parent	–	0.1
Total	5,881.3	5,337.5

(1) See note on “Changes in consolidation scope” as relates to the Saint-Gobain investment.

Changes in equity-method investments were as follows

In millions of euros	2008	2007
Amount at beginning of year	5,337.5	525.9
Acquisition of Saint-Gobain shares	740.2	4,804.7
Share in net income for the year		
Saint-Gobain	201.5	–
Legrand	110.1	130.5
Stahl	–14.1	–2.3
Other	0.4	0.3
Dividends for the year	–221.5	–41.4
Impact of changes in currency translation adjustments	–273.1	–14.8
Changes due to operations sold	–	–
Impact of hedges	294.3	–
Impairment of assets ⁽¹⁾	–253.3	–
Other	–40.7	–65.6
Amount at December 31, 2008	5,881.3	5,337.5

(1) Impairment test.

As at December 31, 2008, asset impairment losses involved investments in Saint-Gobain (–€239.7 million) and Stahl (–€13.6 million).

The tests set out below were based on the assessment of Wendel and its subsidiaries of the facts and circumstances existing at the balance sheet closing date, as well as information available at the date the financial statements were approved on situations existing on the balance sheet date. Forecasts have been made difficult by the uncertain global economic picture, and the actual amounts could ultimately be different from the projections that resulted

from these tests. If so, the investment's value in use may also be different from the value determined on the basis of assumptions and estimates at the close of the 2008 fiscal year.

Impairment test on equity-method investments: Saint-Gobain

As a long-term investor, Wendel considers that the decline in Saint-Gobain's share price does not reflect the intrinsic value of its investment. Nevertheless, against a backdrop of financial crisis and slowdown in construction markets, an impairment test was performed (IAS 28.33). In accordance with IAS 36, recoverable value was determined by adopting the higher of “fair value” (as

defined by paragraph 6 of this standard), which is the closing share price (€33.6 per share, or €2.7 billion for Wendel's shares) or "value in use" (as defined by paragraph 6 of this standard), which is the present value of future cash flows.

This discounted cash flow valuation was performed by Wendel. The five-year business plan assumptions used in calculating value in use were prepared by Wendel on the basis of publicly available information (sector research notes, in particular), Wendel's internal analysis and studies conducted by Wendel and its consultants. The assumptions that underlie the business plan (trends in underlying markets, pricing strategies, etc.) reflect Saint-Gobain's operational position brought on by the slowdown in construction markets and the downturn in the economic environment. In accordance with IAS 36, these assumptions do not anticipate a strategic acquisition. Lastly, the assumptions used in calculating post-business plan cash flows (i.e. growth in sales and normative profitability) are based on an analysis of the historical performances of Saint-Gobain's activities over more than twenty years.

A 2% long-term growth rate has been applied to post-business plan cash flows. An 8% discount rate has been used, based on prevailing market parameters (risk-free rate, market premium and beta) during the test.

The value in use of Saint-Gobain shares thus determined was €65.7 per share, or €5.35 billion for the shares held by Wendel. This is below book value before impairment, which was €68.6 per share in Wendel's accounts at December 31, 2008, or €5.59 billion for the shares held by Wendel. The book value corresponds to the costs incurred to acquire Saint-Gobain shares after the impact of Wendel's share in Saint-Gobain's earnings (adjusted for amortization of items identified in the allocation of the acquisition price), the payment of dividends, Wendel's share of currency exchange differences and actuarial differences recognized by Saint-Gobain since the acquisition. As a result, an impairment loss of €240 million was recognized, on the basis of value in use, on the 81.541 million Saint-Gobain shares held by the Group as of December 31, 2008.

A sensitivity analysis shows that, if the discount rate were raised by +0.5%, an additional loss of €651 million would be recognized, and that if it were lowered by -0.5% the impairment loss of €240 million indicated in the previous paragraph would not be recognized. Similarly, if the long-term growth rate were lowered by -0.5%, an additional loss of €476 million would be recognized, and if it were raised by +0.5%, the impairment loss of €240 million indicated in the previous paragraph would not be recognized. Finally, the model as a whole is sensitive to the assumptions of the five-year business plan (2009-2013).

Impairment test on equity-method investments: Legrand

Against a backdrop of financial crisis and slowdown in construction markets, an impairment test was performed (IAS 28.33). In accordance with IAS 36, recoverable value was determined by adopting the higher of "fair value" (as defined by paragraph 6 of this standard), which is the closing share price (€13.7 per share) or "value in use" (as defined by paragraph 6 of this standard), which is the present value of future cash flows.

The book value of Legrand shares at December 31, 2008 was €6.5 per share, far below the fair value and value in use determined by Wendel. No impairment was therefore recognized.

Impairment test on equity-method investments: Stahl

Stahl has undertaken an impairment test of its balance sheet goodwill. This test was based on an analysis of "value in use" (i.e., the present value of future cash flows) of each of its Cash Generating Units. In light of the great uncertainty on trends in these markets, the test resulted in an impairment of certain CGUs, the amount of which exceeded Stahl's shareholders' equity prior to the recognition of this impairment. Wendel's recognized loss was limited to its share of pre-impairment book value; it therefore lowered the value of the Stahl equity-method investment to zero at December 31, 2008. Wendel is not required to cover losses in this investment. Wendel's shareholder loan to Stahl was also written off fully at December 31, 2008, to reflect the negative book value of this investment.

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Additional information on Saint-Gobain

In millions of euros	12.31.2008	12.31.2007
Total assets (Saint-Gobain)	43,395	41,138
Impact of the valuation of acquired assets and liabilities	5,938	6,715
Residual goodwill (excluding goodwill in Saint-Gobain's balance sheet)	5,720	5,489
Minority interests	256	290
Total liabilities	28,865	25,871
Net sales	43,800	43,421
Operating income ⁽¹⁾	3,214	3,156
Net income, Group share ⁽¹⁾	1,778	1,487
Impact of the valuation of acquired assets and liabilities	-778	-

(1) Excluding a €400 million impact; see details on allocation of Saint-Gobain goodwill (Changes in consolidation scope).

Additional information on Legrand

In millions of euros	12.31.2008	12.31.2007
Total assets (Legrand)	6,383.7	6,109.6
Goodwill adjustment (Wendel)	-523.8	-522.3
Minority interests	5.6	2.6
Total liabilities	4,197.9	3,978.5
Net sales	4,202.4	4,128.8
Operating income	642.8	661.5
Net income, Group share	349.9	421.0

Additional information on Stahl

In millions of euros	12.31.2008	12.31.2007
Total assets	503.4	634.9
Shareholder loans	105.2	85.3
Total liabilities	468.8	485.8
Net sales	295.6	311.2
Operating income	12.5	15.4
Net income, Group share	-30.9	-4.9

Note 6. Inventories

In millions of euros	12.31.2008		12.31.2007	
	Gross amount	Provisions	Net amount	Net amount
Breakdown by company:				
Deutsch	125.2	19.7	105.4	86.1
Editis	–	–	–	68.9
Materis	260.1	13.9	246.2	219.8
Oranje-Nassau Groep	6.2	–	6.2	2.8
Stallergenes	16.1	1.0	15.2	16.2
Total	407.6	34.6	373.0	393.7

Note 7. Trade receivables

In millions of euros	12.31.2008		12.31.2007	
	Gross amount	Provisions	Net amount	Net amount
Breakdown by company:				
Bureau Veritas	790.0	49.1	740.9	626.8
Deutsch	83.0	1.5	81.5	76.8
Editis	–	–	–	134.2
Materis	356.5	27.0	329.5	363.4
Oranje-Nassau Groep	26.5	–	26.5	28.4
Stallergenes	24.1	1.0	23.1	21.3
Wendel and holding companies	1.8	–	1.8	2.5
Total	1,281.8	78.6	1,203.2	1,253.4

Trade receivables and related accounts of the largest subsidiaries, which are overdue and on which no impairment provision has been set aside, include:

- Bureau Veritas: a total of €260.1 million at December 31, 2008, vs €208.9 million at December 31, 2007, of which, respectively, €56.5 million and €38.8 million more than three months past due;
- Materis: a total of €73.5 million at December 31, 2008, vs €62.6 million at December 31, 2007, of which, respectively, €18.9 million and €9.3 million more than three months past due.

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Note 8. Other current assets

In millions of euros	12.31.2008		12.31.2007	
	Gross amount	Provisions	Net amount	Net amount
Other current assets				
Bureau Veritas	35.0	0.6	34.4	36.0
Deutsch	8.9	–	8.9	8.6
Editis	–	–	–	47.3
Materis	64.3	0.4	63.9	59.3
Oranje-Nassau Groep	0.2	–	0.2	0.1
Stallergenes	5.5	–	5.5	4.0
Wendel and holding companies	6.3	–	6.3	5.0
	120.4	1.0	119.3	160.4
Prepaid expenses				
Bureau Veritas	25.5	–	25.5	23.9
Deutsch	1.4	–	1.4	1.1
Editis	–	–	–	4.8
Materis	0.7	–	0.7	–
Oranje-Nassau Groep	0.6	–	0.6	0.9
Stallergenes	0.9	–	0.9	0.8
Wendel and holding companies	1.9	–	1.9	1.7
	31.1	–	31.1	33.2
Total	151.4	1.0	150.4	193.5

Note 9. Cash and cash equivalents (pledged and unpledged)

	12.31.2008	12.31.2007
	Net amount	Net amount
In millions of euros		
Pledged cash and cash equivalents classified as non-current financial assets⁽¹⁾	1,399.6	729.7
Bureau Veritas	153.5	142.9
Deutsch	32.3	22.3
Editis	—	128.9
Materis	64.0	51.0
Oranje-Nassau Groep	158.1	99.4
Stallergenes	9.4	9.0
Eufor group (Saint-Gobain investment structure)	9.5	2.9
Wendel and holding companies	901.7	1,660.6
Eufor group (Saint-Gobain investment structure) Wendel and holding companies	1,328.5	2,116.9
Total	2,728.1	2,846.6
<i>Of which cash equivalents</i>	<i>2,021.4</i>	<i>2,280.5</i>
<i>Of which cash</i>	<i>706.7</i>	<i>566.1</i>

(1) See note on managing liquidity risk related to Eufor group financing, and note 16 on cash pledges.

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Note 10. Shareholders' equity

Change in shareholders' equity

In millions of euros	Number of shares	Share capital	Share premium	Treasury shares	Retained earnings and other reserves	Translation reserve	Group share	Minority interests	Total shareholders' equity
Balance at December 31, 2006	50,191,599	222.0	228.6	-319.9	1,717.4	-17.9	1,830.3	97.1	1,927.3
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-193.5	-59.2	-252.7	-10.1	-262.8
Net income for the year (B)		-	-	-	879.3	-	879.3	14.7	893.9
Total income and expenses recognized during the year (A) + (B)		-	-	-	685.7	-59.2	626.6	4.6	631.1
Dividends paid ⁽²⁾		-	-	-	-100.5	-	-100.5	-2.6	-103.1
Treasury shares	-42,201	-	-	-6.2	-	-	-6.2	-	-6.2
Cancellation of treasury shares		-21.0	-	316.4	-295.4	-	-	-	-
Capital increase									
• exercise of stock option	50,212	0.2	1.6	-	-	-	1.8	-	1.8
• company savings plan	18,800	0.1	1.9	-	-	-	2.0	-	2.0
Share-based compensation: stock options (including equity method investments)		-	-	-	10.9	-	10.9	2.9	13.8
Change in the liquidity commitment on Bureau Veritas shares ⁽³⁾		-	-	-	41.1	-	41.1	-	41.1
Changes in the scope of consolidation		-	12.6	-	0.7	2.2	15.5	147.6	163.1
Other		-	-	-	-89.3	-	-89.3	-1.2	-90.6
Balance at December 31, 2007⁽¹⁾	50,218,410	201.3	244.8	-9.6	1,970.6	-74.9	2,332.1	248.4	2,580.5
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-226.4	-320.9	-547.3	-24.5	-571.8
Net income for the year (B)		-	-	-	158.1	-	158.1	69.1	227.2
Total income and expenses recognized during the year (A) + (B)		-	-	-	-68.4	-320.9	-389.2	44.6	-344.7
Dividends paid ⁽²⁾		-	-	-	-100.5	-	-100.5	-38.2	-138.7
Treasury shares	-42,846	-	-	-2.4	-	-	-2.4	-	-2.4
Cancellation of treasury shares		-	-	-	-	-	-	-	-
Capital increase		-	-	-	-	-	-	-	-
• exercise of stock options	19,929	0.1	0.7	-	-	-	0.8	-	0.8
• company savings plan	28,271	0.1	1.4	-	-	-	1.5	-	1.5
• other		-	-	-	80.4	-	80.4	-	80.4
Share-based compensation: stock options (incl. equity method investments)		-	-	-	25.7	-	25.7	2.9	28.6
Changes in the scope of consolidation		-	-	-	-1.3	0.1	-1.2	24.7	23.5
Other ⁽⁴⁾		-	-	-	86.7	-	86.7	1.3	88.0
Balance at December 31, 2008⁽¹⁾	50,223,764	201.5	246.9	-12.0	1,993.2	-395.7	2,033.8	283.7	2,317.6

(1) Number of outstanding shares and treasury shares.

	Par value	Total number of shares	Treasury shares
At 12.31.2007	€4	50,318,400	99,990
At 12.31.2008	€4	50,366,600	142,836

(2) Net dividend paid out in 2008: €2.00 per share.

Net dividend paid out in 2007: €2.00 per share.

(3) See accounting principles.

(4) Of which +€102.1 million in write-backs of hedges of economic risks incurred on shares vs the value of the shares (see below).

The main items recognized in reserves are detailed below:

	Wendel Participations securities and derivatives	Assets available for sale	Derivatives qualifying for hedge accounting	Deferred taxes	Total Group share	Minority interests	Total shareholders' equity
At 12.31.2006	59.3	102.0	-13.5	7.0	154.8	0.3	155.1
Changes in fair value during the year	–	13.2	-146.7 ^(a)	22.7	-110.8	0.5	-110.3
Amount recognized in the income statement	–	-94.9 ^(b)	7.9	-3.9	-91.0	–	-91.0
Other	-59.3	–	–	–	-59.3	–	-59.3
At 12.31.2007		20.3	-152.4	25.7	-106.3	0.8	-105.5
Changes in fair value during the year	–	0.9	-126.5 ^(c)	-11.4	-137.0	-13.7	-150.8
Amount recognized in the income statement	–	-11.1	32.8	-16.4	5.3	–	5.3
Application of cash-flow hedges on shares to the value of the shares	–	–	102.1 ^(a)	–	102.1	–	102.1
At 12.31.2008		10.0	-143.9	-2.0	-135.9	-13.0	-148.9

(a) In 2008, write-back into the value of Saint-Gobain shares of impact of instruments designated, for accounting purposes, as cash flow hedges (i.e., to hedge business risk), of which the change in fair value was recognized in reserves in 2007.

In 2007, the amount included derivatives designated, for accounting purposes, as cash-flow hedges on Saint-Gobain shares (–€102.1 million).

(b) Of which –€72.1 million from the write-back in the income statement of the change in Neuf Cegetel fair value.

(c) Of which interest-rate derivatives (–€135.7 million), oil derivatives (+€56.7 million), commodity derivatives (–€7.8 million) and net investment hedges (–€13.8 million).

Change in minority interests

In millions of euros	Bureau Veritas group	Deutsch group	Editis group	Materis group	Stallergenes group	Other	Total
Minority interests at 12.31.2006	15.0	14.6	3.9	31.8	27.7	4.0	97.1
Issuance of shares	–	–	–	–	0.5	–	0.5
Change in scope of consolidation ⁽¹⁾	146.7	–	–	–	0.1	–	146.8
Share buybacks	-0.1	–	–	–	–	–	-0.1
Dividends paid	-0.1	–	–	-0.1	-2.4	–	-2.6
Translation adjustments	-9.4	-0.5	–	-2.4	–	–	-12.3
Other changes	2.2	-0.2	–	1.7	0.8	-0.3	4.3
Net income (loss) for 2007	12.7	-5.9	0.2	-0.9	8.4	0.3	14.7
Minority interests at 12.31.2007	167.0	8.1	4.0	30.1	35.1	4.0	248.4
Issuance of shares	–	–	–	–	–	–	–
Change in scope of consolidation	–	27.4	-4.0	–	–	–	23.4
Share buybacks	-0.1	–	–	–	-0.6	–	-0.7
Dividends paid	-27.0	-8.0	–	-0.5	-2.7	–	-38.2
Translation adjustments	-10.9	3.5	–	-3.7	–	–	-11.1
Other changes	-2.2	-0.1	–	-7.1	2.2	–	-7.1
Net income (loss) for 2008	73.1	-4.3	–	-9.9	10.2	0.1	69.1
Minority interests at 12.31.2008	199.9	26.6	–	9.0	44.1	4.1	283.7

(1) In 2007, changes in consolidation scope included the impact of the Bureau Veritas IPO.

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Note 11. Provisions

In millions of euros	12.31.2008	12.31.2007
Provisions for liabilities and charges	244.9	249.2
Employee benefits	121.7	134.0
Total	366.6	383.3
<i>Of which non-current</i>	<i>357.2</i>	<i>355.8</i>
<i>Of which current</i>	<i>9.3</i>	<i>27.5</i>

Provisions for risks and contingencies

In millions of euros	12.31.2006	Additions	Reversals – used provisions	Reversals – unused provisions	Impact of discounting	Business combinations	Translation adjustments,	12.31.2007
Wendel and holding companies								
Commitment to guarantee the liquidity of Bureau Veritas shares ⁽¹⁾	41.1	–	–	–	–	–41.1	–	–
Other ⁽²⁾	19.0	1.0	–	–	–	–	–	20.0
Bureau Veritas								
Claims and litigation ⁽³⁾	57.8	5.9	–2.6	–4.2	–0.2	–	0.2	56.9
Other	11.9	8.7	–2.8	–3.9	–	–	2.7	16.6
Deutsch								
Other	5.1	3.4	0.8	–2.0	–	–0.1	–1.7	5.4
Editis								
Restructuring	7.3	3.7	–3.5	1.0	–	–	–	8.5
Other	6.5	2.1	–4.5	0.5	–	–	–	4.7
Materis								
Restructuring	2.6	2.9	–2.7	–	–	–	3.1	5.9
Claims and litigation	7.7	5.8	–3.1	–0.3	–	–	–2.9	7.3
Other	8.0	1.6	–1.1	–	–	–	–	8.4
Oranje-Nassau Groep								
Dismantling of oil installations ⁽⁴⁾	102.5	–0.1	–	–	5.4	–	3.1	110.8
Other	2.5	–	–	–	–	–	–	2.5
Stallergenes								
Other	2.2	1.3	–1.4	–	–	–	–	2.2
Total	274.4	36.2	–20.8	–9.0	5.2	–41.2	4.5	249.2
<i>Of which current</i>	<i>28.6</i>							<i>27.5</i>

In millions of euros	12.31.2007	Additions	Reversals – used provisions	Reversals – unused provisions	Impact of discounting	Business combinations divestment disposal	Translation adjustments, reclassifications	12.31.2008
Wendel and holding companies ⁽²⁾	20.0	1.0	–	–3.0	–	–	–	18.0
Bureau Veritas								
Claims and litigation ⁽³⁾	56.9	9.9	–1.2	–4.4	1.8	0.1	0.2	63.3
Other	16.6	14.8	–3.9	–4.8	–	0.2	1.7	24.6
Deutsch	5.4	3.7	–2.0	–	–	–	0.1	7.3
Editis	13.2	–	–	–	–	–13.2	–	–
Materis								
Restructuring	5.9	6.4	–4.4	–	–	–	0.2	8.2
Claims and litigation	7.3	1.1	–0.7	–	–	–	–4.8	2.9
Other	8.4	2.0	–3.5	–	–	–	4.2	11.0
Oranje-Nassau Groep								
Dismantling of oil installations ⁽⁴⁾	110.8	0.0	–	–8.3	5.5	–	–3.0	105.0
Other	2.5	–	–	–	–	–	–	2.5
Stallergenes	2.2	1.1	–1.1	–	–	–	–	2.1
Total	249.2	40.0	–16.8	–20.5	7.3	–12.9	–1.3	244.9
Of which current	27.5							9.3

(1) See accounting principles: “Commitment to guarantee the liquidity of Bureau Veritas shares”.

(2) This item includes a provision for an environmental dispute involving pollution discovered on a site near Rouen, alleged to have originated from the steelmaking activities of Hauts Fourneaux de Rouen (HFR), which ceased operations in 1967. The Prefect of the Seine-Maritime département, alleging an ownership link between HFR and Sofiservice, issued a prefectural decree in 1998, ordering Sofiservice to conduct an environmental study and rehabilitate the site. This decree was contested and it was overturned by the Administrative Court, but the Administrative Court's ruling was itself overturned by the Administrative Court of Appeal in October 2002, which ordered that the environmental study be done. On January 10, 2005, the Conseil d'État (Supreme Administrative Court) upheld the ruling of the Administrative Court of Appeal. As a result, the provision against this litigation remains on the books.

(3) Bureau Veritas and its subsidiaries, in the normal course of their activities, are party to various disputes and legal actions that aim to invoke their professional liability as service providers. Most of these activities are covered by insurance that is specific to each business. The disbursement schedule for future years is uncertain, as it depends on the outcome of ongoing legal cases, including appeals of lower-court rulings. Bureau Veritas believes that most of the amounts to be paid out will be paid more than one year hence.

(4) See accounting principles: “Measurement of oil and gas assets”.

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Employee benefits

In millions of euros	12.31.2008	12.31.2007
Defined benefit plans	47.2	52.5
Retirement bonuses	54.8	64.0
Other	19.7	17.6
Total	121.7	134.0
<i>Of which non-current</i>	<i>121.7</i>	<i>134.0</i>
<i>Of which current</i>	<i>–</i>	<i>–</i>

Of which:

In millions of euros	12.31.2008	12.31.2007
Bureau Veritas	78.5	78.0
Deutsch	11.5	10.5
Editis	–	15.6
Materis	25.8	22.3
Oranje-Nassau Groep	3.4	6.0
Stallergenes	1.8	1.1
Wendel and holding companies	0.7	0.6
	121.7	134.0

Changes in commitments broke down as follows:

Commitments	12.31.2006	Service costs	Actuarial gains and losses	Benefits paid	Interest cost	Curtailment and settlement	Business combinations	Translation adjustments and other	12.31.2007
Defined benefit plans	160.2	3.9	–12.7	–7.3	6.6	–0.8	0.1	8.9	159.0
Retirement bonuses	99.9	7.6	–6.9	–6.1	4.0	–3.4	1.5	–7.4	89.0
Other	26.2	1.7	0.1	–2.8	0.5	–1.6	–0.1	–1.4	22.6
	286.3	13.2	–19.5	–16.2	11.1	–5.8	1.5	0.1	270.6

Partially-funded plan assets	12.31.2006	Return on plan assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12.31.2007
Defined benefit plans	106.3	4.5	2.3	–3.4	–7.1	–	3.9	106.5
Retirement bonuses	25.4	1.4	0.8	–2.5	–	–	–	25.0
Other	6.1	0.2	–	–0.6	–	–	–	5.0
	137.8	6.1	3.1	–6.5	–7.1	–	3.9	136.5
Provision for employee benefits	148.6							134.0

Commitments	12.31.2007	Service costs	Actuarial gains and losses	Benefits paid	Interest cost	Curtailment and settlement	Business combinations	Translation adjustments and other	12.31.2008
Defined benefit plans	158.9	2.7	-10.0	-3.6	5.4	-0.0	1.3	-6.9	147.7
Retirement bonuses	88.7	7.2	2.5	-7.9	3.4	-0.4	-14.2	1.7	81.0
Other	23.0	2.1	0.5	-1.2	1.2	-0.1	-0.8	0.9	25.6
Total	270.6	12.0	-7.0	-12.8	10.1	-0.5	-13.7	-4.4	254.3

Partially-funded plan assets	12.31.2007	Return on plan assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12.31.2008
Defined benefit plans	106.5	3.0	4.4	-10.5	-2.0	-3.8	2.9	100.5
Retirement bonuses	25.0	1.5	0.4	-0.3	-0.6	-	0.1	26.2
Other	5.0	-	-	-	-	-	0.9	5.9
	136.6	4.5	4.8	-10.8	-2.6	-3.8	3.9	132.6
Provision for employee benefits	134.0							121.7

Obligations in relation to defined-benefit plans are as follows:

	12.31.2008	12.31.2007
Unfunded obligations	58.4	143.5
Partially or fully-funded obligations	195.9	127.1
Total	254.3	270.6

At December 31, 2008, the breakdown in defined-benefit plan assets was as follows:

	2008
Funds of insurance companies	68%
Equity instruments	23%
Debt instruments	4%
Cash and other	4%

Costs recognized on the income statement:

Until December 31, 2005, actuarial differences were recognized in income or expenses. As of January 1, 2006, the Wendel group chose to apply the option allowed by IAS 19.93A and recognize actuarial differences under shareholders' equity (see "Accounting principles").

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	2008	2007
Expenses recognized in the income statement with respect to defined benefit plans		
Service costs	12.0	13.2
Interest cost	10.1	11.0
Expected return on plan assets	-4.5	-6.1
Past service costs	-0.2	0.0
Impact of plan curtailments or settlements	-0.5	-5.8
Total	12.5	-12.3
Expenses recognized in the income statement with respect to defined benefit plans ⁽¹⁾	47.6	47.3

(1) Primarily concerning Bureau Veritas.

Wendel

The retirement plan set up in 1947 by “Les Petit-fils de François de Wendel et Cie”, since renamed Wendel, is a defined-benefit plan that was closed to new entrants on December 31, 1998. It still covers employees who worked in the Company prior to that date, provided they retire while employed by the Group. Its main actuarial assumptions are a discount rate of 4.0% and an employee turnover rate of 0%.

Oranje-Nassau Groep

Funding obligations under supplementary retirement plans are determined on the basis of a 5.70% discount rate, a 4.55% return on plan assets, a 5% salary increase rate, and a 2.0% inflation rate.

Bureau Veritas

Bureau Veritas's defined-benefit plans mainly cover France and Germany (closed to current employees). Bureau Veritas's provision for retirement bonuses mainly concerns France. The bonuses are paid when employees retire and are based on length of service and salary.

Other: these are mainly bonus payments due to long-service awards.

The main actuarial assumptions used in France for calculating these commitments are a 5.35% discount rate, a 2.90% salary increase rate, a 3.50% staff turnover rate and a 2.16% inflation rate.

Materis

Retirement bonuses are calculated mainly on the basis of how long employees have been with the company when they retire. These plans concern France, the United States, Belgium, Portugal, Italy, Brazil, South Africa and Australia. Actuarial assumptions are determined in each country. The main assumptions are a discount rate between 3.50% and 10.75%, an inflation rate between 2% and 5%, a salary increase rate between 2% and 7.63%, and an employee turnover rate between 4.50% and 13.87%.

Deutsch

Deutsch's defined-benefit plans pay a supplementary pension to certain former employees in France, the United Kingdom and Germany.

The main actuarial assumptions used are a discount rate between 5.25% and 6.40%, and an inflation rate between 2% and 2.75%.

Note 12. Financial debt

							12.31.2008	12.31.2007
In millions of euros	Currency	Coupon rate	Effective interest rate	Maturity	Repayment	Overall amount	Amounts used	
Wendel								
Bonds exchangeable for Capgemini shares	EUR	2.00%	4.91%	06.2009	at maturity		279.0	279.0
2011 bonds	EUR	5.00%	5.16%	02.2011	at maturity		600.0	600.0
2014 bonds	EUR	4.8750%	4.93%	11.2014	at maturity		400.0	400.0
2015 bonds	EUR	4.8750%	4.91%	09.2015	at maturity		400.0	400.0
2016 bonds	EUR	4.8750%	5.02%	05.2016	at maturity		400.0	400.0
2017 bonds	EUR	4.3750%	5.73%	08.2017	at maturity		300.0	300.0
2017 bonds – tranche 2	EUR	4.3750%	4.46%	08.2017	at maturity		400.0	400.0
Syndicated credit line	EUR	Euribor+margin		09.2013	revolving credit	€1,200M	–	–
Deferred issuance costs							–0.6	–0.9
Amortized cost of bonds							–49.2	–61.6
Other borrowings and accrued interest	EUR						33.7	53.5
							2,763.0	2,770.0
Eufor – Saint-Gobain investment financing								
Bank borrowings	EUR	Euribor+margin		07.2013	revolving credit	€1,500M	1,000.0	1,000.0
Bank borrowings	EUR	Euribor+margin	12.2010/03.2012		amortizing		2,095.2	2,095.2
Bank borrowings	EUR	Euribor+margin		12.2013	at maturity	€1,500M	600.0	543.6
Bank borrowings	EUR	Euribor+margin		06.2011	at maturity		800.0	800.0
Bank borrowings	EUR	Euribor+margin		04.2012	at maturity		957.1	–
Other borrowings	EUR						6.1	6.1
Accrued interest							32.3	37.8
							5,490.7	4,482.7
Materis Investor								
Shareholder loan							15.2	13.3
							15.2	13.3
Bureau Veritas								
Bank borrowings	USD	Libor+margin		05.2013	amortizing		265.0	306.2
Bank borrowings	EUR	Euribor+margin		05.2013	amortizing		17.9	23.7
Bank borrowings	EUR	Euribor+margin		05.2012/2013	revolving credit	€550M	295.0	249.4
Bank borrowings	GBP	Libor+margin		05.2012/2013	revolving credit		35.7	46.4
Bank borrowings	EUR	Euribor+margin		10.2012	at maturity		150.0	150.0
US Private placement	USD	Fixed		2018/2020	at maturity		191.1	
US Private placement	GBP	Fixed		2018/2020	at maturity		66.1	
Deferred issuance costs							–0.9	–3.9
Other borrowings and accrued interest							41.2	38.4
							1,061.2	810.2

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In millions of euros	Currency	Coupon rate	Effective interest rate	Maturity	Repayment	Overall amount	12.31.2008	12.31.2007
							Amounts used	
Deutsch								
Bank borrowings (mezzanine)	EUR	Euribor+margin		12.2016	at maturity	\$40M	30.3	29.0
Bank borrowings (mezzanine)	USD	Libor+margin		12.2016	at maturity		31.4	28.4
Bank borrowings (second lien)	USD	Libor+margin		12.2015	at maturity		43.1	40.8
Bank borrowings (revolving credit)	EUR	Euribor+margin		06.2013	revolving credit		9.3	8.8
Bank borrowings (revolving credit)	USD	Libor+margin		06.2013	revolving credit		6.5	6.5
Bank borrowings (senior)	EUR	Euribor+margin		12.2013/06.2014	at maturity		35.6	43.6
Bank borrowings (senior)	USD	Libor+margin		12.2013/06.2014	at maturity		119.8	117.9
Bank borrowings (senior)	GBP	Libor+margin		12.2013/06.2014	at maturity		21.4	28.9
Bank borrowings (senior)	EUR	Euribor+margin		12.2014/06.2015	at maturity		41.9	43.6
Bank borrowings (senior)	USD	Libor+margin		12.2014/06.2015	at maturity		139.8	137.6
Bank borrowings (acquisition)	USD	Libor+margin		06.2013	amortizing	\$100M	44.2	–
Deferred issuance costs							–9.8	–13.8
Shareholder loans							20.0	18.9
Other borrowings and accrued interest							23.9	9.6
							557.3	499.6
Materis								
Bank borrowings (mezzanine)	EUR	Euribor+margin		04.2016	at maturity		284.3	271.9
Bank borrowings (second lien)	EUR	Euribor+margin		11.2015	at maturity		140.0	140.0
Bank borrowings (senior)	EUR	Euribor+margin		04.2013	amortizing		235.6	269.1
Bank borrowings (senior)	EUR	Euribor+margin		04.2014	at maturity		395.6	397.9
Bank borrowings (senior)	EUR	Euribor+margin		04.2015	at maturity		421.3	423.7
Bank borrowings	EUR	Euribor+margin		04.2013	at maturity		132.5	121.0
Bank borrowings (revolving credit)	EUR	Euribor+margin		04.2013	revolving credit	€125M	22.0	2.0
Bank borrowings (acquisition)	EUR	Euribor+margin		04.2013	amortizing	€150M	145.2	123.1
Bank borrowings (acquisition 2)	EUR	Euribor+margin		04.2014/04.2015	amortizing	€175M	–	–
Deferred issuance costs							–33.6	–23.1
Shareholder loans							60.4	54.2
Other borrowings and accrued interest							75.6	67.8
							1,878.8	1,847.6
Oranje-Nassau Groep	EUR	variable					158.2	78.5
Stallergenes	EUR	variable					19.0	19.4
Editis	EUR						–	513.9
							11,943.2	11,035.3

In millions of euros	12.31.2008	12.31.2007
Breakdown by maturity		
– Long-term borrowings		
Due beyond 5 years	3,951.7	4,203.6
Due in 1 to 5 years	7,366.6	6,487.6
– Short-term borrowings		
Due within 1 year and accrued interest	624.8	344.2
Breakdown by currency		
Euro and other European Union currencies	11,001.3	10,374.5
Other currencies	941.9	660.8
Breakdown by type of interest rate⁽¹⁾		
Fixed rate	26%	26%
Variable rate	74%	74%

(1) Before impact of interest-rate swaps (see note 4 and “Managing interest-rate risk”).

In millions of euros	12.31.2008	12.31.2007
Amount of undrawn credit lines by maturity		
Due beyond 5 years	175.0	337.8
Due in 1 to 5 years	3,155.9	1,654.2
Due within 1 year and accrued interest	103.0	133.3

Wendel syndicated credit line

In September 2008, an option to extend this maturity was exercised and accepted by the banking syndicate. The new maturity is September 2013, with an option to extend it by an additional year. On this occasion the credit line was reduced from €1,250 million to €1,200 million. The covenants are described in the note on “Managing liquidity risk”.

Eufor group (Saint-Gobain investment structure)

The Eufor group's bank financing is backed by collateral in the form of pledged listed shares and cash. This collateral is described in the note on managing liquidity risk. They include:

- €3,357 million in gross debt subject to collateral calls; maturities have been extended to 2011 and end-2013; and
- €2,095 million in gross debt not subject to collateral calls; maturities between end-2010 and 2012 (the same dates as the protection).

Bureau Veritas

In July 2008, to diversify its funding sources and to extend its debt maturities, Bureau Veritas set up a USPP (US Private Placement) loan maturing in July 2018 and 2020. This loan was fully subscribed with investors and includes four tranches payable on maturity in US dollars and pounds sterling.

Market value of Wendel bonds at December 31, 2008

Supplemental informations	Market value
2009 – 2.00% bonds exchangeable for Capgemini shares	277.0 ⁽¹⁾
2011 – 5.00% bonds	519.8
2014 – 4.875% bonds	236.0
2015 – 4.875% bonds	215.3
2016 – 4.875% bonds	215.4
2017 – 4.375% bonds	380.1

(1) Including the option component.

As there is no market sufficiently liquid for bank debt of fully consolidated subsidiaries, no reliable information is available to estimate its fair value.

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Note 13. Trade payables

In millions of euros	12.31.2008	12.31.2007
Breakdown by company:		
Bureau Veritas	167.0	163.8
Deutsch	33.4	38.0
Editis	–	154.2
Materis	284.9	277.5
Oranje-Nassau Groep	15.5	22.5
Stallergenes	27.0	23.0
Wendel and holding companies	27.1	12.7
Total	555.0	691.6

Note 14. Other current liabilities

In millions of euros	12.31.2008	12.31.2007
Other payables		
Bureau Veritas	325.6	303.6
Deutsch	33.4	28.4
Editis	–	126.5
Materis	133.9	149.9
Oranje-Nassau Groep	6.5	6.9
Stallergenes	16.2	15.6
Wendel and holding companies	4.9	20.8
	520.5	651.7
Deferred revenue		
Bureau Veritas	95.5	69.6
Deutsch	0.6	–
Editis	–	9.8
Oranje-Nassau Groep	1.5	3.6
Stallergenes	–	–
	97.6	83.0
Total	618.1	734.8

Note 15. Current and deferred taxes

Current taxes

In millions of euros	12.31.2008	12.31.2007
Current tax assets		
Bureau Veritas	–	56.7
Deutsch	0.4	0.2
Editis	–	3.5
Oranje-Nassau Groep	6.3	4.3
Stallergenes	–	0.2
Wendel and holding companies	–	1.4
Total	6.8	66.4
Current tax liabilities		
Bureau Veritas	50.4	85.7
Deutsch	1.5	1.1
Editis	–	–
Materis	0.4	10.8
Oranje-Nassau Groep	30.3	20.1
Stallergenes	0.8	1.2
Wendel and holding companies	0.2	0.3
Total	83.6	119.2

Deferred taxes:

In millions of euros	12.31.2007	Changes recognized in the income statement	Changes recognized in shareholders' equity	Translation adjustments	Business combinations	Other	12.31.2008
Deferred tax assets							
Bureau Veritas	61.8	22.0	22.5	–1.0	–	2.0	107.4
Deutsch	0.9	0.6	–	–	0.1	0.0	1.6
Editis	13.5	–	–	–	–13.5	–	–
Materis	38.5	0.4	13.3	–0.4	–0.5	–	51.2
Oranje-Nassau Groep	6.2	0.5	–	–1.3	–	0.5	5.8
Stallergenes	2.5	–0.1	0.1	–	–	–	2.4
Wendel and holding companies	–	–	–	–	–	–	–
Total	123.3	23.4	35.9	–2.7	–13.9	2.6	168.5
<i>Of which movements due to changes in income tax rates</i>		–					
Deferred tax liabilities⁽²⁾							
Bureau Veritas ⁽¹⁾	178.3	–11.6	12.9	–2.4	–	22.1	199.2
Deutsch	23.0	–0.2	0.5	–	0.4	0.0	23.7
Editis	13.1	–	–	–	–13.1	–	–
Materis	346.2	–10.1	–	–2.8	2.0	–	335.2
Oranje-Nassau Groep	5.1	–1.3	44.8	–6.4	–	0.6	42.8
Stallergenes	1.5	0.1	–	–	–	–	1.6
Wendel and holding companies	–	–	–	–	–	–	–
Total	567.2	–23.1	58.2	–11.7	–10.8	22.6	602.4
<i>Of which movements due to changes in income tax rates</i>		–2.7					

(1) Including pension provisions of €21.2 million in 2008 and €22.3 million in 2007.

(2) These are mainly deferred taxes relating to differences in asset valuations: respectively for 2008 and 2007, at Bureau Veritas (€118.9 and €139.5 million); at Deutsch (€23.4 and €26.9 million), at Materis (€311.3 and €324.8 million), at ONG following the sale of the Real Estate division (€0 and €20.5 million), and at Editis after the May 2008 divestment (€0 and €5.7 million).

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Note 16. Off-balance sheet commitments

In millions of euros	12.31.2008	12.31.2007
Bid bonds	58.8	50.6
Pledges, mortgages and collateral	8,757.3	8,663.4
Of which:		
• pledge by Odyssee 1 (Editis group) and certain of its subsidiaries of shares in Editis group companies as a guarantee for the repayment of debt owed by the Editis group	–	512.1
• pledge by Materis Parent (Materis group) of shares of the principal companies of the Materis group, and of certain bank accounts and trade receivables as a guarantee for the repayment of the debt owed by the Materis group	1,798.2	1,776.9
• pledge by Deutsch group of shares of the principal companies of the Deutsch group, and of certain bank accounts, trade receivables and assets as a guarantee for the repayment of the debt owed by the Deutsch group	482.0	489.3
• pledge of listed shares in connection with the Saint-Gobain investment structure for the initial shareholders' equity investment and margin calls (market value) ^{(1) (2)}	4,122.0	4,801.9
• guarantee given in connection with financing without margin calls and related to hedging ⁽²⁾	944.0	348.8
• pledge of cash in connection with the Saint-Gobain investment structure for the initial shareholders' equity investment and margin calls ⁽²⁾	1,399.6	729.7
• other	11.6	4.8
Other guarantees and endorsements given	346.4	374.9
• guarantees given ⁽²⁾	239.3	337.5
• other ⁽³⁾	107.1	37.4
Other commitments given and received	65.1	25.5

(1) Including 79.5 million Saint-Gobain shares.

(2) In 2008, see section on Eufor financing in the note on managing liquidity risk.

(3) Of which liability guarantee given under the Editis divestment. This guarantee carries an overall ceiling of €52.3 million.

Shareholders pact entered into by Wendel

The Wendel Group is a party to several agreements governing its relations with its co-shareholders in Materis, Deutsch and Stahl, whether financial co-investors or managers in these companies. These agreements take the form of mechanisms that allow managers to participate in their companies' performance (as described in the section entitled "Participation of managers in Group investments").

The various pacts or agreements contain standard clauses pertaining to:

- governance (composition of management bodies and claim on information);
- conditions for transferring shares (inalienability during a certain period, right of first-refusal);
- divestment terms in the event of disposal or IPO (tag-along and drag-along rights);
- executive departures (commitment to sell shares to Wendel in the event of an executive departure from a subsidiary and/or manager's commitment to buy shares in certain specific cases);
- liquidity in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time.

As of December 31, 2008, there were no commitments likely to have a significant impact on Wendel's financial situation, other than those mentioned above.

H. Notes to the consolidated income statement

Note 17. Net sales

In millions of euros	2008	2007
Sales of goods		
Bureau Veritas	38.8	–
Deutsch	450.8	438.3
Materis	1,866.5	1,816.5
Oranje-Nassau Groep	373.7	243.0
Stallergenes	170.9	147.1
	2,900.7	2,644.8
Sales of services		
Bureau Veritas	2,510.6	2,066.9
Deutsch	0.8	–
	2,511.5	2,066.9
Royalties		
Oranje-Nassau Groep	0.4	0.3
	0.4	0.3
Total net sales	5,412.5	4,712.0
Net sales of discontinued operations		
Sales of goods		
Editis	274.2	760.3
	274.2	760.3
Total	5,686.7	5,472.3

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Note 18. Operating expenses

In millions of euros	2008	2007
Purchases and external charges	2,353.1	2,237.4
Personnel costs	1,853.7	1,561.6
Taxes other than income taxes	82.6	77.6
Other operating expenses	11.5	7.3
Depreciation and amortization	318.4	268.8
Net additions to provisions	20.3	18.2
Total	4,639.6	4,170.9

In millions of euros	2008	2007
Research costs recognized as expenses by:		
Deutsch	6.8	–
Materis	21.5	22.6
Stallergenes	36.2	29.5

	2008	2007
Breakdown of average number of employees of consolidated companies		
Bureau Veritas	40,053	33,018
Deutsch	3,401	3,539
Editis	–	2,670
Materis	9,242	8,971
Oranje-Nassau Groep	24	25
Stallergenes	736	661
Wendel and holding companies	66	59

Note 19. Income from ordinary activities

In millions of euros	2008	2007
Bureau Veritas	319.1	236.3
Deutsch	55.9	31.7
Materis	196.6	207.0
Oranje-Nassau Groep	230.2	138.5
Stallergenes	28.3	25.3
Wendel and holding companies	-49.1	-33.9
Income from ordinary activities	781.1	604.9

Goodwill allocations included in income from ordinary activities:

In millions of euros	2008	2007
Bureau Veritas	-77.6	-74.1
Deutsch	-19.9	-22.9
Materis	-18.0	-18.4
Oranje-Nassau Groep	-	-
Stallergenes	-	-
Wendel and holding companies	-	-
Total	-115.5	-115.5

Accordingly, income from ordinary activities before the impact of goodwill allocations broke down as follows:

In millions of euros	2008	2007
Bureau Veritas	396.7	310.5
Deutsch	75.8	54.6
Materis	214.6	225.4
Oranje-Nassau Groep	230.2	138.5
Stallergenes	28.3	25.3
Wendel and holding companies	-49.1	-33.9
Total	896.6	720.3

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Note 20. Other operating income and expenses

In millions of euros	2008	2007
Net gains on disposal of intangible assets and property, plant and equipment ⁽¹⁾	39.3	0.2
Net gains on disposal of consolidated investments ⁽²⁾	-2.0	733.2
Restructuring costs, net	-15.9	-5.6
Impairment of assets ⁽³⁾	-208.6	-0.3
Other income and expenses	-4.0	-3.0
Total	-191.2	724.5

(1) Including, in 2008, a €30.6 million capital gain on the sale of Oranje-Nassau Groep Energy division assets and a €12.2 million net capital gain on divestment of fixed assets at Materis.

(2) In 2007: capital gain on the Bureau Veritas IPO; see note on "Changes in consolidation scope".

(3) Asset impairment losses in 2008, mainly at Materis (-€159.5 million) and Deutsch (-€47.8 million) (see note 1 "Goodwill").

Note 21. Finance costs, net

In millions of euros	2008	2007
Income from cash and cash equivalents		
Interest generated by cash and cash equivalents	108.4	65.6
	108.4	65.6
Finance costs, gross		
Interest expense	-686.9	-390.3
Interest expense on the minorities portion of shareholder loans	-9.3	-11.8
Deferral of debt issuance costs and premiums (calculated according to the effective interest method)	-21.4	-15.3
Changes in the fair value of marketable securities	-0.6	-
	-718.1	-417.3
Total	-609.7	-351.7

Note 22. Other financial income and expenses

In millions of euros	2008	2007
Gains/losses on disposal of assets available for sale ⁽¹⁾	-6.7	107.9
Dividends received from non-consolidated companies	11.1	4.3
Income on interest rate, currency and equity derivatives ⁽²⁾⁽⁴⁾	287.0	-169.1
Interest on other financial assets	9.4	9.3
Net currency exchange gains/losses	-28.5	-26.3
Impact of discounting	-12.6	-9.4
Other ⁽³⁾⁽⁴⁾	-76.8	-88.5
Total	183.0	-171.8

(1) Including the €81.6 million gain from the sale Neuf Cegetel shares in 2007 (see note on "Changes in consolidation scope").

(2) In 2008, included +€418 million in change in fair value of the protection on the Saint-Gobain investment, -€55 million in currency derivatives and -€19.7 million in interest-rate derivatives.

(3) In 2008, this item corresponded to the €54 million impairment of the shareholder loan to Stahl (see note 5 on "Equity-method investments").

(4) In 2007 included -€296 million in structuring and financial costs related to Saint-Gobain investment, out of a total of -€345 million. The balance was recognized under "Finance costs, net" (-€42 million) and in operating income.

Note 23. Income tax

In millions of euros	2008	2007
Current income tax	-279.3	-155.6
Deferred taxes	42.2	34.2
Total	-237.0	-121.4

The difference between the Group's effective income tax rate and the standard income tax rate applicable in France broke down as follows:

	2008
Standard corporate income tax rate in France	34.43%
Impact of:	
• transactions subject to reduced tax rates or foreign tax rates	1.60%
• uncapitalized tax losses generated in the current year and use of existing, uncapitalized tax losses	46.86%
• impairment of goodwill and shareholder loans to Stahl	53.86%
• other	8.53%
Effective tax rate⁽¹⁾	145.29%

(1) The effective income tax rate is the ratio of income tax expense recognized on the income statement to the sum of operating income, net finance costs and other financial income and expenses.

Note 24. Net income from equity-method investments

In millions of euros	2008	2007
Saint-Gobain ⁽¹⁾	-38.3	-
Legrand	110.1	130.5
Stahl ⁽²⁾	-27.8	-2.3
Other companies	0.4	0.3
Total	44.5	128.6

(1) Including a -€240 million impairment on the Saint-Gobain shares.

(2) Of which a -€14 million impairment on Stahl shares (see note on "Equity-method investments").

2007 net income did not include income from Saint-Gobain (see note on "Changes in consolidation scope", as relates to Saint-Gobain).

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Note 25. Net income (loss) from discontinued operations

Reclassifications were made on the 2007 income statement in order to reflect the impact of discontinued activities or activities held for sale in 2008, mainly Editis (see “Changes in consolidation scope”).

In millions of euros	2008	2007
Gain or loss on divestments		
Editis	273.0	
Oranje Nassau Groep – real estate division	–	51.6
	273.0	51.6
Share in profit for the year from discontinued operations		
Editis	–17.1	24.7
Deutsch companies	0.6	–
Bureau Veritas companies	–	0.6
Materis companies	–	1.0
Oranje Nassau Groep – real estate division	–	3.0
	–16.5	29.2
Total	256.6	80.8

Note 26. Net income

In millions of euros	2008	2007
Consolidated companies		
Wendel and holding companies	169.0	536.2
Oranje-Nassau Groep	104.3	129.8
Bureau Veritas	184.3	121.1
Deutsch	–90.5	–56.2
Editis	–17.1	24.7
Materis	–186.2	–6.4
Stallergenes	19.0	16.0
	182.7	765.2
Share in profit of equity-method investments (see note 24)	44.5	128.6
	227.2	893.8
Minority interests (see note 10)	69.1	14.5
Net income, Group share	158.1	879.3

Note 27. Net income per share

In euros and millions of euros	2008	2007
Net income, Group share	158.1	879.3
Impact of dilutive instruments on subsidiaries	-2.7	-1.7
Diluted net income for the year	155.3	877.5
Average number of shares	50,223,248	50,210,351
Potential dilution due to Wendel stock options ⁽¹⁾	76,095	174,172
Diluted number of shares	50,299,343	50,384,523
Basic earnings per share (in euros)	3.15	17.51
Diluted earnings per share (in euros)	3.09	17.42
Basic earnings per share from continuing operations (in euros)	-1.96	15.90
Diluted earnings per share from continuing operations (in euros)	-2.01	15.81
Basic earnings per share from discontinued operations (in euros)	5.11	1.61
Diluted earnings per share from discontinued operations (in euros)	5.10	1.60

(1) Based on the share buyback method.

Consolidated financial statements

I. Notes on changes in cash position

Note 28. Acquisitions of property, plant and equipment and intangible assets

In millions of euros	2008	2007
By Bureau Veritas	87.4	50.3
By Deutsch	18.9	22.2
By Editis	–	21.5
By Materis	76.6	73.2
By Oranje-Nassau Groep	150.2	28.2
By Stallergenes	22.4	11.8
By Wendel and holding companies	1.6	1.9
Total	357.0	209.1

Note 29. Divestments of property, plant and equipment and intangible assets

In millions of euros	2008	2007
By Bureau Veritas	2.0	1.5
By Deutsch	0.2	0.5
By Editis	–	9.3
By Materis	25.7	4.1
By Oranje-Nassau Groep	21.3	0.8
By Stallergenes	–	–
By Wendel and holding companies	0.3	1.1
Total	49.6	17.2

Note 30. Acquisitions and subscriptions of non-current financial assets

In millions of euros	2008	2007
Saint-Gobain	740.2	4,730.6
Deutsch	–	35.8
Held by Bureau Veritas	319.0	210.9
Held by Materis	17.7	63.5
Held by Deutsch	54.4	–
Held by Editis (Odyssée 1)	–	72.3
Other	–	9.2
Total	1,131.3	5,122.4

See the note on changes in consolidation scope.

Note 31. Divestment of non-current financial assets (at sale price)

In millions of euros	2008	2007
Editis ⁽¹⁾	495.0	–
Bureau Veritas – IPO	–	1,208.3
Neuf Cegetel	–	148.1
Oranje-Nassau Groep – real estate division	–	77.1
Other ⁽²⁾	9.7	122.8
Total	504.8	1,556.2

(1) See the note on changes in consolidation scope.

(2) In 2007 included €78.7 million on the Solfur divestment.

Note 32. Dividends received from equity-method investments and non-consolidated companies

In millions of euros	2008	2007
Saint-Gobain	164.9	–
Legrand	56.4	39.9
Oranje-Nassau Groep – Investment funds	11.5	24.9
Other	0.1	4.4
Total	233.0	69.2

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Note 33. Net change in borrowings and other financial liabilities

In millions of euros	2008	2007
New borrowings obtained/debt issued by:		
Wendel – 4.875% bond issue	–	400.0
Wendel – 4.375% bond issue	–	360.1
Eufor group (Saint-Gobain investment structure)	797.8	4,317.2
Bureau Veritas	795.4	691.2
Deutsch	61.2	18.4
Editis	–	44.4
Materis	55.9	67.6
Oranje-Nassau Groep	118.3	118.0
Stallergenes	7.9	–
	1,836.5	6,016.8
Borrowings repaid/redeemed by:		
Eufor group (Saint-Gobain investment structure)	200.6	–
Bureau Veritas	594.1	370.6
Deutsch	25.9	23.7
Editis	–	20.0
Materis	42.0	62.1
Oranje-Nassau Groep	45.8	107.9
Stallergenes	8.4	6.3
	916.8	590.6
Total	919.8	5,426.2

7. Additional information

Note 34. Leases

There are no financial leases that could have a material impact on Wendel's financial position, other than those set out below.

Finance leases (contracts in which the Group assumes the substantial risks and rewards of the leased asset)

Future payments on finance leases are to be borne principally by Stallergenes.

Stallergenes has two buildings under finance leases via contracts entered into with leasing companies, the first in 2002 and the second in January 2008. As of December 31, 2008, €11.2 million in debt remained to be paid.

Amount of future payments under finance leases:

In millions of euros	12.31.2008	12.31.2007
Due beyond 5 years	2.1	1.4
Due in 1 to 5 years	8.3	5.1
Due within 1 year and accrued interest	2.5	1.8
Total	12.9	8.3

Operating leases (contracts in which the Group does not assume the substantial risks and rewards of the leased asset)

Amount of future rents under operating leases:

In millions of euros	12.31.2008	12.31.2007
Due beyond 5 years	79.1	43.4
Due in 1 to 5 years	151.4	129.5
Due within 1 year and accrued interest	67.7	61.8
Total	298.2	234.7

Future rents are to be borne mainly by Bureau Veritas (€293.4 million).

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Note 35. Stock options

Stock-option expense for the 2008 fiscal year came to €4.8 million, vs €4.9 million in 2007. An additional expense of €5.0 million was recognized in 2008 on Bureau Veritas share-based payments.

In millions of euros	2008
Stock options at Wendel	2.8
Stock options at Bureau Veritas	1.0
Grant of bonus shares at Bureau Veritas	5.9
Stock appreciation rights at Bureau Veritas	-0.9
Deutsch	0.3
Stallergenes	0.7
Total	9.8

New stock-option plans set up in 2008 were as follows:

Wendel

In July 2008, Wendel granted 890,600 stock options, with the following characteristics:

- strike price of €67.50;
- life of ten years;
- vest in annual 20% tranches over five years;
- can only be exercised after five years, with the first tranche being acquired after one year;
- their final number will depend on the performance of net asset value (NAV) per share (€119 per share when granted):
 - if this performance (including dividends paid out to shareholders during the period) is below 30% after five years, the number of options granted is divided by four,
 - if this performance (including dividends paid out to shareholders during the period) is above 120%, the number of options allocated is maintained,
 - if this performance is between 30% and 120%, the final amount will be adjusted accordingly.

The options have been valued using a binomial model, based on the following main assumptions: a 4.6% risk-free rate and 20.6% volatility; staff turnover is considered to be zero; the illiquid nature of stock options has been taken into account in this model, which is usually applicable to options that can be freely traded on a market. Stock options granted have been valued at €1 each. The expense has been spread out on the basis of the maturity schedule of the vesting rights (see above).

Bureau Veritas

In June 2008, Bureau Veritas granted 137,400 stock options at a strike price of €38.35 and a life of eight years. For the options to vest, the optionee must complete three years of service, and a performance objective based on 2008 adjusted operating income must be achieved. The average unit fair value of options granted during the fiscal year was €15.25. Their value was assessed with a Black & Scholes model, based on the following assumptions: 29% volatility, 4.8% risk-free rate and an estimated life of seven years.

In 2008, Bureau Veritas awarded 481,050 free shares under certain conditions of continued employment and/or performance. The weighted average fair value of the free shares awarded in 2008 was €33.61 per share.

Deutsch

Deutsch granted 282,043 stock options in 2008, based on the same terms and conditions as those granted in 2006 and 2007. The unit value used was €1.06 per option.

Stallergenes

Stallergenes granted 27,000 stock options in 2008 under the 2006 plan, with a €42.08 strike price and a ten-year life. The options vest over a three-year period. The options granted have been valued at €13.03 each.

	Number of options outstanding 12.31.2007	Options granted in 2008	Options canceled in 2008	Options exercised in 2008	Adjustment	Number of options outstanding 12.31.2008	Number exercisable options	Exercise price (in euros)	Average exercise price (in euros)	Average residual life
Wendel										
Purchase- type options ⁽¹⁾	10,401			–		10,401	10,401	33.35	33.35	2.5 years
Subscription- type options	272,588			–19,929		252,659	252,659	24.59 to 90.14	54.87	5.3 years
Subscription- type options indexed to NAV/share	877,500	890,600			–40,000	1,728,100	–	132.96 and 67.50	99.99	9 years
Bureau Veritas	3,553,100	137,400	–235,500	–440,980		3,014,020	695,620	4.08 to 38.35	15.25	5.3 years
Stallergenes	679,466	27,000	–3,400	–176,481		526,585	265,657	5.04 to 57.06	24.76	6 years
Deutsch	2,607,539	282,043	–120,874		–120,876	2,647,832	2,365,789	1.00	1.00	6 years

(1) Wendel holds the shares necessary to cover the exercise of stock options granted.

Note 36. Segment information

The primary level of segment information is based on the various business segments in which Group's subsidiaries operate:

- Bureau Veritas (certification, quality control);
- Editis (publishing), divested in 2008;
- Stallergenes (immunotherapy);
- Oranje-Nassau Energy (energy);
- Deutsch (connectors);
- Materis (specialty chemicals for the construction sector);
- holding companies.

The second level of segment information is based on geographical regions. Wendel divides its activities into three regions: France, rest of Europe, and rest of world.

IFRS 8 “Operating segments”

IFRS 8 “Operating segments” is mandatory for accounting periods opened on or after January 1, 2009. The Group has not applied this standard ahead of time. IFRS 8 requires that segment information be based on information reviewed by Group managing bodies. The Group has concluded that its operating segments, such as provided for under IFRS 8, would be the same as those presented on the primary level in accordance with IAS 14. The impact of the standard on additional segment information is being analyzed. Implementing this standard in 2009 will have no impact on the Group's financial standing or financial performance.

At December 31, 2008

[illegible]

At December 31, 2007

[illegible]

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Book value of companies

At December 31, 2008

In millions of euros	Net consolidated value Group share	Shareholder loans	Market value
Fully-consolidated companies			
Oranje-Nassau Groep (excluding Stallergenes and Lumina Parent)	144.7	–	
Stallergenes	39.4	–	231.7
Bureau Veritas	885.2	–	1,934.0
Deutsch group (Deutsch)	–5.7	191.7 ⁽¹⁾	
Materis Parent (Materis)	–125.0	290.3 ⁽¹⁾	
Companies accounted for by the equity method			
Saint-Gobain	5,353.9	–	2,739.4
Legrand	521.3	–	1,100.8
Stahl	–	–	

(1) Shareholder loans held by Wendel or its holding companies eliminated in consolidation.

Analysis by geographical region

At December 31, 2007

In millions of euros	France	Rest of Europe	Rest of the world	Total
Net sales	1,590.2	1,463.1	1,658.7	4,712.0
Segment assets	3,496.5	2,212.9	1,910.9	7,620.3
Acquired assets	88.8	59.4	61.1	209.2

At December 31, 2008

In millions of euros	France	Rest of Europe	Rest of the world	Total
Net sales	1,765.4	1,700.1	1,946.9	5,412.5
Segment assets	3,086.8	1,552.6	2,286.7	6,926.1
Acquired assets	96.0	65.4	194.9	356.4

Note 37. Unavailable assets

In millions of euros	Unavailability expiration date	Consolidated value of unavailable assets	12.31.2008	
			Total for balance sheet line item	% of balance sheet line item
Intangible assets		–	1,509.7	
Stallergenes	09.2014	12.7		
Property, plant and equipment		12.7	1,061.6	1.2%
Bureau Veritas		13.2		
Eufor group (Saint-Gobain investment structure) ⁽¹⁾⁽²⁾		2,160.0		
Non-current financial assets		2,173.2	2,295.2	94.7%
Equity-method investments ⁽³⁾		5,545.3	5,881.3	94.3%
Other non-current assets		–	2,775.9	
Total non-current assets		7,731.1	13,523.7	57.2%

(1) These assets will be unavailable until the maturity date of the Eufor group financing.

(2) Of which cash and cash equivalents: €1,399.6 million.

(3) Consolidated value.

Certain other assets eliminated in consolidation, such as shares in consolidated companies or inter-company receivables, have been pledged to banks as collateral. These assets are as follows:

- certain shares of Materis group companies, having a value of €1,798.2 million, have been pledged to banks as collateral on loans they granted to finance this transaction;

- in the Deutsch group financing set up at the end of June 2006, shares in the main Deutsch group companies were pledged to banks as collateral on €482.0 million in loans they granted (senior, second lien, mezzanine);

- Bureau Veritas shares pledged under Eufor group financing (see note on liquidity risk related to Eufor group financing).

Note 38. Subsequent events

Dividend

On the Executive Board's proposal, which was approved by the Supervisory Board, a €1.00 per share dividend will be submitted for shareholder approval at the Annual Meeting.

Saint-Gobain capital increase

As part of Saint-Gobain's March 2009 capital increase, Wendel subscribed 8.3 million shares at €14 per share. Wendel owns 89.8 million Saint-Gobain shares after this subscription, or 18.3% of its share capital (18.5% net of treasury shares). Non-exercised warrants were sold for about €66 million. The mechanical impact

of dilution (from 21.6% to 18.5%) will lead to a dilution loss of around €600 million recognized in the 2009 financial statements, reducing the value per share from €65.7 before the capital increase to €54.2, apart from any considerations about Saint-Gobain's share price performance.

Divestment of a 10% block in Bureau Veritas

In March 2009, Wendel sold 11 million Bureau Veritas shares for €25 per share. Following the divestment, Wendel remains the majority shareholder in Bureau Veritas, with more than 51% of its share capital. The divestment's impact will be recognized in 2009. It amounts to about +€120 million.

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K. List of principal companies consolidated at december 31, 2008

Consolidation scope

Consolidation method	% interest	Company name	Country	Business segment
FC	100.00	Wendel	France	Investment management
FC	100.00	Coba	France	"
FC	99.50	Compagnie de Butterfly	France	"
FC	100.00	Compagnie Financière de la Trinité	France	"
FC	99.50	Eufor	France	"
FC	100.00	Hirvest 1	France	"
FC	100.00	Hirvest 2	France	"
FC	100.00	Hirvest 3	France	"
FC	100.00	Hirvest 4	France	"
FC	100.00	Hirvest 5	France	"
FC	100.00	Hirvest 6	France	"
FC	100.00	Hirvest 7	France	"
FC	100.00	Sofe	France	"
FC	100.00	Sofiservice	France	"
FC	100.00	Winbond	France	"
FC	100.00	Winvest 10	France	"
FC	100.00	Winvest 11	France	"
FC	100.00	Winvest 14	France	"
FC	100.00	Winvest 15	France	"
FC	100.00	Xevest holding (ex-Compagnie du Sahara)	France	"
FC	100.00	Xevest 1	France	"
FC	100.00	Xevest 2	France	"
FC	99.50	2MWIN	Luxembourg	"
FC	100.00	Froeggen	Luxembourg	"
FC	100.00	Grauggen	Luxembourg	"
FC	100.00	Hourggen	Luxembourg	"
FC	100.00	Ireggen	Luxembourg	"
FC	100.00	Jeurggen	Luxembourg	"
FC	99.50	Karggen	Luxembourg	"
FC	99.50	Luxconnecting Parent	Luxembourg	"
FC	94.30	Materis Investor	Luxembourg	"
FC	99.50	Stahl Lux 1 Sarl	Luxembourg	"
FC	100.00	Trief Corporation	Luxembourg	"
FC	100.00	Truth 2	Luxembourg	"
FC	100.00	Winvest Conseil	Luxembourg	"
FC	100.00	Winvest Part 1	Luxembourg	"
FC	100.00	Winvest Part 4	Luxembourg	"
FC	100.00	Winvest Part 5	Luxembourg	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidation method	% interest	Company name	Country	Business segment
FC	100.00	Winvest Part 6	Luxembourg	Investment management
FC	100.00	Winvest Part 7	Luxembourg	"
FC	99.50	Winvest International	Luxembourg	"
FC	100.00	Legron BV	Netherlands	"
FC	100.00	Sofisamc	Switzerland	"
FC	100.00	Wendel Japan K.K.	Japan	"
FC	100.00	Oranje-Nassau Groep B.V.	Netherlands	"
FC	100.00	Oranje-Nassau Energy B.V.	Netherlands	Energy
FC	100.00	Oranje-Nassau Participaties B.V.	Netherlands	Shareholdings
FC	46.54	Stallergenes SA	France	Immunotherapy
FC	46.54	SCI Stallergenes Antony	France	"
FC	46.54	Stallergenes GmbH	Germany	"
FC	46.54	Stallergenes Italia SpA	Italy	"
FC	46.54	Stallergenes Ibérica SA	Spain	"
FC	46.54	Stallergenes Belgium SA	Belgium	"
FC	46.54	Stallergenes CZ, s.r.o	Czech Republic – Slovakia	"
FC	23.74	Stallergenes BV	Netherlands	"
FC	46.54	Stallergenes Portugal – Produtos Farmaceuticos, LDA	Portugal	"
FC	62.52	Bureau Veritas	France	Certification and quality control
FC	43.76	BV South Africa	South Africa	"
FC	62.52	BV Algérie	Algeria	"
FC	62.52	BV Certification Germany	Germany	"
FC	62.52	IPM	Germany	"
FC	62.52	BV Germany Holding GmbH	Germany	"
FC	62.52	Bureau Veritas Industry Services	Germany	"
FC	62.52	BVCPS Germany	Germany	"
FC	41.89	One Tüv	Germany	"
FC	62.52	BV E&E PS (ex-Innova)	Germany	"
FC	62.52	Ziller Ass	Germany	"
FC	35.23	ECA Internacional Andorra	Andorra	"
FC	34.57	Pirineu Payma	Andorra	"
FC	45.48	ECA OCT Andorra	Andorra	"
FC	44.23	Gimnot	Andorra	"
FC	37.09	ECA Inspeccio i Control	Andorra	"
FC	45.01	ECA ITV	Andorra	"
FC	62.52	BV Angola	Angola	"
FC	37.51	BV SATS	Saudi Arabia	"
FC	62.52	BIVAC Argentina	Argentina	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

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Consolidation method	% interest	Company name	Country	Business segment
FC	62.52	BV Argentine	Argentina	Certification and quality control
FC	62.52	BVQI Argentine	Argentina	"
FC	62.52	Servicios Internacionales Cesmec SA	Argentina	"
FC	62.52	Bureau Veritas Australia Pty Ltd	Australia	"
FC	62.52	Bureau Veritas HSE	Australia	"
FC	62.52	Bureau Veritas Asset Integrity & Reliability Services Australia	Australia	"
FC	62.52	IRC	Australia	"
FC	62.52	CCI Holdings	Australia	"
FC	62.52	Bureau Veritas International Trade	Australia	"
FC	62.52	Carbon Consulting International	Australia	"
FC	62.52	Bureau Veritas Asset Integrity & Reliability Services	Australia	"
FC	62.52	Amdel	Australia	"
FC	62.52	Amdel Holdings	Australia	"
FC	62.52	Amdel Holdings Finance	Australia	"
FC	62.52	IML	Australia	"
FC	62.52	Ultra Trace	Australia	"
FC	62.52	LabMark	Australia	"
FC	62.52	BV Austria	Austria	"
FC	62.52	BVQI Austria	Austria	"
FC	62.52	Bureau Veritas Certification Austria (ex-Zertifizierung Bau)	Austria	"
FC	62.52	BV Azeri	Azerbaijan	"
FC	62.52	BIVAC Bangladesh	Bangladesh	"
FC	60.01	BVCPS Bangladesh	Bangladesh	"
FC	62.52	BV Bangladesh Private Ltd	Bangladesh	"
FC	62.52	BV Belarus Ltd	Belarus	"
FC	62.52	BV Marine Belgium & Luxembourg	Belgium	"
FC	62.52	BV Certification Belgium	Belgium	"
FC	62.52	AIBV	Belgium	"
FC	62.52	BV Bénin	Benin	"
FC	60.26	BV do Brasil	Brazil	"
FC	62.52	BVQI do Brasil	Brazil	"
FC	60.26	Tecnitas do Brasil	Brazil	"
FC	62.52	MTL Engenharia	Brazil	"
FC	61.36	Analytical Solutions	Brazil	"
FC	62.52	BV Varna	Bulgaria	"
FC	62.52	BV Douala	Cameroon	"
FC	62.52	BV Canada	Canada	"
FC	62.52	ECA Vérification de Qualité	Canada	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidation method	% interest	Company name	Country	Business segment
FC	62.52	AQSR Canada Inc.	Canada	Certification and quality control
FC	62.52	BV Ontario	Canada	"
FC	62.52	BV Chile	Chile	"
FC	62.52	BVQI Chile	Chile	"
FC	62.52	BV Chile Capacitación Ltda	Chile	"
FC	62.45	ECA Chile Formación	Chile	"
FC	62.50	ECA Chile	Chile	"
FC	62.52	Cesmec Capacitación	Chile	"
FC	62.52	Cesmec Chile	Chile	"
FC	62.52	Geoanalítica	Chile	"
FC	62.52	Panamérica de Leasing	Chile	"
FC	62.52	BV Consulting China	China	"
FC	62.52	BVCPS Hong Kong	China	"
FC	37.51	MTL Shanghai	China	"
FC	62.52	LCIE China	China	"
FC	62.52	BV Certification China (ex-Falide International Quality Assessment)	China	"
FC	62.52	BV Certification Hong Kong	China	"
FC	62.52	Tecnitas far East	China	"
FC	62.52	Bureau Veritas Hong Kong	China	"
FC	62.52	Bivac Shanghai	China	"
FC	62.52	Guangzhou BVCPS	China	"
FC	31.88	Safety Technology Holding	China	"
FC	28.69	BV Bosun – Safety Technology	China	"
FC	62.52	BVCPS HK (mainly Taiwan branch)	China	"
FC	37.51	BV Shenzen	China	"
FC	31.26	NDT Technology Holding	China	"
FC	31.26	BV – Fairweather Inspection & Consultants	China	"
FC	62.52	BV Colombia	Colombia	"
FC	62.52	BVQI Colombia	Colombia	"
FC	62.39	ECA Colombie	Colombia	"
FC	62.52	BV Congo	Congo	"
FC	62.52	Bivac Congo	Congo	"
FC	62.52	BV Certification Korea (ex-BVQI Korea)	Korea	"
FC	62.52	BV Côte d'Ivoire	Ivory Coast	"
FC	62.51	Bivac Scan CI	Ivory Coast	"
FC	62.52	BV Croatia	Croatia	"
FC	62.52	BV Certification Denmark	Denmark	"
FC	62.52	Trotters	Denmark	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

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Consolidation method	% interest	Company name	Country	Business segment
FC	62.52	Chemtox	Denmark	Certification and quality control
FC	56.26	BV Egypt	Egypt	"
FC	62.52	BV Ecuador	Ecuador	"
FC	62.52	IPM Espagne	Spain	"
FC	62.09	BV Espanol	Spain	"
FC	62.52	BV Certification Espagne	Spain	"
FC	62.52	Surveycan	Spain	"
FC	62.52	ECA Entidad Colaborada De La Administración, S.A.U	Spain	"
FC	62.52	ECA Preven, S.A.U	Spain	"
FC	62.52	Activa, Innovación Y Servicios, S.A.U	Spain	"
FC	62.52	idt Docuteca, S.A.	Spain	"
FC	62.52	Servi Control, S.L	Spain	"
FC	62.52	Geopayma, S.A.U	Spain	"
FC	34.38	Payject Xxi, S.A.	Spain	"
FC	62.52	Payma Cotas, S.A.U	Spain	"
FC	62.52	ECA Control Engineering International, S.A.	Spain	"
FC	62.52	Instituto De La Calidad, S.A.U	Spain	"
FC	59.39	ECA Instituto De Tecnología Y Formación, S.A.	Spain	"
FC	34.38	ECA Control Y Gestión De Servicios, S.L	Spain	"
FC	40.63	Prevenout	Spain	"
FC	62.52	A77 Servicios Y Contratas, S.L	Spain	"
FC	62.52	Aceplus, Servicios Integrales, S.A.U	Spain	"
FC	62.52	ECA Global'S Investments, Heritage And Assets, S.L.U	Spain	"
FC	62.52	Gimnot Innovación Y Servicios, S.A.U	Spain	"
FC	62.52	Inversiones Y Patrimonios De ECA Global, S.A.	Spain	"
FC	31.91	Andacar	Spain	"
FC	62.52	ECA idt, S.A.	Spain	"
FC	62.52	Tarinant	Spain	"
FC	62.52	Aravan Dan	Spain	"
FC	62.52	Entidad de colaboración administrativa	Spain	"
FC	62.52	Arlond	Spain	"
FC	62.52	Newco ECA, S.A.U	Spain	"
FC	62.52	ECA Totcontrol, S.A.U	Spain	"
FC	62.52	Newco ECA Global	Spain	"
FC	62.52	BV Estonia	Estonia	"
FC	62.52	BVHI – USA	United States	"
FC	62.52	BV Certification North America	United States	"
FC	62.52	BVCPS Inc.	United States	"
FC	62.52	BV Marine Inc.	United States	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidation method	% interest	Company name	Country	Business segment
FC	62.52	Unitek Technical Services	United States	Certification and quality control
FC	62.52	US Laboratories Inc.	United States	"
FC	62.52	Bureau Veritas North America	United States	"
FC	62.52	Bivac North America	United States	"
FC	62.52	One Cis Insurance	United States	"
FC	62.52	Curtis Strauss	United States	"
FC	62.52	NEIS	United States	"
FC	62.52	BV International	France	"
FC	62.52	BV France	France	"
FC	62.52	BVCPS France	France	"
FC	62.52	Bivac International	France	"
FC	62.49	BV Monaco	France	"
FC	62.52	BV Certification France	France	"
FC	62.52	BV Certification Holding	France	"
FC	62.52	CEP Industrie	France	"
FC	62.52	Sedhyca	France	"
FC	62.52	Tecnitas	France	"
FC	62.52	LCIE France	France	"
FC	61.80	Qualité France	France	"
FC	62.52	Transcable	France	"
FC	62.52	SSICOOR	France	"
FC	62.52	ECS	France	"
FC	62.52	Operendi	France	"
FC	31.46	Arcalia	France	"
FC	62.52	Aprob	France	"
FC	62.26	Coreste	France	"
FC	62.52	ECA Cert Certification	France	"
FC	62.52	Ecalis	France	"
FC	62.52	Bureau Veritas Laboratoires	France	"
FC	50.01	CODDE	France	"
FC	62.52	Ulase	France	"
FC	62.52	Élysées Conseil	France	"
FC	62.52	Bureau Veritas Opérations France	France	"
FC	62.52	BV Gabon	Gabon	"
FC	62.52	BIVAC Ghana	Ghana	"
FC	62.52	BV Certification Hellas	Greece	"
FC	62.52	BVCPS Guatemala	Guatemala	"
FC	62.52	BIVAC Guinée	Guinea	"
FC	62.52	BV Guinée	Guinea	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidated financial statements

Consolidation method	% interest	Company name	Country	Business segment
FC	62.52	BV Hongrie	Hungary	Certification and quality control
FC	60.58	BVIS – India	India	"
FC	62.52	BV Certification India	India	"
FC	62.52	BVCPS India Ltd	India	"
FC	62.52	Bureau Veritas India	India	"
FC	62.52	BV Indonésie	Indonesie	"
FC	53.14	BVCPS Indonésie	Indonesie	"
FC	62.52	BV Ireland Ltd	Ireland	"
FC	62.52	BV Italia	Italy	"
FC	62.52	BV Italia Holding spa (ex-BVQI Italie)	Italy	"
FC	62.52	ECA Certificazione	Italy	"
FC	62.52	PMI CERT	Italy	"
FC	62.52	Graham	Italy	"
FC	62.52	Nexta	Italy	"
FC	62.52	BV Sciro	Italy	"
FC	62.52	BV Japan	Japan	"
FC	62.52	Nihon Testing	Japan	"
FC	62.52	Bureau Veritas Human Tech	Japan	"
FC	37.51	BV Kazakhstan Industrial Services LLP	Kazakhstan	"
FC	62.52	BV Kazakhstan	Kazakhstan	"
FC	62.45	BV Kenya	Kenya	"
FC	62.52	BV Lebanon	Lebanon	"
FC	62.52	Bureau Veritas Latvia	Latvia	"
FC	62.52	BV Lithuania	Lithuania	"
FC	62.52	Soprefira	Luxembourg	"
FC	62.52	BV Luxembourg	Luxembourg	"
FC	62.52	BV Mali	Mali	"
FC	30.63	BV Malaysia	Malaysia	"
FC	62.52	BV Certification Malaysia (ex-BVQI Malaysia)	Malaysia	"
FC	62.52	BV Maroc (ex-BV Certification Maroc)	Morocco	"
FC	62.52	BV Mexicana	Mexico	"
FC	62.52	BVCPS Mexico	Mexico	"
FC	62.52	BVQI Mexique	Mexico	"
FC	62.52	AQSR de R.L. de C.V.	Mexico	"
FC	62.42	ECA Mexico	Mexico	"
FC	62.52	Bureau Veritas Controle	Mozambique	"
FC	62.52	Bureau Veritas Namibie	Namibia	"
FC	37.51	BV Nigeria	Nigeria	"
FC	62.52	Chemtox – Norge AS	Norway	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidation method	% interest	Company name	Country	Business segment
FC	62.52	BV Nouvelle Zélande	New Zealand	Certification and quality control
FC	62.52	Amdel Holdings	New Zealand	"
FC	62.52	New Zealand Laboratory Services	New Zealand	"
FC	50.01	BVCPS Pakistan	Pakistan	"
FC	62.52	BV Pakistan	Pakistan	"
FC	62.52	BV Panama	Panama	"
FC	62.52	BIVAC Paraguay	Paraguay	"
FC	62.52	BIVAC Rotterdam	Netherlands	"
FC	62.52	BIVAC World market	Netherlands	"
FC	62.52	BV Certification Netherlands	Netherlands	"
FC	62.52	Bureau Veritas Metingen, Inspecties & Validities BV	Netherlands	"
FC	62.52	Nagtglas Versteeg Inspecties B.V.	Netherlands	"
FC	62.52	Risk Control B.V.	Netherlands	"
FC	62.52	DASS B.V.	Netherlands	"
FC	62.52	Inspecties Beheer B.V.	Netherlands	"
FC	62.52	BV Marine Netherlands	Netherlands	"
FC	62.52	BV Pérou	Peru	"
FC	62.52	BIVAC Peru	Peru	"
FC	62.52	Cesmec Peru	Peru	"
FC	62.52	BVCPS Philippines	Philippines	"
FC	62.52	BV Poland	Poland	"
FC	62.52	BV Certification Pologne	Poland	"
FC	62.52	BV Certification Portugal	Portugal	"
FC	62.52	Rinave Registro Int'l Naval	Portugal	"
FC	62.52	Rinave Consultatorio y Servicios	Portugal	"
FC	62.52	Rinave Qualidade y Seguranca	Portugal	"
FC	62.52	ECA Totalinspe	Portugal	"
FC	20.63	Infoloures	Portugal	"
FC	37.51	EIFC	Portugal	"
FC	62.52	BIVAC Iberica	Portugal	"
FC	62.52	BV Czech Republic	Czech Republic	"
FC	62.52	BV Certification Rép.tchèque	Czech Republic	"
FC	62.52	BV Romania CTRL	Romania	"
FC	62.52	BV Certification Ltd – UK	United Kingdom	"
FC	62.52	BV Inspection UK	United Kingdom	"
FC	62.52	BV UK Ltd	United Kingdom	"
FC	62.52	Weeks Technical Services	United Kingdom	"
FC	62.52	Bureau Veritas Consulting	United Kingdom	"
FC	62.52	Bureau Veritas Laboratories Limited	United Kingdom	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidated financial statements

Consolidation method	% interest	Company name	Country	Business segment
FC	46.89	Pavement Technologies Limited	United Kingdom	Certification and quality control
FC	62.52	Bureau Veritas Consumer Products Services UK Ltd	United Kingdom	"
FC	62.52	LJ Church Ltd	United Kingdom	"
FC	62.52	Technicare	United Kingdom	"
FC	62.52	Tenpleth UK	United Kingdom	"
FC	62.52	Casella Consulting Ltd	United Kingdom	"
FC	62.52	BV HS&E	United Kingdom	"
FC	62.52	Winton	United Kingdom	"
FC	62.52	Casella Science & Environment	United Kingdom	"
FC	62.52	Casella Analytic	United Kingdom	"
FC	62.52	BV B&I Ltd	United Kingdom	"
FC	62.52	Winton Holding	United Kingdom	"
FC	62.52	Merchandise Testing Laboratories Ltd	United Kingdom	"
FC	62.52	X Reference Ltd	United Kingdom	"
FC	62.52	Bureau Veritas Consumer Products Services Holding UK Ltd	United Kingdom	"
FC	62.52	BV UK Holding Ltd	United Kingdom	"
FC	62.52	JMD Group Ltd	United Kingdom	"
FC	62.52	JMD Fabrication Ltd	United Kingdom	"
FC	62.52	JMD International Ltd	United Kingdom	"
FC	62.52	JMD Software Solutions Ltd	United Kingdom	"
FC	62.52	JMD Rotordynamics Ltd	United Kingdom	"
FC	62.52	JM Dynamics Ltd	United Kingdom	"
FC	62.52	BV Russia	Russia	"
FC	62.52	Bureau Veritas Certification Russia	Russia	"
FC	62.52	BV Sénégal	Senegal	"
FC	62.52	Bureau Veritas D.o.o.	Serbia	"
FC	62.52	BVCPS Singapour	Singapore	"
FC	62.52	BV Certification Singapour (ex-BVQI Singapour)	Singapore	"
FC	62.52	BVCPS Lanka	Sri Lanka	"
FC	62.52	BV Lanka Ltd	Sri Lanka	"
FC	62.52	BV Slovakia	Slovakia	"
FC	62.52	BV Certification Slovakia	Slovakia	"
FC	62.52	Bureau Veritas D.o.o.	Slovenia	"
FC	62.52	BV Certification Sverige	Sweden	"
FC	62.52	Chemtox Sverige	Sweden	"
FC	62.52	BV Bivac Switzerland	Switzerland	"
FC	62.52	BV Certification Switzerland	Switzerland	"
FC	62.52	BV Certification Taiwan	Taiwan	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidation method	% interest	Company name	Country	Business segment
FC	62.52	BV Taiwan	Taiwan	Certification and quality control
FC	61.95	Advance Data Technology	Taiwan	"
FC	62.52	BV Tchad	Chad	"
FC	30.63	BV Thailand	Thailand	"
FC	30.63	BV Certification Thailand	Thailand	"
FC	62.52	BVCPS Thailand	Thailand	"
FC	62.52	BV Togo	Togo	"
FC	31.24	STCV – Tunisia	Tunisia	"
FC	62.52	BV Gozetim Hizmetleri	Turkey	"
FC	62.52	BVCPS Turkey	Turkey	"
FC	62.52	BV Ukraine	Ukraine	"
FC	62.52	BV Certification Ukraine	Ukraine	"
FC	62.52	CCI Ukraine	Ukraine	"
FC	62.52	BV Venezuela	Venezuela	"
FC	62.52	BVQI Venezuela	Venezuela	"
FC	62.52	AQSR de Sudamericca	Venezuela	"
FC	62.52	BV Vietnam	Vietnam	"
FC	62.52	BV Certification Vietnam (ex-BVQI Vietnam)	Vietnam	"
FC	62.52	BV Consumer Product Services Vietnam Ltd	Vietnam	"
FC	62.52	BV CPS Vietnam (ex-Kotiti)	Vietnam	"
E	31.21	ATSI – France	France	"
E	31.26	BV EM & I Limited	United Kingdom	"
E	28.13	GIE Sécurité Aviation Civile – France	France	"
FC	73.54	Materis Parent	Luxembourg	Specialty chemicals for construction
FC	73.54	Materis DSI (ex-GIE LMS Services)	France	"
FC	73.54	LARIS	France	"
FC	73.54	Materis Corporate Services	France	"
FC	73.54	Materis Luxembourg	Luxembourg	"
FC	73.54	Materis Holding Luxembourg	Luxembourg	"
FC	73.54	Materis SAS	France	"
FC	73.54	Materis Trésorerie	France	"
FC	73.54	Materis Aluminates	France	"
FC	73.54	Kerneos	France	"
FC	73.54	Kerneos Italia SRL	Italy	"
FC	73.54	Kerneos di Ticaret SA	Turkey	"
FC	73.54	Lafarge Aluminates Asia Pacific SA	Singapore	"
FC	73.54	Kerneos Australia Pty Ltd	Australia	"
FC	73.54	Kerneos Benelux SA	Belgium	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidated financial statements

Consolidation method	% interest	Company name	Country	Business segment
FC	73.54	Kerneos GmbH	Germany	Specialty chemicals for construction
FC	73.54	Kerneos Ltd	United Kingdom	"
FC	73.54	Kerneos Nordiska AB	Sweden	"
FC	73.54	Kerneos Southern Africa Pty Ltd	South Africa	"
FC	73.54	Kerneos de México SA de CV	Mexico	"
FC	73.54	Kerneos Ibérica, SL	Spain	"
FC	73.54	Kerneos do Brazil Ltda	Brazil	"
FC	73.54	Kerneos Inc	United States	"
FC	73.54	Lafarge Aluminates China	China	"
FC	73.54	4145585 Canada Inc	Canada	"
FC	73.54	Société de valorisation des minéraux industriels	France	"
FC	73.54	Kerneos Polska Spzoo	Poland	"
FC	73.54	Peramin AB	Sweden	"
FC	73.54	LLC Kerneos	Russia	"
FC	73.54	Yindu	China	"
FC	66.19	Greatwalls Zhengzhou Special Cements	China	"
FC	73.54	Belitex	France	"
FC	73.54	Kerneos Aluminates Technologies India	India	"
FC	73.54	UK Holding	United Kingdom	"
FC	73.54	US Holding	United States	"
FC	73.54	Materis Adjuvants	France	"
FC	73.54	Chryso SAS	France	"
FC	48.98	Chryso MascareFCne SA	France	"
FC	73.54	Chryso Aditivos SA	Spain	"
FC	44.10	Chryso Aditivos SA Portugal	Portugal	"
FC	73.54	Chryso Chemie sro	Czech Republic	"
FC	73.54	Chryso Southern Africa Ltd Cy	South Africa	"
FC	73.54	Chryso Brasil	Brazil	"
FC	73.54	Chryso UK	United Kingdom	"
FC	73.54	Chryso Polska	Poland	"
FC	73.54	Chryso Inc	United States	"
FC	73.54	Chryso Italia Spa	Italy	"
FC	73.54	Chryso Kat Katki Malzemelriban ve tic Ac	Turkey	"
FC	54.42	SWC	India	"
FC	73.54	Promix	United States	"
FC	73.54	Chryso Roumanie	Romania	"
FC	73.54	Parex Group	France	"
FC	73.00	Lafarge Mortiers SA	France	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidation method	% interest	Company name	Country	Business segment
FC	73.54	Materis Mortiers Belgium	Belgium	Specialty chemicals for construction
FC	73.54	SEIFERT	Belgium	"
FC	73.54	Materis Ibérica Morteros	Spain	"
FC	73.54	Texsa Morteros SA – Espagne	Spain	"
FC	73.54	Texsa Morteros Portugal	Portugal	"
FC	73.54	Davco Construction Materials Pty Ltd	Australia	"
FC	73.54	Davco Building Materials Pte	Singapore	"
E	36.67	Materis Mortars Thailand	Thailand	"
FC	54.40	SODAP Thaïlande	Thailand	"
FC	73.54	Novabond	Malaysia	"
FC	73.54	Spinna Argentina Srl	Argentina	"
FC	73.54	Qualimat	Brazil	"
FC	73.54	Klaukol SA	Argentina	"
FC	73.54	Klaukol Chile	Chile	"
FC	73.54	Materis US Mortars Inc	United States	"
PC	29.42	CCC Parex	United Arab Emirates	"
FC	73.54	Parex Ltd	United Kingdom	"
FC	73.54	La Habra Products Inc	United States	"
FC	73.54	Davcoa China Limited	China	"
FC	73.54	Davcoa Limited	Hong Kong	"
FC	40.44	Sodap Maroc	Morocco	"
FC	73.54	Geser	Turkey	"
FC	73.54	Tecroc	United Kingdom	"
FC	73.54	Revear	Argentina	"
FC	73.54	Cadina	Chile	"
FC	73.54	Parex Group US	United States	"
FC	73.54	Easipoint	United Kingdom	"
FC	73.54	Materis Paints	France	"
FC	73.54	Materis Peintures	France	"
FC	73.54	Peintures Productions Ouest SAS	France	"
FC	73.54	Tollens Production Nord SAS	France	"
FC	73.54	Agora SA	France	"
FC	73.54	RM Distribution	France	"
E	27.58	SPE SA	France	"
FC	73.54	Tollens Holding BV	Netherlands	"
FC	73.53	Tollens Coatings SA	Belgium	"
FC	73.54	Materis paints espana	Spain	"
FC	73.54	Robbialac SA	Portugal	"

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Consolidated financial statements

Consolidation method	% interest	Company name	Country	Business segment
FC	73.54	Materis Paints Italia	Italy	Specialty chemicals for construction
FC	73.54	Zolpan	France	"
FC	73.54	Cruyplants	Belgium	"
FC	65.24	Colorin	Argentina	"
FC	73.54	Claessens	Switzerland	"
FC	73.54	Materis Peintures Holding	France	"
FC	73.54	Société Holding des Peintures du Maroc	Morocco	"
FC	73.54	Arcol	Morocco	"
PC	40.45	Bravo	Italy	"
FC	73.54	Altek	France	"
FC	73.54	ICP UK	United Kingdom	"
FC	88.94	Deutsch Group (ex-Matinvest 2)	France	High-performance connectors
FC	88.94	Carrier Kheops Bac	France	"
FC	88.94	Compagnie Deutsch Distribution SAS	France	"
FC	88.94	Compagnie Deutsch Orléans SAS	France	"
FC	88.94	Compagnie Deutsch SAS	France	"
FC	88.94	Connecteurs Électriques Deutsch SAS	France	"
FC	88.94	Deutsch SAS (ex-Bethany)	France	"
FC	88.94	Deutsch Finance (ex-Catania)	France	"
FC	88.94	Compagnie Deutsch GmbH	Germany	"
FC	88.94	Deutsch Electronic Marketing Ltd (DECM)	Israel	"
FC	88.94	Deutsch Italy	Italy	"
FC	88.94	Nihon-Deutsch Ltd	Japan	"
FC	88.94	Deutsch GB	United Kingdom	"
FC	88.94	Deutsch Subco	United Kingdom	"
FC	88.94	Deutsch UK	United Kingdom	"
FC	88.94	Servo	United Kingdom	"
FC	88.94	Deutsch Corporate Inc	United States	"
FC	88.94	Deutsch Engineered Connecting Devices (ECD)	United States	"
FC	88.94	US BondCo	United States	"
FC	88.94	Deutsch Connectors (Hong Kong) Ltd.	Hong Kong	"
FC	88.94	Deutsch Connectors Manufacturing (Shanghai) Ltd.	China	"
FC	88.94	Deutsch Connectors Trading (Shanghai) Co. Ltd.	China	"
FC	88.94	Deutsch Off-Shore USA LLC	United States	"
FC	53.36	Ladd	United States	"
E	31.47	Legrand Holding S.A.	France	Electrical equipment
E	45.77	Stahl	Netherlands	Leather processing
E	21.57	Saint-Gobain	France	Production, transformation and distribution of construction materials

FC: Full consolidation. PC: Proportionate consolidation. E: Equity method.

Statutory Auditors' report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2008, on:

- the audit of the accompanying financial statements of Wendel;
- the justification of our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of Wendel and its subsidiaries as at December 31, 2008, and of the results of their operations for the year then ended in accordance with IFRS as adopted by the European Union.

Without qualifying our opinion, we draw your attention to:

- note 5 to the consolidated financial statements "Equity-method investments – impairment test on equity-method investments" which describes the methods applied to value the interest held in Saint-Gobain based on value in use in accordance with IFRS, and in particular in relation to the following points:
 - the value in use of the interest in Saint-Gobain was valued by the Company at €65.7 per share at December 31, 2008. For the purposes of this valuation, the investment was considered as a long-term investment and the facts and

circumstances at the balance sheet date were taken into account as well as the information available at the date of approval of the financial statements. This valuation led to an impairment loss of €240 million in 2008,

- the uncertainties with regard to the outlook for the global economy make forecasting difficult and the actual amounts could be at variance from the forecasts established within the scope of the impairment test performed. It is therefore possible that the value in use of the interest held will be different from that determined on the basis of the assumptions and estimates applied at December 31, 2008,
- a sensitivity analysis shows that in the event of a 0.5% increase in the discount rate, an additional impairment loss of €651 million would be recognized, and in the event of a 0.5% decrease in this rate, the €240 million impairment loss would not be recognized. Similarly, in the event of a 0.5% decrease in the long-term growth rate, an additional impairment loss of €476 million would be recognized and in the event of a 0.5% increase in this rate, the €240 million impairment loss would not be recognized;
- note 4.D (1) to the consolidated financial statements "Financial assets and liabilities – Derivatives" which concerns derivatives used to hedge against a fall in the price of the Saint-Gobain share indicates that these instruments are valued in accordance with IAS 39 on the basis of market inputs on the balance sheet date. The change in the fair value of these instruments had a positive impact of €418 million on income in 2008;
- note F to the consolidated financial statements "Risk management – Managing liquidity risk", which describes Wendel's cash and liquidity position and that of its main investments in subsidiaries and associates.
- Note 38 to the consolidated financial statements "Subsequent events", which refers to the dilution loss of approximately €600 million that will be recognized in 2009 in relation to the Saint-Gobain rights issue carried out in March 2009.

Consolidated financial statements

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

In preparing its financial statements, Wendel makes estimates and assumptions concerning, in particular, the value of certain assets, liabilities, income and expenses. The accounting estimates used in the preparation of the consolidated financial statements for the year ended December 31, 2008 were made against the backdrop of the economic crisis described in note B to the consolidated financial statements "Accounting principles – Use of estimates".

It is in this specific context that at December 31, 2008 the Company carried out impairment tests on goodwill, intangible assets with indefinite useful lives and equity-method investments, in accordance with the methods described in the notes to the consolidated financial statements "Accounting principles – Measurement rules", note 1 "Goodwill - Goodwill impairment tests" and note 5 "Equity-method investments - Impairment test".

We reviewed the methods applied to implement these impairment tests and verified that the above-mentioned notes provide appropriate disclosure. In particular, with regard to the impairment test on Saint-Gobain shares which resulted in the recognition of an

impairment loss of €240 million for 2008, we reviewed the assumptions and estimates applied by the Company to determine the value in use of the investment, which based on our sensitivity tests lies in the upper end of the range.

Accounting principles

We reviewed the accounting treatment applied by the Company in the preparation of its consolidated financial statements in respect of investments by Management teams in your Company and its subsidiaries which are not subject to specific provisions under IFRS as adopted within the European Union. We ensured that the notes to the consolidated financial statements entitled "Accounting principles – Participation of managers in Group investments", note D "Related parties" and note E "Participation of managers in Group investments" provide appropriate disclosure in this regard.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified the information given in the Group's management report.

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

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

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Parent company financial statements

Analysis of the parent company financial statements

INCOME STATEMENT

In millions of euros	2008	2007
Income from investments in subsidiaries	1,025	137
Other financial income and expense	15	-27
Net financial income	1,040	110
Operating income	-24	-18
Income (loss) before exceptional items and tax	1,016	92
Exceptional items	3	889
Income taxes	1	28
Net income	1,020	1,009

Income before exceptional items and tax was €1,016 million in 2008, compared with €92 million in 2007. The 2007 figures contained certain non-recurring transactions, including mainly €12 million in foreign currency gains on hedging of assets and €3 million in income from early termination of hedging instruments. Results in 2008 also included certain non-recurring transactions such as €1,000 million of dividends from Winbond and €5 million in foreign currency losses on hedging of assets. Excluding these items,

the change in income before exceptional items and tax reflected principally a decline in dividends paid of €112 million and an increase of €60 million in net financial income resulting from higher invested cash and loans to the Group's financial holding companies.

Net income from exceptional items of €3 million mainly comprised capital gains on the sale of Odyssée Holding (Editis) for €105 million, offset by the €103 million loss in value of Winvest 11 shares.

BALANCE SHEET

In millions of euros

Assets	12.31.2008	12.31.2007
Property, plant and equipment	4	4
Non-current financial assets	2,566	1,915
Working capital requirements	2,947	2,123
Cash and marketable securities	899	1,664
Total assets	6,416	5,706

Non-current financial assets increased by €651 million between 2007 and 2008, owing mainly to the divestment of Odyssee Holding shares (–€125 million) and the subscription to the capital increase of Winbond (€776 million).

Working capital requirements increased by €824 million between 2007 and 2008, essentially due to an increase in loans extended to certain financial holding companies in the Wendel Group.

Liabilities and shareholders' equity	12.31.2008	12.31.2007
Shareholders' equity	3,409	2,488
Provisions	27	11
Borrowings	2,980	3,207
Total liabilities and shareholders' equity	6,416	5,706

Shareholders' equity totaled €3,409 million and reflected net income (€1,020 million) and dividends paid on 2007 earnings (€100 million).

Borrowings decreased by €227 million between 2007 and 2008 mainly due to a €217 million decrease in borrowings from Wendel Group financial holding companies.

INVESTMENTS MADE DURING THE YEAR

In application of article L. 233-6 of the French Commercial Code, we inform you that in 2008 Wendel invested in, or took control of, the following companies:

	Direct ownership	Direct and indirect ownership
None		

Parent company financial statements

Balance sheet at december 31, 2008

ASSETS

		12.31.2008		12.31.2007
In thousands of euros	Note	Gross amounts	Depreciation amortization, provisions	Net amounts
Non-current assets				
Property, plant and equipment		13,750	9,466	4,284
Non-current financial assets ⁽¹⁾				3,816
Investments in subsidiaries and affiliates	1	2,668,219	102,585	2,565,634
Other long-term investments		304	–	304
Loans and other non-current financial assets		99	–	99
		2,668,622	102,585	2,566,037
Total		2,682,372	112,051	2,570,321
Current assets				
Trade receivables ⁽²⁾		459	–	459
Other receivables ⁽²⁾	2	2,920,503	–	2,920,503
Treasury instruments	3	156,866	–	156,866
Marketable securities	4	897,628	112	897,516
Cash		1,315	–	1,315
Prepayments		809	–	809
Total		3,977,580	112	3,977,468
Loan redemption premiums		38,992	–	38,992
Total assets		6,698,944	112,163	6,586,781
				53
				4
				–
				–

(1) Of which within one year

(2) Of which more than one year

LIABILITIES AND SHAREHOLDERS' EQUITY

In thousands of euros	Note	12.31.2008	12.31.2007
Shareholders' equity			
Share capital		201,466	201,274
Share premiums		246,905	244,799
Legal reserve		20,127	20,118
Regulated reserves		191,820	191,820
Other reserves		1,200,000	570,927
Retained earnings		529,094	249,999
Net income for the year		1,020,302	1,008,636
Total	5	3,409,714	2,487,573
Provisions for liabilities and charges	6	26,698	11,319
Borrowings	7	2,980,469	3,206,579
Other creditors	8	169,900	165,288
Total⁽¹⁾		3,150,369	3,371,867
Total liabilities and shareholders' equity		6,586,781	5,870,759
(1) Of which within one year		540,369	482,847
Of which more than one year		2,610,000	2,889,020

Parent company financial statements

Income statement

In thousands of euros	Note	2008	2007
Income from investments in subsidiaries, affiliates and long-term equity portfolio	11	1,025,008	136,861
Other financial income and expenses	12		
Income			
• Income from marketable securities		–	–
• Income from long-term loans and advances		2	1
• Income from invested cash		323,417	120,147
• Provision reversal		223	141
Expenses			
• Interest and similar expenses		300,378	144,007
• Amortization and provisions		8,191	3,246
Net financial income		1,040,081	109,897
Operating income	13		
Other income		10,664	12,015
Provision reversal		–	–
Operating expenses			
Purchases and external services		17,209	16,095
Taxes other than income taxes		2,654	989
Wages and salaries	14	8,331	7,833
Social security costs		4,335	3,750
Depreciation and amortization		959	638
Provision charges		122	161
Miscellaneous expenses		670	646
Operating income (loss)		–23,616	–18,097
Net income (loss) before exceptional items and tax		1,016,465	91,800
Exceptional income			
On operating transactions		13,691	352
On capital transactions		526,759	3,110,204
Provision reversal		1,259	38,172
Exceptional expenses			
On operating transactions		2,159	2,000
On capital transactions		420,358	2,256,514
Provision charges		115,991	1,080
Exceptional items	15	3,201	889,134
Income taxes	16	636	27,702
Net income for the year		1,020,302	1,008,636

Cash flow statement

In thousands of euros	2008	2007
Cash flows from operating activities		
Net income for the year	1,020,302	1,008,636
Elimination of gains and losses on disposals of non-current assets	-99,371	-852,820
Elimination of depreciation, amortization and provisions	111,369	-33,188
Elimination of other non-cash items	23,561	17,152
Change in operating working capital	13,772	5,686
Net cash flow from operating activities	1,069,633	145,466
Cash flow from investing activities		
Outflows		
• Investments in shares of subsidiaries and associates ⁽¹⁾	-1,173,983	-29,884
• Acquisitions of bonds	-	-
• Acquisition of property, plant and equipment	-1,474	-1,578
• Loans granted	-50	-18
Inflows (based on sale price)		
• Divestment of shares in subsidiaries and affiliates ⁽²⁾	526,803	1,569,155
• Disposal of property, plant and equipment	51	1,091
• Disposal of bonds	-	-
• Repayment of loans	4	6
Change in working capital related to investing activities	7,400	-17,926
Net cash flows from investing activities	-641,249	1,520,846
Cash flows from financing activities		
Related to share capital		
• Increase in share capital	2,299	3,839
• Buyback of Wendel shares	-	-
• Disposal of Wendel shares (liquidity contract)	-2,355	-6,468
• Disposal of Wendel shares (exercise of stock options)	-	611
Dividend payments	-100,459	-100,533
Net change in borrowings and other financial liabilities ⁽³⁾	-1,093,722	-482,341
Change in working capital related to financing activities	5,001	8,457
Net cash flow from financing activities	-1,189,236	-576,435
Change in net cash and cash equivalents	-760,852	1,089,877
Net cash and cash equivalents at beginning of year	1,654,629	564,672
Net cash and cash equivalents at beginning of year of companies absorbed	0	80
Net cash and cash equivalents at end of year	893,777	1,654,629

(1) In 2008, this included mainly: subscription to Winbond shares for €776,280 thousand, Winvest 11 shares for €103,203 thousand and acquisition of Odyssee 3 (Editis) shares for €270,811 thousand.

(2) In 2008 this included mainly: sale of Odyssee 3 (Editis) shares for €524,992 thousand.

(3) In 2008 this included mainly: €1,093,716 thousand in connection with loans to the Group's holding companies.

Parent company financial statements

Notes to the parent company financial statements

SIGNIFICANT EVENTS DURING THE FISCAL YEAR

- After acquiring Odyssée 3 shares for €270,811 thousand and contributing all Odyssée Holding shares to Odyssée 3, Wendel sold 100% of Odyssée 3 (Editis) for €524,992 thousand.
- Wendel received an advance dividend payment from Winbond during the financial period of €1,000,000 thousand.

ACCOUNTING PRINCIPLES

The balance sheet and the income statement have been prepared in accordance with the accounting standards, principles and methods of the 1999 French chart of accounts, applying the same exceptions as in previous years. There were two such exceptions, as follows:

- substitution of “Net financial income” for “Operating income” defined by the chart of accounts as the sub-total representing the Company’s main business activity;
- recognition of all capital transactions in respect of assets other than “Marketable securities” in “Exceptional items”. As regards marketable securities, changes in provisions for impairment and gains and losses on disposal are recognized in “Net financial income”.

The valuation methods applied remain unchanged compared to those of prior years.

The gross value of items included in non-current assets corresponds to their acquisition cost or the cost at which they were contributed to the Company, excluding ancillary costs.

INVESTMENTS

At year-end, each investment is subjected to a review of its net book value compared to its value in use (share of net asset value, return on investment, market capitalization). A provision for impairment may be recognized on the basis of this review.

LOANS AND RECEIVABLES

Loans and receivables are valued at their face value. An impairment provision is applied as soon as non-collection is deemed probable.

LOAN REDEMPTION PREMIUMS

Loan redemption premiums are amortized on a straight-line basis over the term of the corresponding loan.

INTEREST RATE AND CURRENCY DERIVATIVE INSTRUMENTS

Gains and losses arising on derivative financial instruments used in the context of hedging are determined and recognized symmetrically with the recognition of income and expenses on the related hedged items.

When the derivative financial instruments do not form part of a hedging relationship, gains and losses resulting from their measurement at market value at the balance sheet date are taken directly to the income statement.

EQUITY AND INTEREST RATE OPTIONS

Premiums paid or received on options are recognized in a suspense account until expiry of the option. Unrealized losses are provided against; however, unrealized gains are not recognized.

As an exception, option contracts for which Wendel holds a symmetrical position (purchase and sale of options with the same characteristics – see note 9) are recognized for the amount of the premium received or paid as the unrealized gains and losses are neutral and therefore have no impact on income, as expressed in the economic and financial position of Wendel.

Similarly, as an exception, premiums paid for the purchase of options on shares whose purpose is to hedge an optional instrument embedded in a financial liability (convertible bond) are considered as being early payment of additional interest and are thus spread over the term of the bond.

MARKETABLE SECURITIES

Marketable securities are measured using the first-in first-out method. A provision for impairment is recognized if the book value of the securities is higher than the market value.

PROVISIONS FOR PENSIONS

The present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the retrospective method. A provision is recognized for the portion of the obligation that is not covered by plan assets.

The Company's obligation is determined at each balance sheet date taking into account the age of the Company's employees,

their length of service and the probability that they will remain within the company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments.

The main actuarial assumptions used are: discount rate = 4.0%, rate of employee turnover = 0%.

Parent company financial statements

Notes to the balance sheet

Note 1. Investments in subsidiaries and affiliates

In thousands of euros	% Interest		Net amounts 12.31.2007	Acquisitions and subscriptions	Internal restructuring	Disposals	Change in provision	Net amounts 12.31.2008
	12.31.2007	12.31.2008						
French subsidiaries								
Sofiservice	100.00	100.00	353	–	–	–	–	353
Cie Financière de la Trinité	100.00	100.00	15,607	–	–	–	–	15,607
Winbond	100.00	100.00	1,533,976	776,280	–	–	–	2,310,256
Odyssée Holding	100.00	–	125,513	23,690	–149,203	–	–	–
Odyssée 3	–	–	–	270,811	149,203	420,014	–	–
Bureau Veritas	–	–	1	–	–	–	–	1
Winvest 11	100.00	100.00	80	103,203	–	–	–102,585	698
Non-French subsidiaries								
Oranje-Nassau	100.00	100.00	238,320	–	–	–	–	238,320
Other			708	–	–	309	–	399
Total			1,914,558	1,173,984	–	420,323	–102,585	2,565,634

Based on a value per share of €65.7 for Saint-Gobain shares, an impairment loss was recognized in the consolidated financial statements of Wendel Group. This loss in value had no impact on Wendel SA's parent company statements because it was offset at the level of Wendel's subsidiaries by unrealized capital gains on their other investments.

Note 2. Other receivables

In thousands of euros	12.31.2008	12.31.2007
Tax and employee social security receivables ⁽¹⁾	202	2,509
Loans and advances connected with investments ⁽²⁾	2,879,504	2,040,699
Other ⁽³⁾	40,797	34,352
Total	2,920,503	2,077,560
<i>Of which related companies</i>	<i>2,891,797</i>	<i>2,045,684</i>
<i>Of which accrued revenue</i>	<i>40,272</i>	<i>28,605</i>

(1) Of which in 2007, €1,329 thousand represented advance income tax payments.

(2) Of which €2,865,953 in 2008 and €2,023,865 in 2007 represented advances to Group holding companies.

(3) Of which €40,272 thousand represented interest to be received on swaps (interest rate derivatives) in 2008 and €28,605 thousand in 2007 (see note 9).

Note 3. Treasury instruments

In thousands of euros	Note	12.31.2008	12.31.2007
Equity derivatives	9	132,286	151,266
Interest rate derivatives	9	330	–
Currency derivatives	9	–	11,019
Equity index derivatives	9	24,250	–
Total		156,866	162,285
<i>Of which related companies</i>		<i>100,399</i>	<i>99,587</i>

Note 4. Marketable securities

In thousands of euros	12.31.2008		12.31.2007	
	Net book value	Stock market value	Net book value	Stock market value
Wendel shares⁽¹⁾	461	347	461	347
Mutual funds and certificates of deposit	891,417	891,509	1,645,308	1,645,308
Liquidity contract ⁽²⁾				
• Wendel shares	4,593	4,593	9,149	9,159
• Mutual funds	1,045	1,045	4,164	4,164
	897,055	897,147	1,658,621	1,658,631
Total	897,516	897,494	1,659,082	1,658,978

(1) Shares held for allotment on the exercise of purchase-type stock options granted in connection with stock option plans. The market value of these shares is calculated on the lower of their market price or the strike price of the options. In accordance with accounting regulations, the negative difference between the carrying value and the exercise price of the options, which amounted to €114 thousand, gave rise to a provision recognized under "Provisions for liabilities and charges".
Number of Wendel shares at December 31, 2008: 10,401.

(2) Liquidity contract: 132,435 Wendel shares as of December 31, 2008.

Total treasury shares held as of December 31, 2008: 142,836 Wendel shares.

Parent company financial statements

Note 5. Changes in shareholders' equity

Number of shares		Share capital (par value €4)	Share premiums	Legal reserve	Regulated reserves	Other reserves and retained earnings	Net income for the year	Total shareholders' equity
55,507,161	December 31, 2006 before appropriation	222,029	241,235	22,473	191,820	954,028	259,272	1,890,857
	Appropriation of 2006 net income					259,272 ⁽¹⁾	-259,272	-
	Dividend					-100,533		-100,533
	Capital increase							
50,172	• on the exercise of stock options	201	1,633					1,834
18,800	• through the Company savings plan	75	1,931					2,006
40	• by decision of the Executive Board on August 27, 2007							-
-5,257,773	Cancellation of shares pursuant to decision of the Executive Board on May 29, 2007	-21,031		-2,355		-291,841		-315,227
	2007 net income						1,008,636	1,008,636
50,318,400	December 31, 2007 before appropriation	201,274	244,799	20,118	191,820	820,926	1,008,636	2,487,573
	Appropriation of 2007 net income					1,008,636 ⁽²⁾	-1,008,636	-
	Dividend					-100,459		-100,459
	Appropriation according to 3 rd resolution of AGM held on June 16, 2008			9		-9		-
	Capital increase							
19,929	• on the exercise of stock options	79	693					772
28,271	• through the Company savings plan	113	1,413					1,526
	2008 net income						1,020,302	1,020,302
50,366,600	December 31, 2008 before appropriation	201,466	246,905	20,127	191,820	1,729,094	1,020,302	3,409,714

(1) The amount appropriated to retained earnings approved by the Annual Shareholders' Meeting of June 4, 2007 was increased by €55 thousand because of the non-payment of dividends on Wendel shares held in treasury by the Company on the dividend payment date.

(2) The amount appropriated to retained earnings, as approved by shareholders at their Annual Meeting of June 16, 2008 was increased by €217 thousand because of the non-payment of dividends on Wendel shares held in treasury by the Company on the dividend payment date.

Note 6. Provisions for liabilities and charges

In thousands of euros	12.31.2008	12.31.2007
Pension obligations and other post-employment benefits	662	540
Provision for reimbursement of income tax (tax consolidation – see note 16)	12	294
Other provisions for liabilities and charges ⁽¹⁾	26,024	10,485
Total	26,698	11,319

(1) Of which in 2008 provisions for liabilities and charges on equity derivatives for €15,520 thousand.

Breakdown of change in provisions

In thousands of euros	12.31.2007	Allocations for the year	Reversals during the year		12.31.2008
			used	unused	
Pension obligations and other post-employment benefits	540	122	–	–	662
Provision for reimbursement of income tax (tax consolidation)	294	7	289	–	12
Other provisions for liabilities and charges	10,485	16,510	971	–	26,024
Total	11,319	16,639	1,260	–	26,698
Operating income		122	–	–	
Net financial income		3,110	–	–	
Exceptional items		13,407	1,260	–	
Total		16,639	1,260	–	

Parent company financial statements

Note 7. Borrowings

In thousands of euros	31.12.2008	31.12.2007
2.00% 2003-2009 bonds exchangeable into Capgemini shares including accrued interest	282,017	282,008
5.00% 2004-2011 bonds including accrued interest	626,230	626,219
4.875% 2004-2014 bonds including accrued interest	403,099	403,090
4.375% 2005-2017 bonds including accrued interest	712,166	712,133
4.875% 2006-2016 bonds including accrued interest	411,753	411,721
4.875% 2007-2015 bonds including accrued interest	405,449	415,280
Syndicated credit facility (Euribor + Margin) until September 2013 (Total facility amount: €1,200,000 thousand)	–	–
	2,840,714	2,850,451
Borrowings connected with investments		
• Sofiservice	9,184	10,381
• Compagnie Financière de la Trinité	20,218	18,763
• Simfor	–	1,706
• Trief Corporation	110,033	110,033
• Froeggen	–	160,647
• Hourggen	–	54,171
• Other	284	385
	139,719	356,086
Other borrowings	36	42
Total	2,980,469	3,206,579
<i>Of which: due within 1 year</i>	<i>308,742</i>	<i>246,096</i>
<i>due in 1 to 5 years</i>	<i>600,000</i>	<i>879,020</i>
<i>due beyond 5 years</i>	<i>2,010,000</i>	<i>2,010,000</i>
<i>accruals</i>	<i>61,727</i>	<i>71,463</i>

Note 8. Other creditors

In thousands of euros	Note	31.12.2008	31.12.2007
Trade creditors		3,148	3,137
Tax and employee-related creditors		5,126	4,346
Treasury instruments			
• Equity derivatives	9	114,732	134,984
• Interest rate derivatives	9	330	–
• Currency derivatives	9	–	11,019
• Index-based derivatives	9	24,250	–
Accrued interest on interest-rate derivatives	9	22,024	10,627
Other		290	1,175
Total		169,900	165,288
<i>Of which related companies</i>		<i>25,513</i>	<i>11,519</i>
<i>Of which accrued expenses</i>		<i>26,354</i>	<i>17,364</i>

Note 9. Treasury instruments

In thousands of euros	12.31.2008		12.31.2007	
	Assets	Liabilities	Assets	Liabilities
Equity derivatives				
Premiums	132,286	114,732	151,266	134,984
Provisions for liabilities and charges	–	15,520	–	–
of which symmetric positions	127,142	127,142	134,984	134,984
Currency derivatives				
Unrealized gains or losses	–	–	11,019	11,019
of which symmetric positions	–	–	11,019	11,019
Interest rate derivatives				
Premiums	330	330	–	–
Accrued interest not yet due	40,272	22,024	28,605	10,627
of which symmetric positions	12,578	12,578	500	500
Equity index derivatives				
Premiums	24,250	24,250	–	–
of which symmetric positions	24,250	24,250	–	–
Total	197,138	176,856	190,890	156,630

Equity derivatives

On Capgemini shares

These call options were put in place in 2003-2004 to hedge the bonds exchangeable into Capgemini shares, issued in 2003. They transform the bonds into simple debt obligations.

On euro area shares

These positions on euro area securities are symmetric (purchase and sale of options with the same characteristics) on Wendel's balance sheet and therefore have no impact on Wendel's earnings either in the year just ended or in future years.

Interest rate derivatives

On Wendel bonds

Wendel has put in place interest rate swaps on its bond issues. Wendel pays a capped variable rate and receives a fixed rate. The total notional principal amount is €800 million.

Other

Wendel has entered into interest rate swaps and swaptions that are symmetrical and therefore have no impact on its earnings, either in the year just ended or in future years.

Currency derivatives

Wendel entered into symmetrical forward sales of USD in 2007 which therefore have no impact on its earnings, either in the year just ended or in future years.

Index-based derivatives

Wendel entered into sell and buy put option contracts in 2008 that are symmetrical and therefore have no impact on its earnings, either in the year just ended or in future years.

Note 10. Off balance sheet commitments

Commitments given

In thousands of euros	2008	2007
Pledges, mortgages and collateral	0	5,070
Other guarantees and endorsements given	291,809	337,500
Guarantees given in connection with derivatives transactions of a group subsidiary	239,273	337,500
Liability guarantees given in connection with the sale of Editis	52,536	–
Other commitments given	0	0

Parent company financial statements

Notes to the income statement

Note 11. Income from investments in subsidiaries and long-term equity portfolio

In thousands of euros	2008	2007
Oranje-Nassau	25,000	90,000
Winbond	1,000,000	–
Bureau Veritas	–	46,855
Other	8	6
Total	1,025,008	136,861
<i>Of which interim dividends:</i>		
• Oranje-Nassau	–	50,000
• Winbond	1,000,000	–

Note 12. Other financial income and expenses

In thousands of euros	2008	2007
Income		
Income from non-current asset loans and advances	2	1
Income from invested cash	323,417	120,147
Provisions reversed	223	141
Total	323,642	120,289
<i>Of which related companies</i>	<i>209,395</i>	<i>79,083</i>
Expenses		
Interest on bonds	135,150	122,207
Other interest and similar expenses	165,228	21,800
Provisions recognized	8,191	3,246
Total	308,569	147,253
<i>Of which related companies</i>	<i>68,400</i>	<i>11,014</i>

Note 13. Operating income

In thousands of euros	2008	2007
Property rental	161	160
Services invoiced to subsidiaries	10,470	11,826
Other income	33	29
Provisions reversed	–	–
Total	10,664	12,015
<i>Of which related companies</i>	<i>10,429</i>	<i>11,783</i>

Note 14. Compensation and staff numbers

The Company paid compensation of €2,720 thousand to corporate officers in respect of the 2008 fiscal year.

Director's fees paid to Supervisory Board members totaled €569 thousand in respect of 2008 and €540 thousand in respect of 2007.

Average staff numbers	2008	2007
Management	39	32
Non-management	23	25
Total	62	57

Note 15. 2008 exceptional items

In thousands of euros	Exceptional income			Exceptional expenses			Total for 2008
	Operating transactions	Capital gains on disposals	Provisions reversed	Operating transactions	Capital losses on disposals	Provisions recognized	
Property, plant and equipment							
Land	–	16	–	–	3	–	13
Computer equipment, furniture and vehicles	–	10	–	–	6	–	4
Non-current financial assets							
Simfor shares	–	1,408	–	–	–	–	1,408
Xevest Holding shares	–	–	–	–	2	–	–2
Odyssée 3 (Editis) shares	–	104,978	–	–	–	–	104,978
Lormetal shares	–	–	–	–	–	–	–
Winvest 11 shares	–	–	–	–	–	102,585	–102,585
Other exceptional transactions							
Related to the tax consolidation	–	–	288	–	–	7	281
Other	13,691	–	971	2,159	–	13,399	–896
Total	13,691	106,412	1,259	2,159	11	115,991	3,201

Parent company financial statements

Note 16. 2008 income taxes

Income taxes broke down as follows:

Taxable bases at a rate of	33,33%	0,00%
On 2008 income before exceptional items	54,127	–
On 2008 exceptional items	5,711	105,080
	59,838	105,080
Addbacks/deductions eliminated on tax consolidation	–149,620	
	–89,782	105,080
Allocation tax loss carry-forwards	–	–
Taxable bases of the tax consolidation group	–	105,080
Corresponding tax	–	–
+ 3.3% contributions	–	–
– deductions in respect of tax credits	–	–
– impact of tax consolidation	636	–
Income tax recognized in the income statement	636	–

The Company has opted for tax consolidation status, pursuant to articles 223 A to U of the French Tax Code. According to the tax consolidation agreements between Wendel and the other companies in the tax group, each company contributes to the tax of the Group by payment to Wendel of the amount it would have paid if it had been taxed on a stand-alone basis (i.e. without tax consolidation). This leads to a difference for Wendel between current tax payable and the tax that would have been due in the absence of tax consolidation. At December 31, 2008, this temporary reduction in current tax amounted to €12 thousand and gave rise to the recognition of a provision for liabilities and charges (see note 6).

In 2008, the members of the Wendel tax consolidation group were: the parent company Wendel, Compagnie Financière de la Trinité, Sofiservice, Cobra, Sofe, Winbond, Winvest 10, Winvest 11, Winvest 14 and Winvest 15.

Note 17. Events subsequent to closing

A resolution proposed by the Executive Board and approved by the Supervisory Board for the payment of a dividend of €1.00 per share shall be put to shareholders at their Annual Meeting.

Note 18. Liquidity risk management

Gross debt with recourse to Wendel includes Wendel bonds, whose repayment schedule is given in note 7. These bonds total €2,779 million, including €279 million due in June 2009, with the other maturities spread out between 2011 and 2017. In accordance with Wendel's long-term investment strategy, the average maturity of this debt (except for the 2009 maturity date) is six years. At the end of 2008, Wendel held €893,777 thousand in cash. None of it was pledged. Even in the event of a sharp decline in the financial markets, Wendel's cash on hand would be enough to meet the maturities falling in 2009, as well as additional collateral calls related to Group financing (Wendel is not obligated, however, to respond to these calls for additional collateral).

Bonds issued by Wendel

With the exception of the Capgemini exchangeable bond, bond issues have a change-of-control clause that allows bondholders, under certain conditions, to obtain reimbursement or repurchase of their bonds in the event of a change in control of the issuer, in accordance with standard practice in the bond markets. Change of control is understood to be the ownership by one or more persons, acting on their own or jointly, other than existing shareholders of the issuer, excluding free float, of 50% of the issuer's share capital and voting rights, where this change of control would lead to a rating downgrade of the issuer. These bonds are not subject to financial covenants.

Wendel syndicated credit line (undrawn as of December 31, 2008)

The syndicated credit line contains financial covenants based primarily on the market value of Wendel's assets and on the amount of net debt. This net debt figure is calculated on the basis of a consolidation of the Group's financial holding companies and does not include the debt of operating companies or the debt facilities of the holding companies set up for the purpose of acquisitions. Net debt of the Saint-Gobain, Bureau Veritas, Materis, Deutsch, Legrand, Stallergenes, Stahl and Oranje-Nassau groups, as well as the debt related to the acquisition of Saint-Gobain shares, without recourse to Wendel, are deducted from gross revalued assets.

The covenants are as follows:

- the net financial debt of Wendel and its financial holdings must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio between:
 - (i) the unsecured gross debt of Wendel and its financial holding companies, plus their off-balance sheet commitments that are treated as unsecured debt, less available cash (i.e., not pledged or placed in escrow),
 - and
 - (ii) the sum of 75% of the value of the listed assets available (not pledged or in escrow) and 50% of the value of unlisted available assets (not pledged or in escrow).

These ratios are tested half-yearly when there are drawdowns of the syndicated credit line. As the credit line had not been drawn upon as of December 31, 2008, the test was not done. The covenants are sensitive to equity market trends, and in the very poor equity market conditions on the date the financial statements were approved, it would not have been possible to draw on the syndicated credit line.

As of year-end 2008 and the date the financial statements were approved, Wendel's cash on hand allowed it to forego this short-term credit. The documentation of the syndicated credit line includes a change-of-control clause similar to that for bond issues.

Parent company financial statements

Securities portfolio at December 31, 2008

	Number of shares owned	% interest	Net carrying value (in thousands of euros)
Investments			
Subsidiaries (over 50%-owned)			
A) French			
Sofiservice	8,493	100.00	353
Compagnie Financière de la Trinité	2,021,154	100.00	15,607
Winbond	2,055,779,577	100.00	2,310,256
Winvest 11	104,374	100.00	103,283
B) Non-French			
Oranje-nassau	1,943,117	100.00	238,320
Other subsidiaries and investments (whose net carrying value is below €100,000)			
French equities	–	–	400
Total			2,668,219
Other long-term equity investments			
Safet Embamet	1,972	5.62	271
Other French equities	–	–	33
Total			304

Five-year financial summary

Nature of disclosures	2004	2005	2006	2007	2008
1. Capital at year end					
Share capital ⁽¹⁾	224,732	218,854	222,029	201,274	201,466
Number of ordinary shares in issue	56,183,048	54,713,540	55,507,161	50,318,400	50,366,600
Maximum number of shares that could be issued					
• Through the exercise of options	1,698,638	1,035,711	332,670	1,150,088	1,980,759
2. Results⁽¹⁾					
Revenues (excluding taxes)	7,633	4,880	26,468	12,015	10,664
Revenue from subsidiaries/affiliates and long-term equity portfolio	813,846	97,491	258,644	136,861	1,025,008
Income before tax, depreciation, amortization and provisions	654,097	56,928	211,663	947,746	1,144,719
Income taxes ⁽⁵⁾	-3,501	-32,242	-46,532	-27,702	-636
Net income	664,219	202,172	259,272	1,008,636	1,020,302
Dividends ⁽²⁾	64,610	109,427	111,014	100,637	50,367
of which interim dividends		-	-	-	-
3. Earnings per share (in euros)					
Profit after tax but before depreciation, amortization and provisions	11.70	1.63	4.65	19.39	22.74
Net income	11.82	3.70	4.67	20.05	20.26
Dividends	1.15	2.00 ⁽³⁾	2.00 ⁽⁴⁾	2.00	1.00
of which interim dividends		-	-	-	-
4. Employee data					
Average number of employees	45	47	51	57	62
Total payroll ⁽¹⁾	5,738	5,588	8,107	7,833	8,331
Staff benefits paid during the year (social security, social works, etc.) ⁽¹⁾	3,215	2,854	3,247	3,750	4,335

(1) In thousands of euros.

(2) Including treasury shares.

(3) Ordinary dividend of €1.40 and exceptional dividend of €0.60.

(4) Ordinary dividend of €1.70 and exceptional dividend of €0.30.

(5) Negative amounts represent income for the Company.

Parent company financial statements

Subsidiaries and affiliates at December 31, 2008

In thousands of euros	Share capital	Other shareholders' equity (incl. net income or loss)	% of share capital held	Gross carrying value of shares held	Net carrying value of shares held	Guarantees and loans granted	2008 net sales	2008 net income or loss	Dividends received during the year
Detailed breakdown									
(of subsidiaries and investments whose net carrying value is greater than 1% of Wendel's share capital)									
Subsidiaries									
French									
• Sofiservice	238	2,500	100.00	353	353	–	–	2,208	–
• Cie Financière de la Trinité	15,159	5,046	100.00	15,607	15,607	–	–	518	–
• Winbond	1,027,890	848,725	100.00	2,310,256	2,310,256	–	–	999,450	1,000,000
• Winvest 11	1,670	–972	100.00	103,283	698	–	–	–102,797	–
Non-French									
• Oranje-Nassau ⁽¹⁾	8,744	893,076	100.00	238,320	238,320			111,776	25,000
Overall summary									
French subsidiaries				400	400				
Non-French subsidiaries				–	–				
French investments				–	–				
Non-French investments				–	–				

(1) Consolidated figures.

Statutory Auditors' report on the annual financial statements

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside the financial statements. This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended December 31, 2008, on:

- the audit of the accompanying annual financial statements of Wendel;
- the justification of our assessments;
- the specific verifications and information required by French law.

These annual financial statements have been approved by the Executive Committee. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit involves performing procedures, by audit sampling and other selective testing methods, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management, and the overall financial statements presentation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company at December 31, 2008 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

Without qualifying our opinion, we draw attention to the matter discussed in the note 18 "Liquidity Risk Management" to the financial statements which describes Wendel's cash and liquidity position.

II. Justification of assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

The accounting rules and methods applied by the Company are set out in the notes to the financial statements, particularly as regards investments in subsidiaries and affiliates. As part of our assessment of the accounting rules and methods, we verified that the accounting methods mentioned above were appropriate and correctly applied, and obtained assurance that the resulting estimates were reasonable.

These assessments were made as part of our audit of the financial statements taken as a whole and, therefore, contributed to our audit opinion expressed in the first part of this report.

III. Specific verification and information

We have also performed the specific verifications required by French law.

We have no matters to report regarding the following:

- the fair presentation and consistency with the financial statements of the information given in the directors' report and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information given in the directors' report in respect of remunerations and benefits granted to the relevant directors and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in current function.

In accordance with French law, we have ensured that the required information concerning the names of the principal shareholders has been properly disclosed in the directors' report.

Neuilly-sur-Seine and Paris-la Défense, may 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Shareholders' Meeting of June 5, 2009

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Shareholders' Meeting

Statutory Auditors' special report on regulated agreements and commitments

Year ended December 31, 2008

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on related-party agreements and commitments.

AGREEMENTS AND COMMITMENTS AUTHORIZED IN 2008 AND UP UNTIL THE SUPERVISORY BOARD MEETING OF APRIL 7, 2009

In accordance with article L. 225-88 of the French Commercial Code (*Code de commerce*), we were informed of the following agreements and commitments authorized by your Supervisory Board during 2008.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article R. 225-58 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

We performed the procedures we considered necessary in accordance with professional standards applicable in France to such engagements. These standards require us to perform procedures to verify that the information given to us agrees with the underlying documents.

1. With the Executive Board and the Chairman of the Supervisory Board of Wendel

Nature, purpose and terms

On May 20, 2008, the managers of Wendel (including Executive Board members Jean-Bernard Lafonta and Bernard Gautier and the Chairman of the Supervisory Board) sold all of their shares in Compagnie de l'Odyssée to Ofilux Finance for an amount of €31,780,939 in connection with the sale of Editis to Planeta on May 30, 2008.

The sale was approved by the Supervisory Board on May 14, 2008.

2. With the Chairman of the Executive Board of Wendel

Nature, purpose and terms

On April 7, 2009, the Supervisory Board appointed Frédéric Lemoine as Chairman of the Executive Board of Wendel.

As Mr. Lemoine does not have an employment contract, the Supervisory Board has decided to put in place a departure clause, whose terms and conditions for its implementation are as follows:

- the Chairman of the Executive Board will have the right after a period of one year following his appointment, in the event of removal from office or non-renewal of his appointment, not arising from a situation of failure, subject to the performance conditions referred to below, to an indemnity whose amount would be equivalent to a number of months of fixed and variable compensation in proportion to the time spent in the Company, up to a maximum limit of two years;
- the payment of this indemnity would be subject to performance conditions, set each year by the Supervisory Board on proposal of the Governance Committee, related, in particular, to the growth in the net asset value of the Company.

These criteria shall be explained and publicly communicated on the Company's website before April 7, 2010.

If the appointment should end within a period of twelve months from April 7, 2009, the indemnity due would be for an amount equivalent to six months of fixed and variable compensation. The implementation of this indemnity for this first year would be assessed in regard to the realization of a performance condition related to the implementation of quality relationships with key individuals in the Group, essential to the realization of the expected performances of the Company in the long term.

The above commitments were approved by the Supervisory Board on April 7, 2009.

AGREEMENTS AND COMMITMENTS AUTHORISED IN PRIOR YEARS THAT REMAINED IN FORCE DURING THE YEAR

In accordance with the French Commercial Code, we were informed that the following agreements and commitments authorized in prior years remained in force during the year.

1. With the Executive Board and the Chairman of the Supervisory Board of Wendel

Nature, purpose and terms

In the context of the plan to associate Wendel's management team in creating value for the Group, the Supervisory Board, in its meetings of December 6, 2006, April 26, 2007 and July 18, 2007 authorized the Executive Board to implement co-investment

systems according to certain general principles applicable to all new transactions under which the Group assumes an economic risk on any listed or unlisted company. The co-investment principles consist in asking the managers to invest alongside the Group, so that their personal assets are subject to the risks and rewards of these investments.

These general principles are as follows:

- (i) the individuals in question will invest alongside the Company and at the Company's request. The co-investments will total 0.5% of the amount of Wendel's investment;
- (ii) the individuals in question will finance their co-investment on their own;
- (iii) 10% of the capital gain will accrue to the co-investees, provided that Wendel has obtained a minimum return of 7% per year and 40% of its investment. Otherwise, the management team will lose the amounts they have invested; the minimum return of 7% per year criterion will be assessed based on the present value of the investments and their value on the investment date; the minimum 40% capital gain on investments in listed companies criterion will only apply at the end of a period of two and a half years following Wendel's initial investment;
- (iv) rights to co-investment benefits will vest in tranches of 20% per year (20% at the investment date, then 20% at each anniversary date over a period of five years); however, Wendel will have a call option with respect to the rights of any individual who leaves the Group that have not fully vested;
- (v) the capital gain will be recognized at the time of divestment, or, in the absence of divestment, at the end of ten years, on the basis of an expert opinion.

In 2008, pursuant to this framework authorization and the above terms and conditions, after approval by the Supervisory Board on March 26, 2008, on the recommendation of the Governance Committee on the same day:

- an additional tranche of co-investments was implemented according to the above-described terms and conditions in connection with the transactions concerning Compagnie de Saint-Gobain;
- an additional tranche of co-investments was implemented according to the above-described terms and conditions in connection with Winvest International SA (a venture capital investment company holding investments in AVR, Deutsch, Materis and Stahl).

2. With Société Lorraine de Participations Sidérurgiques (SLPS) (formerly Wendel-Participations)

Nature, purpose and terms

On September 2, 2003, Wendel entered into the following two agreements with SLPS:

- a service agreement providing for administrative assistance, corresponding to an amount of €11,500 in 2008;
- a commitment to rent office space, corresponding to an amount of €31,793 in 2008.

3. With Stallergenes

Nature, purpose and terms

On July 29, 1998, Wendel entered into an agreement with Stallergenes providing for administrative and tax consulting services. On March 5, 2003, the agreement was amended by an addendum following the decision by Stallergenes to outsource the management of the shares and Shareholders' Meeting.

The annual fee for the services was increased by a second addendum to the agreement signed on March 12, 2008.

The amount invoiced to Stallergenes in respect of services rendered amounted to €150,000 in 2008.

4. Agreements on the use of the "Wendel" name

Nature and purpose

On May 15, 2002, Wendel entered into two agreements with SLPS, Sogeval and Wendel-Participations, which authorize the Company to use the family name "Wendel" as its corporate and commercial name. The agreements also grant an exclusive license to the Company to use the brand "Wendel".

Terms and conditions

These agreements were entered into without consideration and for an indefinite period, with the stipulation that they may be revoked if the direct or indirect interest of the family holding companies in the capital of the Company is less than 33.34% for 120 consecutive days. If this right of revocation is not exercised within said 120-day period, the right to use the name and the exclusive license to use the brand shall become final and irrevocable.

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Shareholders' meeting

Statutory Auditors' report

on the issue of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares, with or without pre-emptive subscription rights

Ordinary and Extraordinary Shareholders' Meeting of June 5, 2009 (tenth, eleventh, twelfth, and thirteenth resolutions)

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

To the Shareholders,

In our capacity as Statutory Auditors of Wendel and in accordance with articles L. 225-135, L. 225-136, and L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegations of authority to the Executive Board to issue shares and securities, as submitted to you for approval.

Based on its report, the Executive Board is seeking:

- a twenty-six-month authorization to decide to carry out the following issues, set the terms and conditions thereof, and, where appropriate, propose the cancellation of shareholders' pre-emptive subscription rights:
 - the issue of shares and securities convertible, redeemable, exchangeable or otherwise exercisable, at any time or on a set date, for shares in the Company or any of the companies referred to in article L. 228-93 of the French Commercial Code, with pre-emptive subscription rights for existing shareholders (tenth resolution),
 - the issue of shares and securities convertible, redeemable, exchangeable or otherwise exercisable, at any time or on a set date, for shares in the Company or any of the companies referred to in article L. 228-93 of the French Commercial Code or granting a right to the allocation of debt securities, without pre-emptive subscription rights for existing shareholders (eleventh resolution), it being specified that these securities may be issued as payment for securities tendered to the Company in the context of a public exchange offer meeting the conditions set by article L. 225-148 of the French Commercial Code;
- a twenty-six-month authorization to set the terms and conditions of an issue of shares and securities convertible, redeemable, exchangeable or otherwise exercisable for shares, as payment for contributions in kind tendered to the Company consisting of shares or securities convertible, redeemable, exchangeable or otherwise exercisable for shares (thirteenth resolution), representing up to 10% of the share capital.

The aggregate nominal amount of capital increases that may be carried out directly and/or on the conversion, redemption, exchange or exercise of securities issued pursuant to the tenth,

eleventh, twelfth, thirteenth, and fourteenth resolutions may not exceed €1,000,000,000.

These maximum amounts include the additional securities that may be created pursuant to the authorizations referred to in the tenth and eleventh resolutions, in accordance with the conditions set forth in article L. 225-135-1 of the French Commercial Code, if shareholders adopt the twelfth resolution.

It is the Executive Board's responsibility to prepare a report in accordance with articles R. 225-113 and R. 225-114 of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancellation of shareholders' pre-emptive subscription rights and on other information regarding the issue contained in this report.

We performed the procedures we considered necessary in accordance with professional standards applicable in France to such transactions. These procedures consisted in reviewing the content of the Executive Board's report in respect of these issues and the methods used to determine the issue price.

Subject to a subsequent examination of the conditions of the proposed capital increases, we have no comments to make as regards the methods used to set the share issue price as presented in the Executive Board's report in relation to the eleventh resolution.

As this report does not provide the methods used for determining the issue price for each issue pursuant to the tenth resolution, we cannot express an opinion on the calculation of the issue price of such shares and securities.

As the share issue price has not yet been set, we do not express an opinion on the final terms and conditions of the share capital increases. As a result, we do not express an opinion on the cancellation of shareholders' pre-emptive subscription rights proposed in the eleventh resolution.

In accordance with article R. 225-116 of the French Commercial Code, we will issue an additional report, if necessary, when the Executive Board uses these authorizations, in the event of issues without pre-emptive subscription rights and issues of securities convertible, redeemable, exchangeable or otherwise exercisable for shares or granting a right to the allocation of debt instruments.

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Statutory Auditors' special report

on the share capital reduction through the cancellation of shares

Ordinary and Extraordinary Shareholders' Meeting of June 5, 2009 (fifteenth resolution)

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

To the Shareholders,

In our capacity as Statutory Auditors of Wendel, and pursuant to the provisions of article L. 225-209, paragraph 7 of the French Commercial Code (*Code de commerce*) relating to the cancellation of shares bought back by the Company, we hereby present our report with our comments on the reasons for and terms and conditions of the proposed capital reduction.

We performed the procedures we considered necessary in accordance with professional standards applicable in France to such transactions. These procedures consisted in verifying that the reasons for and terms and conditions of the proposed capital reduction comply with the applicable legal provisions.

The proposed capital reduction would take place further to the buyback by the Company of up to 10% of its own shares, as presented in the ninth resolution in accordance with article L. 225-209 of the French Commercial Code. The Executive Board is seeking an eighteen-month authorization by the Shareholders' Meeting for this buyback program.

Shareholders are also asked to grant the Executive Board full powers to cancel the shares acquired, provided that the aggregate number of shares cancelled in any given twenty-four-month period does not exceed 10% of the Company's capital. These powers will be exercisable for a period of twenty-six months.

We have no comments to make on the reasons for or terms and conditions of the proposed capital reduction, the implementation of which depends on the Shareholders' Meeting approving the buyback by the Company of its own shares as presented in the ninth resolution.

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Shareholders' Meeting

Report of the Statutory Auditors

on the increase in capital with cancellation of preferential subscription rights reserved for Company employees who are members of a company savings scheme

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with articles L. 225-135, L. 225-138 and L. 228-92 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed delegation of authority to the Executive Board to decide on an increase in capital through the issue of shares or securities giving access to the share capital, with cancellation of preferential subscription rights, on which you are called to vote. This increase in capital is limited to a maximum nominal amount of €300,000 and is reserved for employees who are members of one or more company savings schemes set up within the Group.

This increase in capital is submitted for your approval in accordance with articles L. 225-129-6 of the French Commercial Code (*Code de commerce*) and L. 3332-18 et seq. of the French Labor Code (*Code du travail*).

Your Executive Board proposes that, on the basis of its report, it be empowered for a period of twenty-six months to decide on one or more increases in capital, and proposes to cancel your preferential subscription rights. If need be, it will be its responsibility to determine the final conditions of issue for this operation.

In accordance with articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code (*Code de commerce*), it is the responsibility of your Executive Board to prepare a report. It is our responsibility to report on the fairness of the financial information taken from the accounts on the proposed cancellation of the preferential subscription rights, and on other specific information relating to the issue contained in this report.

We performed those procedures we considered necessary to comply with the professional guidance of the French national auditing body (*Compagnie nationale des Commissaires aux comptes*) for this engagement. These procedures consisted in verifying the information contained in the Executive Board's report relating to this operation and the methods used for determining the issue price.

Subject to a subsequent examination of the conditions for the proposed increase or increases in capital, we have nothing to report on the methods used for determining the issue price provided in the Executive Board's report.

As the issue price has not yet been determined, we do not express an opinion on the final conditions for the increase or increases in capital and, consequently, on the proposed cancellation of preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code (*Code de commerce*), we shall issue a supplementary report when the increase in capital has been performed by your Executive Board.

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Report of the Statutory Auditors

on the stock option purchase plan reserved for corporate officers (*mandataires sociaux*) and employees

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with articles L. 225-177 and R. 225-144 of the French Commercial Code (*Code de commerce*), we hereby report on the stock option purchase plan reserved for the corporate officers (*mandataires sociaux*) and employees of your Company and of the companies that are related to it within the meaning of article L. 225-180 of the French Commercial Code (*Code de commerce*).

The report on the reasons for the stock option plan and on the proposed methods used for determining the purchase price is the responsibility of the Executive Board. Our responsibility is to express an opinion on the proposed methods for determining the purchase price.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (*Compagnie nationale des Commissaires aux comptes*) relating to this type of engagement. These standards require that we perform the necessary procedures to verify that the methods proposed for determining the purchase price are included in the Executive Board' report, are in accordance with legal requirements, are of information to the shareholders and do not appear manifestly inappropriate.

We have nothing to report on the methods proposed.

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Shareholders' Meeting

Report of the Statutory Auditors

on the free allotment of existing or future shares to employees and corporate officers (*mandataires sociaux*)

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

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report on the proposed free allotment of existing or future shares to the employees and corporate officers (*mandataires sociaux*) of your Company and of the companies that are related to it within the meaning of article L. 225-197-2 of the French Commercial Code (*Code de commerce*).

Your Executive Board proposes that you authorize it to allot existing or future shares free of charge. It is the responsibility of your Executive Board to draw up a report on this operation that it hopes to be able to perform. It is our responsibility to report to you, where necessary, on the information thus given to you on the proposed operation.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French national auditing body (*Compagnie nationale des Commissaires aux comptes*) relating to this type of engagement. These standards require that we perform the necessary procedures to verify, in particular, that the methods envisaged and detailed in the Executive Board's report are in accordance with the provisions laid down by law.

We have nothing to report on the information provided in the Executive Board's report relating to the proposed free allotment of shares.

Neuilly-sur-Seine and Paris-la Défense, May 7, 2009

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

Report of the Supervisory Board to the shareholders

To the Shareholders,

2008 was a difficult year, bringing a stock market crisis of unprecedented scale in modern times, a crisis in credit and confidence as of September that led to massive economic interventions by governments, and a deterioration of the economy which continued to worsen until fall, when it transformed into a financial crisis of extraordinary magnitude and severity.

In the midst of this challenging economic and market environment, your Company was able to anticipate and seize the few opportunities available, strengthening its financial structure and balance sheet liquidity. From the start of 2008, its subsidiaries and affiliates implemented cost reduction programs to weather the crisis, representing €1,300 million in savings on a full-year basis; the maturity of bank financing was extended; Editis was sold under favorable conditions at the end of the first half, generating a significant capital gain; and, despite the difficult context, most of the companies in the portfolio recorded organic growth while pursuing, like Bureau Veritas in particular, their external growth policies.

2008 also brought recognition of your Company's role as Saint-Gobain's principal shareholder. With two board seats since June 2008, soon to become three, and the creation of a Strategy Committee, your Company plays an active role in the governance of Saint-Gobain, helping it to achieve its strategic potential.

Despite the economic and financial environment, earnings grew again this year: sales as well as income from subsidiaries have both doubled over the past five years. For 2008, consolidated sales totaled €5,412 million, up 15% from the previous year, of which half can be attributed to organic growth and half to external growth, while net income from subsidiaries, Group share, rose 10% from the previous year to reach €395 million.

Growth in business and the contributions of subsidiaries and affiliates demonstrate the quality and strength of the companies that make up our Group. As part of its prudent management, your Company recognized €830 million in provisions and impairment, in application of IFRS; we nevertheless succeeded in posting net income of €158 million.

Operations were skillfully executed by the Executive Board with the full support of the Supervisory Board. In the section of the report on corporate governance you will find a detailed description of the work of the Executive Board, the Supervisory Board and its committees, as well as the rules of ethics and the measures to prevent illegal insider trading the Company has put in place or

strengthened. You will also find a report on the internal control system that has been carefully set up by the Company and its subsidiaries and modeled on the AMF's guidelines. You will see how your Company's corporate bodies have worked actively to deal with the difficulties facing the Company.

The Chairman of the Executive Board decided not to seek re-election to his position upon expiration of his term in May 2009. The Supervisory Board could but acknowledge this decision, and on April 7, 2009, we appointed one of our members, Frédéric Lemoine, as the new Chairman of the Executive Board; we also renewed the appointment of Bernard Gautier, whose contribution to the Company for the past six years is greatly appreciated, as a member of the Executive Board. We thank Jean-Bernard Lafonta for the work he accomplished over the past eight years, making it possible to build a Group of sound companies that are leaders in their markets, and wish his successor all the best in his new position.

We also reiterated our support for the investment in Saint-Gobain, in which we intend to remain a long-term shareholder.

In our meeting of March 25, 2009, we reviewed the financial statements and reports the Executive Board is to present to you at the Shareholders' Meeting, and we have no observations to make about them.

We endorse the resolutions that were presented to us at our meeting of April 7, 2009, and are submitted to you and recommend them for your approval. In particular, we are pleased to request that you renew the appointments of Édouard de l'Espée and Grégoire Olivier, whose terms are expiring this year. In line with the request of the Supervisory Board, I also ask you to renew my appointment.

The Supervisory Board also supports the Executive Board's request for your approval to renew the financial authorizations whose terms and limits have been adjusted to take into account the scope of the global financial and economic crisis and the uncertainties resulting from it.

Finally, in the current, challenging environment, we approve the Executive Board's proposal to distribute a dividend of €1.00 per share, in cash, which equates to a payout of around one third of net income, Group share.

Ernest-Antoine Seillière
Chairman of the Supervisory Board

Shareholders' Meeting

Report of the Executive Board on the resolutions submitted to the shareholders

Annual Meeting at their June 5, 2009

The purpose of this report is to present and explain to shareholders the resolutions proposed to them.

ORDINARY GENERAL MEETING

I. 2008 financial statements, allocation of income and regulated agreements

The purpose of **the first resolution** is to approve Wendel's parent company financial statements for the period from January 1, 2008, to December 31, 2008. These financial statements show net income of €1,020,301,682.30.

The purpose of **the second resolution** is to approve the consolidated financial statements of the Wendel Group for the period from January 1, 2008, to December 31, 2008. These financial statements show net income, Group share, of €158,083,000.

The **third resolution** proposes to allocate 2008 net income and retained earnings, which together comprise a total of €1,549,395,161.39 available for distribution by the Shareholders.

The proposed allocation is as follows:

- €19,280 to be allocated to the legal reserve;
- €50,366,600 to be distributed to shareholders in the form of a dividend of €1 per share;
- €1,000,000,000 to be allocated to other reserves;
- €499,009,281.39 to be allocated to retained earnings.

The ex-dividend date is set for June 9, 2009, and the dividend will be paid on June 12, 2009.

It is specified that the dividend payable on treasury shares at the ex-dividend date will be allocated to retained earnings. Similarly, the dividend to be paid on shares issued as a result of options exercised after December 31, 2008, shall be appropriated from retained earnings.

Shareholders are reminded that, in keeping with new legislation, this dividend of €1 per share is no longer accompanied by a tax credit but individuals resident in France for tax purposes are eligible for a 40% tax allowance or may opt for a flat-rate withholding tax pursuant to article 117 quater of the French General Tax Code.

The **fourth resolution** concerns regulated agreements governed by articles L. 225-38 and L. 225-86 of the French Commercial Code, which are the subject of a special report by the Statutory Auditors, provided in this annual report. In accordance with current legislation, the Executive Board recommends that shareholders approve the transactions or agreements described in this report.

The purpose of the **fifth resolution** is to approve the commitments made to the Chairman of the Executive Board in the event of the termination of his appointment, which are governed by article L. 225-90-1 of the French Commercial Code and are the subject of a special report by the Statutory Auditors, provided in this annual report.

II. Supervisory Board: renewal of appointment of members of the Supervisory Board

The **sixth resolution** proposes to renew the appointment of Édouard de l'Espée as a member of the Supervisory Board for a four-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

The **seventh resolution** proposes to renew the appointment of Grégoire Olivier as a member of the Supervisory Board for a four-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

The **eighth resolution** proposes to renew the appointment of Ernest-Antoine Seillière as a member of the Supervisory Board for a four-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

III. Renewal of share buyback program

The **ninth resolution** is intended to renew the authorization to buy back Company shares, granted by the shareholders on June 9, 2008.

The purpose of this resolution is to authorize the Company to acquire its own shares within the legal limit of 10% of the number of shares comprising the share capital (5,036,660 shares as of March 31, 2009), with a maximum purchase price of €80 corresponding to a total maximum share buyback amount of €402,932,800. This authorization would be given for eighteen months.

EXTRAORDINARY GENERAL MEETING

IV. Renewal of financial authorizations

Capital increases up to an overall limit

The purpose of the tenth, eleventh, twelfth, thirteenth and fourteenth resolutions is to renew the authorizations, granted by the shareholders on June 4, 2007, and expiring in 2009, allowing the Executive Board, with the prior approval of the Supervisory Board, to increase capital up to the overall limit of €1,000 million set in the tenth resolution. These authorizations, granted for a period of twenty-six months, would render null and void the unused amounts of any existing authorizations of the same nature still in force.

The purpose of these authorizations is to give the Company some flexibility and the ability to act quickly by allowing, should a need or opportunity arise, the Executive Board, with the prior approval of the Supervisory Board, to undertake immediate or deferred capital increases through issues of any type of security authorized by law (shares, convertible bonds, Océane bonds, etc.) without having to convene a Shareholders' Meeting.

The purpose of the **tenth resolution** is to delegate to the Executive Board the power to issue shares or securities giving access to the capital, with preferential subscription rights, up to a maximum aggregate par value of €200 million for the capital increases.

This resolution also sets an overall limit of €1,000 million for the aggregate par value of shares issued by virtue of the authorizations granted in the tenth, eleventh, twelfth, thirteenth and fourteenth resolutions.

The purpose of the **eleventh resolution** is to delegate to the Executive Board the power to issue shares or securities giving access to the capital, without preferential subscription rights, up to a maximum aggregate par value of €100 million for the capital increases. This authorization also allows for the issue of shares in consideration for securities that may be tendered to the Company through a public offer. In accordance with legal and regulatory provisions, the issue price of shares issued or to be issued by virtue of this authorization shall be equal to at least the weighted average share price for the three trading days prior to the setting of the subscription price under the capital increase, reduced by a possible discount of 5%.

The purpose of the **twelfth resolution** is to authorize the Executive Board to increase, within thirty days of the closing date of the subscription and by up to 15% of the initial issue, the amounts of the issues approved by virtue of the tenth and eleventh resolutions, in the event of excess demand for these

issues from investors, without exceeding the upper limits defined in each of these resolutions.

The purpose of the **thirteenth resolution** is to delegate to the Executive Board the power to issue shares or securities granting access to the capital, in consideration for contributions in kind to the Company, up to a maximum of 10% of the share capital.

The purpose of the **fourteenth resolution** is to delegate to the Executive Board the power to increase the capital of the Company by incorporation of reserves, retained earnings or premiums up to a maximum aggregate par value of €1,000 million. These capital increases may be carried out through the issue and allocation of bonus shares, an increase in the par value of existing shares or by the joint use of both these methods.

Cancellation of shares

The purpose of the **fifteenth resolution** is to renew, for a period of twenty-six months, the authorization granted to the Executive Board by the shareholders on June 4, 2007, with the prior approval of the Supervisory Board, to cancel all or part of the shares acquired by the Company by virtue of the authorizations granted by the Company's shareholders in connection with share buyback programs, up to a maximum of 10% of the share capital per twenty-four-month period, and to reduce the share capital accordingly.

Development of employee share ownership

The purpose of the **sixteenth resolution** is to renew, for a period of twenty-six months, the authorization granted to the Executive Board by the shareholders on June 4, 2007, with the prior approval of the Supervisory Board, to increase the Company's capital in favor of the Group's employees and corporate officers under the framework of a Group savings plan, up to a maximum par value of €300,000. In accordance with legislation in force, the issue price of shares issued by virtue of this authorization may not be higher than the average quoted share price for the twenty trading days prior to the date of the decision setting the opening date of the subscription, nor lower than this average reduced by a maximum discount of 20%.

Allocation of purchase-type stock options

The purpose of the **seventeenth resolution** is to authorize the Executive Board to grant purchase-type stock options to employees and corporate officers of the Wendel Group up to a limit of 1% of share capital. The purchase price shall be set in accordance with legal and regulatory provisions in force, with no discount (average of the opening prices quoted in the twenty trading days prior to the date of allocation). This authorization shall be valid for a period of fourteen months.

Shareholders' Meeting

For 2009, the allocation shall consist of purchase-type stock options for an amount representing 0.8% of share capital. In accordance with the Afep-Medef recommendations dated October 6, 2008, Executive Board members wishing to exercise these options must meet the following conditions:

- a performance-based condition linked to an average increase in net asset value of 20% per year; and
- a three-year service-based condition under which no options vest in the event of departure during the first year and one-third of the options vest after each additional year of service.

This service-based condition will also apply to other beneficiaries.

Allocation of bonus shares to employees

The purpose of the **eighteenth resolution** is to authorize the Executive Board to grant bonus shares to employees and corporate officers of the Wendel Group. The total number of bonus shares granted may not exceed 0.2% of share capital. The

allocation of bonus shares shall only be fully available at the end of (i) a two-year period (vesting period) following which beneficiaries will be required to hold shares for an additional two-year period (holding period); or (ii) a four-year vesting period with no additional holding period. This authorization shall be valid for a period of fourteen months.

For 2009, the allocation of bonus shares will be reserved for employees to whom the Company has not granted purchase-type stock options by virtue of the preceding resolution.

The purpose of the **nineteenth resolution** is to grant the necessary powers to accomplish any publication or legal formalities.

Resolutions of the Ordinary and Extraordinary Shareholders' Meeting of June 5, 2009

AGENDA

Resolutions pertaining to the Ordinary Meeting

- Approval of the 2008 parent company financial statements
- Approval of the 2008 consolidated financial statements
- Net income allocation, dividend approval and payment
- Approval of agreements governed by articles L. 225-38 et seq. and L. 225-86 et seq. of the French Commercial Code
- Approval of commitments made in the event of termination of the appointment of Frédéric Lemoine, Chairman of the Executive Board, which are governed by articles L. 225-86 et seq. and L. 225-90-1 of the French Commercial Code
- Renewal of the appointment of a member of the Supervisory Board
- Renewal of the appointment of a member of the Supervisory Board
- Renewal of the appointment of a member of the Supervisory Board
- Authorization granted to the Executive Board to trade in the Company's shares

Resolutions pertaining to the Extraordinary Meeting

- Delegation of power to the Executive Board to issue shares or securities giving access to the capital with preferential subscription rights
- Delegation of power to the Executive Board to issue shares or securities giving access to the capital without preferential subscription rights
- Delegation of power to the Executive Board to extend the capital increase in the event of excess demand
- Delegation of power to the Executive Board to increase share capital in consideration for contributions in kind
- Delegation of power to the Executive Board to increase share capital through the incorporation of reserves, retained earnings, premiums
- Authorization to the Executive Board to reduce share capital through the cancellation of shares
- Authorization to the Executive Board to issue shares or securities giving access to the capital reserved for members of the Company's savings plan
- Authorization to the Executive Board to grant purchase-type stock options to corporate officers and employees
- Authorization to the Executive Board to grant bonus shares to corporate officers and employees

Resolution pertaining to the Ordinary and to the Extraordinary Meeting

- Powers for legal formalities

Shareholders' Meeting

RESOLUTIONS PERTAINING TO THE ORDINARY MEETING

First resolution

(Approval of the 2008 parent company financial statements)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings:

- having heard the management report of the Executive Board on the activity and situation of the Company in 2008, the observations of the Supervisory Board and the report of the Chairman of the Supervisory Board attached to the management report;
- having heard the general report of the Statutory Auditors and the special report of the Statutory Auditors on the Chairman's report;

hereby approve the parent company financial statements for the fiscal year beginning on January 1, 2008, and ending on December 31, 2008, as presented by the Executive Board, with net income of €1,020,301,682.30, as well as the transactions presented in these statements or described in these reports.

Second resolution

(Approval of the 2008 consolidated financial statements)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings:

- having heard the management report of the Executive Board on the activity and situation of the Company in 2008 and the observations of the Supervisory Board;
- having heard the general report of the Statutory Auditors on the consolidated financial statements;

hereby approve the consolidated financial statements for the fiscal year beginning on January 1, 2008, and ending on December 31, 2008, as presented by the Executive Board, with net income, Group share, of €158,083,000, as well as the transactions presented in these statements or described in these reports.

Third resolution

(Net income allocation, dividend approval and payment)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, acting on the recommendation of the Executive Board approved by the Supervisory Board:

1. Decide to allocate 2008 net income

totaling	€1,020,301,682.30
plus retained earnings of	€529,093,479.09
comprising income available for distribution of	€1,549,395,161.39
in the following manner:	
a. To the legal reserve.....	€19,280.00
b. To shareholders, the amount of.....	€50,366,600.00
representing a net dividend of €1 per share	
c. To other reserves, the amount of.....	€1,000,000,000.00
d. To retained earnings, the balance of.....	€499,009,281.39

2. Decide that the ex-dividend date shall be June 9, 2009, and that the dividend shall be paid on June 12, 2009.

3. Decide that the dividend that cannot be paid to Wendel treasury shares shall be allocated to retained earnings, and that the amounts required to pay the dividend described above on shares from subscription-type stock options exercised before the ex-dividend date shall be deducted from retained earnings.

4. Acknowledge the Executive Board's presentation of distributions allocated in the three previous fiscal years, together with the dividend proposed for the 2008 fiscal year, which comprise the items in the following table:

Fiscal year	Number of shares at year end	Net dividend per share
2005	54,713,540	(a) €2.00
2006	55,507,161	(a) €2.00
2007	50,318,400	(b) €2.00
2008	50,366,600	(b) €1.00

(a) In accordance with article 243 bis of the French General Tax Code, it is specified that the whole dividend proposed is eligible for a 40% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 of the French General Tax Code.

(b) In accordance with article 243 bis of the French General Tax Code, it is specified that the whole dividend proposed is eligible for a 40% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 2° of the French General Tax Code. It should be noted that this allowance will not be applied if the taxpayer opts for the flat-rate withholding tax described in article 117 quater of the French General Tax Code.

Fourth resolution

(Approval of agreements governed by articles L. 225-38 et seq. and L. 225-86 et seq. of the French Commercial Code)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the special report of the Statutory Auditors on the agreements described in articles L. 225-38 et seq. and L. 225-86 et seq. of the French Commercial Code, approve the agreements and transactions described in this report.

Fifth resolution

(Approval of commitments made in the event of termination of the appointment of Frédéric Lemoine, Chairman of the Executive Board, which are governed by articles L. 225-86 et seq. and L. 225-90-1 of the French Commercial Code)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, having heard the special report of the Statutory Auditors on the agreements described in articles L. 225-86 et seq. and L. 225-90-1 of the French Commercial Code, approve the commitments made to Frédéric Lemoine in the event of the termination of his appointment as described in this report.

Sixth resolution

(Renewal of the appointment of a member of the Supervisory Board)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Édouard de l'Espée as a member of the Supervisory Board expires at the end of this Shareholders' Meeting and renew this appointment for a four-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

Seventh resolution

(Renewal of the appointment of a member of the Supervisory Board)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Grégoire Olivier as a member of the Supervisory Board expires at the end of this Shareholders' Meeting and renew this appointment for a four-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

Eighth resolution

(Renewal of the appointment of a member of the Supervisory Board)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby note that the term of Ernest-Antoine Seillière as a member of the Supervisory Board expires at the end of this Shareholders' Meeting and renew this appointment for a four-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2013 to approve the financial statements of the fiscal year ending December 31, 2012.

Ninth resolution

(Authorization granted to the Executive Board to trade in the Company's shares)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings:

- having heard the management report of the Executive Board;
- and pursuant to articles L. 225-209 et seq. of the French Commercial Code, the general regulation of the *Autorité des marchés financiers*, and European Commission regulation no. 2273/2003:

1. Hereby authorize the Executive Board, with the power of sub-delegation as provided for by law, to buy back shares in the Company within the following limits:

- the number of shares purchased by the Company during the buyback program shall not exceed 10% of the number of shares comprising the capital, at any time, with this percentage applying to capital adjusted for transactions that may impact it subsequent to this Shareholders' Meeting, for example, 5,036,660 shares as of March 31, 2009;
- the number of shares held by the Company at any time shall not exceed 10% of the Company's capital at the date under consideration.

2. Decide that Company shares, within the limits defined above, may be purchased for the following purposes:

- to deliver shares (in exchange, for payment or for some other purpose) within the framework of acquisitions, mergers, spin-offs or buyouts; or

Shareholders' Meeting

- to deliver shares on the occasion of the exercise of rights attached to securities granting access to the Company's share capital immediately or at a later date; or
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the code of good conduct recognized by the *Autorité des marchés financiers*; or
- to implement purchase-type stock option plans as defined in articles L. 225-177 et seq. of the French Commercial Code; or
- to allocate bonus shares within the framework of articles L. 225-197-1 et seq. of the French Commercial Code; or
- to allocate or sell shares as part of the Group's profit sharing program and any Group savings plan as provided for by law, particularly articles L. 3321-1 et seq. and L. 3331-1 et seq. of the French Labor Code; or
- to cancel all or part of the shares purchased.

This program is also intended to allow the Company to pursue any other purpose that has been or shall be authorized by legislation or regulations in force. In such an event, the Company shall inform its shareholders by issuing a press release.

3. Decide that the acquisition, sale or transfer of shares may, subject to applicable legal and regulatory restrictions, be made at any time and by any means, on the stock market or through private transactions, including the acquisition or sale of blocks of shares (without limiting the portion of the buyback program that may be conducted in this way), through public offers to purchase, sell or exchange shares, or through the use of options or other derivatives traded in a regulated stock market or in private transactions, or by the delivery of shares subsequent to the issue of securities giving access to the Company's capital by conversion, exchange, reimbursement, exercise of warrants or otherwise, either directly or indirectly through an investment service provider.

4. Set at €80 per share the maximum purchase price, for a total maximum share buyback amount of €402,932,800, on the basis of 5,036,660 shares as of March 31, 2009, and gives full power to the Executive Board, in the event of transactions on the Company's capital, to adjust the abovementioned purchase price to take into account the impact of these transactions on the value of the shares.

5. Give full power to the Executive Board, with the power of sub-delegation, to decide and apply this authorization, to specify, where necessary, the terms and procedures, to carry out the share buyback program, and to trade in the stock market, enter into any agreements, facilitate the recording of purchases and sales in stock market registers, make any declarations required by

the *Autorité des marchés financiers* or any other regulatory body that might take its place, carry out any formalities, and, generally, do what is required for the application of this authorization.

6. Decide that this authorization, which cancels and replaces any previous authorizations of the same nature, for any unused amounts, shall be valid for a period of eighteen months from the date of this Shareholders' Meeting.

RESOLUTIONS PERTAINING TO THE EXTRAORDINARY MEETING

Tenth resolution

(Delegation of power to the Executive Board to issue shares or securities giving access to the capital with preferential subscription rights)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board and the special report of the Statutory Auditors;
- and pursuant to articles L. 225-129 to L. 225-129-6 and articles L. 228-91 to L. 228-93 of the French Commercial Code:

1. Delegate to the Executive Board, with the power of sub-delegation as provided for by law and subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, with maintenance of preferential subscription rights, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in article L. 228-93 of the French Commercial Code, it being specified that such securities may be denominated in euros or any other currency or in any monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offsetting uncontested and liquid debts payable by the Company.

2. Decide that the par value of the capital increases that may be carried out immediately or at a later date, by virtue of the abovementioned authorization, shall not exceed €200,000,000 or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that the maximum aggregate par value of the capital increases carried out by virtue

of this authorization and those granted in the eleventh, twelfth, thirteenth and fourteenth resolutions of this Shareholders' Meeting shall be set at €1,000,000,000.

3. Decide that to these amounts shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital.

4. Decide that the issue or issues shall be reserved, on a preferential basis, to shareholders, who may subscribe as of right in proportion to the number of shares they own:

- take note that the Executive Board may grant shareholders the right to subscribe for excess securities in addition to the number of securities they are entitled to subscribe for as of right, in proportion to their subscription rights and, in any case, not exceeding the number requested;
- take note that if all the shares issued are not taken up through subscriptions as of right and, if applicable, subscriptions for excess shares, the Executive Board may use, as provided for by law and in the order that it shall determine, one or more of the powers below:
 - restrict the increase of capital to the subscription amount, subject to this amount attaining at least three quarters of the increase decided,
 - distribute as it sees fit all or a portion of the securities not taken up,
 - offer to the public all or a portion of the securities not taken up.

5. Take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued by virtue of this resolution, the waiver by the shareholders of their preferential subscription right to the new shares to which these securities give access.

6. Decide that the issues of equity warrants in the Company may be carried out by subscription offer, but also by the free allocation to the owners of existing shares, it being specified that the Executive Board shall have the power to decide that allocation rights comprising fractional shares shall not be negotiable and that the corresponding shares shall be sold.

7. Give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:

- decide to carry out the issues and set all terms and conditions, notably: determine the dates and amounts of the issues as well as the form and characteristics of securities to be created; set the issue price of the shares or securities giving access to the share capital, the date as from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercise of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital;
- in the event of an issue of debt securities: decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (defined maturity date or perpetual), the redemption price (fixed or variable, with or without premium), amortization terms, based, notably, on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and redemption terms and conditions (if applicable, these securities may take the form of complex bonds as defined by the stock exchange authorities); modify, during the life of the securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;
- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve;
- recognize the amount of the capital increase or increases resulting from any issue carried out by virtue of this authorization and amend the by-laws accordingly;
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues.

8. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of twenty-six months from the date of this Shareholders' Meeting.

Shareholders' Meeting

Eleventh resolution

(Delegation of power to the Executive Board to issue shares or securities granting access to share capital without preferential subscription rights)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board and the special report of the Statutory Auditors;
- and pursuant to articles L. 225-129 to L. 225-129-6, articles L. 225-135, L. 225-136, L. 225-148, and articles L. 228-91 to L. 228-93 of the French Commercial Code, and Part II of article L. 411-2 of the French Monetary and Financial Code:

1. Delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of article 15 V b) of the by-laws, the power to issue, on one or more occasions, in the proportions and at the times that it shall determine, in France or outside France, subject to valuable consideration or not, shares of the Company or any other securities giving access, at any time or at a specified date – through subscription, conversion, exchange, repayment, exercise of warrants or in any other manner – to a portion of the share capital of the Company or of one of the companies described in article L. 228-93 of the French Commercial Code or giving entitlement to the allocation of debt securities, it being specified that these shares or securities may be issued in consideration for securities that may be tendered to the Company through a public offer of exchange undertaken in France or outside France in accordance with local regulations on securities meeting the terms and conditions of article L. 225-148 of the French Commercial Code, it also being specified that such securities may be denominated in euros or any other currency or in a monetary unit established by reference to a number of currencies, and that these issues may be subscribed either in cash, or by offsetting uncontested and liquid debts payable by the Company.

2. Delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, the power to issue shares or securities giving access to the capital of the Company subsequent to the issue, by companies in which the Company directly or indirectly holds more than half of the share capital, of securities granting access to the share capital of the Company.

3. Decide that any capital increases carried out, immediately or at a later date, by virtue of this authorization, may be completed through public offerings or, up to a maximum of 20% of share

capital per year, through offerings described in part II of article L. 411-2 of the French Monetary and Financial Code.

4. Decide that the par value of capital increases that may be carried out immediately or at a later date by virtue of the aforementioned authorizations, shall not exceed €100,000,000 or its equivalent at the issue date in the event of an issue in another currency or in a monetary unit established by reference to a number of currencies, it being specified that this amount shall be included in the overall limit defined in paragraph 2 of the tenth resolution of this Shareholders' Meeting.

5. Decide that to these amounts shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital.

6. Decide to cancel the preferential subscription right of shareholders to securities issued by virtue of this authorization, it being understood that the Executive Board may grant to shareholders, for a period of time and according to terms and conditions that it shall set in accordance with applicable legal and regulatory provisions, for the entire share issue through public offering, a priority period to subscribe for the abovementioned securities, in proportion to the number of shares held by each shareholder, as of right and possibly not as of right, without giving rise to the creation of negotiable rights.

7. Note that if all the shares in the abovementioned issue are not taken up through subscriptions, including those of shareholders, the Executive Board may restrict the issue to the number of shares subscribed.

8. Take note and decide, where necessary, that this authorization shall entail, in favor of the holders of the securities giving access to shares of the Company that may be issued by virtue of this resolution or by companies in which the Company directly or indirectly holds more than half of the share capital, the waiver by the shareholders of their preferential subscription right to the new shares to which these securities give access.

9. Note that, pursuant to article L. 225-136 of the French Commercial Code:

- the issue price of shares issued directly shall be at least equal to the minimum provided for by the applicable regulatory provisions at the issue date;
- the issue price of securities giving access to the capital shall be such that the sum received immediately by the Company, increased by any amount received subsequently by the Company, shall be, for each share issued as a result of the issue of securities, at least equal to the minimum subscription price defined in the previous paragraph.

10. Give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:

- decide to carry out the issues and set all terms and conditions, notably: determine the dates and the amounts of the issues as well as the form and the characteristics of the securities to be created; set the issue price of the shares or securities giving access to the capital, the date from which ownership rights on them shall take effect, including a retroactive date, and the method of payment; provide for, if applicable, the terms and conditions of their repayment, repurchase on the stock market or exchange for shares or other securities, the possibility to suspend the exercises of rights attached to securities for a period not to exceed the maximum period authorized by the legal and regulatory provisions in force; determine and carry out any adjustments intended to take into account the impact of transactions on the share capital of the Company and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities granting access to the share capital;
- more particularly, in the event of shares or debt securities issued in consideration for securities tendered through a public offer of exchange initiated by the Company: set the exchange ratio as well as any cash consideration to be paid; recognize the number of securities tendered in the exchange as well as the number of shares or securities to be created in consideration; determine the dates and terms of issue, notably the price and the date from which ownership rights on them shall take effect, of new shares or any securities giving access immediately and/or at a later date to a portion of the share capital of the Company; recognize as a liability on the balance sheet, under share premiums, to which all shareholders shall have rights, the difference between the issue price of new shares and their par value; charge, if applicable, against share premiums, all costs and fees related to the authorized transaction;
- in the event of an issue of debt securities: decide whether they shall be subordinated or not, set their interest rates and the terms and conditions of interest payment, their term (defined maturity date or perpetual), the redemption price (fixed or variable, with or without premium), amortization terms, based, notably on market conditions, the terms under which these securities shall give entitlement to shares and, more generally, determine all other issue and redemption terms (if applicable, these securities may be accompanied by warrants granting access to the allocation, acquisition or subscription of bonds or other securities representing debt or take the form of complex bonds as defined by the stock exchange authorities); modify, during the life of the

securities concerned, the terms and conditions referred to above, in compliance with the applicable formalities;

- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve;
- recognize the amount of the capital increase or increases resulting from any issue carried out by virtue of this authorization and amend the by-laws accordingly;
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues.

11. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of twenty-six months from the date of this Shareholders' Meeting.

Twelfth resolution

(Delegation of power to the Executive Board to extend the capital increase in the event of excess demand)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board and the special report of the Statutory Auditors;
- and pursuant to articles L. 225-135-1 of the French Commercial Code:

1. Delegate power to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, for each of the issues decided by virtue of the tenth and eleventh resolutions of this Shareholders' Meeting, in the event of excess demand, to increase the number of securities to be issued at the same price as that set for the initial issue and within the periods and up to the limits provided by applicable regulations on the issue date (currently within thirty days of the closing date of the subscription and by up to 15% of the initial issue).

2. Decide that the par value of capital increases decided by virtue of this resolution shall be included in the overall limits defined in paragraph 2 of the tenth resolution and, if applicable, in paragraph 4 of the eleventh resolution of this Shareholders' Meeting.

3. Decide that this authorization shall be valid for a period of twenty-six months from the date of this Shareholders' Meeting.

Shareholders' Meeting

Thirteenth resolution

(Delegation of power to the Executive Board to increase share capital in consideration for contributions in kind of equity securities or other securities)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board and the special report of the Statutory Auditors;
- and pursuant to articles L. 225-129 et seq. of the French Commercial Code and, notably, article L. 225-147 paragraph 6 of that Code:

1. Delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, the necessary powers to issue, on one or more occasions, shares or securities giving access to the Company's share capital, on the basis of the report from the contributions auditor (*commissaire aux apports*), up to a maximum of 10% of the share capital at the time of issue, in consideration for contributions in kind made to the Company and comprising shares or securities giving access to the capital, when the provisions of article L. 225-148 of the French Commercial Code are not applicable.

2. Decide, where necessary, to cancel, in favor of holders of shares or securities giving access to the capital, the subject of the contributions in kind, the preferential subscription right of shareholders to the shares and securities issued.

3. Decide that the aggregate par value of capital increases that may be carried out immediately or at a later date by virtue of the abovementioned authorization shall be included in the overall limit defined in paragraph 2 of the tenth resolution of this Shareholders' Meeting.

4. Decide that to this amount shall be added, if applicable, the par value of additional shares to be issued to protect the rights of holders of securities giving access to the Company's share capital.

5. Give full powers to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:

- approve the evaluation of contributions and set the exchange ratio as well as, if applicable, the amount of the cash consideration;

- approve the granting of special benefits, and reduce, if the contributors agree, the valuation of the contributions or the consideration for the special benefits;
- recognize the number of securities to be issued;
- determine the dates and terms of issues, notably the price and the effective date ownership rights on shares or other securities granting access to the share capital of the Company;
- recognize as a liability on the balance sheet, under share premiums, to which all shareholders shall have rights, the difference between the issue price of new shares and their par value;
- charge, if applicable, against share premiums, all costs and fees related to the authorized transaction and deduct from share premiums the sums required to raise the legal reserve;
- recognize the amount of the capital increase or increases resulting from any issue carried out by virtue of this authorization and amend the by-laws accordingly;
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned issues.

6. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of twenty-six months from the date of this Shareholders' Meeting.

Fourteenth resolution

(Delegation of power to the Executive Board to increase share capital through the incorporation of reserves, retained earnings, premiums)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings:

- having heard the report of the Executive Board;
- and pursuant to articles L. 225-129-2, L. 225-129-4 and L. 225-130 of the French Commercial Code:

1. Delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, the power to increase, on one or more occasions, in the proportions and at the times that it shall determine, the share capital up to a maximum par value of €1,000,000,000, through the incorporation, successive or simultaneous, into the capital of all or part of the reserves, retained earnings, premiums (from issues, mergers or contributions) or other amounts, realized by the issue and allocation of bonus shares, by an increase in the par value of shares or by the joint use of both these methods.

2. Decide that the par value of capital increases that may be carried out immediately or at a later date by virtue of the abovementioned authorization shall be included in the overall limit defined in paragraph 2 of the tenth resolution of this Shareholders' Meeting.

3. Decide, in the event of the distribution of bonus shares:

- that the rights representing fractional shares will not be negotiable and that the corresponding shares shall be sold; the proceeds of the sale shall be allocated to the rights holders in accordance with applicable laws and regulations;
- to carry out any adjustments intended to take into account the impact of transactions on the Company's share capital and set the terms and conditions by which it shall ensure, if applicable, the protection of the rights of the holders of securities giving access to the capital.

4. Give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:

- set the amount and nature of the sums to be incorporated into the capital;
- set the number of shares to be issued or the amount by which the par value of shares comprising the share capital shall be increased;
- set the date, including a retroactive date, from which ownership rights on new shares shall take effect or the date on which the increase in par value shall take effect;
- appropriate from one or more available reserve accounts the sums required to raise the legal reserve;
- recognize the amount of the capital increase or increases resulting from any issue carried out by virtue of this authorization and amend the by-laws accordingly;
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions.

5. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of twenty-six months from the date of this Shareholders' Meeting.

Fifteenth resolution

(Authorization to the Executive Board to reduce share capital through the cancellation of shares)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board and the special report of the Statutory Auditors;
- pursuant to articles L. 225-209 et seq. of the French Commercial Code:

1. Authorize the Executive Board, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, to cancel, on one or more occasions, at its own initiative, all or a part of the treasury shares held by the Company, up to a maximum of 10% of the capital per twenty-four-month period from the date of this Shareholders' Meeting.

2. Authorize the Executive Board to reduce the share capital accordingly, deducting the difference between the purchase price of the cancelled shares and their par value from the available premium and reserve accounts of its choice.

3. Give full power to the Executive Board, with the power of sub-delegation, to amend the by-laws accordingly, carry out all acts, formalities and declarations and, generally, take the action required to apply this authorization.

4. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of twenty-six months from the date of this Shareholders' Meeting.

Sixteenth resolution

(Delegation of power to the Executive Board to issue shares or securities giving access to the capital reserved for members of the Company's savings plan)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board;
- having heard the special report of the Statutory Auditors;
- and pursuant to articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and articles L. 3332-1 et seq. of the French Labor Code:

Shareholders' Meeting

1. Delegate to the Executive Board, with the power of sub-delegation as provided for by law, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws, the power to increase capital, on one or more occasions, through the issue of shares or securities giving access to the capital reserved for members of one or more of the Company savings plans implemented within the Group.

2. Decide to set at €300,000 the maximum aggregate par value of capital increases that may be carried out by virtue of this resolution.

3. Decide to cancel, in favor of the above-mentioned beneficiaries, the shareholders' preferential subscription right to shares or securities issued by virtue of this resolution.

4. Decide that the subscription price of new shares, set by the Executive Board pursuant to the provisions of article L. 3332-19 of the French Labor Code, may not be higher than the average share price for the twenty trading days prior to the date of the decision setting the opening date of the subscription, nor more than 20% lower than this average.

5. Authorize the Executive Board to allocate, free of consideration, to the abovementioned beneficiaries, in addition to the shares or securities giving access to the capital that must be subscribed for in cash, shares or securities giving access to share capital issued or to be issued, in full or partial substitution for the discount set by the Executive Board and/or as a matching contribution, it being understood that the resulting benefit from this allocation may not exceed the applicable legal or regulatory limits defined in articles L. 3332-19 et seq. and L. 3332-11 of the French Labor Code.

6. Give full power to the Executive Board, with the power of sub-delegation as provided for by law, to implement this authorization, in particular to:

- draw up, in accordance with legal provisions, the list of the companies of which the above-mentioned beneficiaries may subscribe, receive or acquire the shares or securities allocated by virtue of this resolution;
- decide that shares or securities may be subscribed or acquired directly by the beneficiaries, members of a Company savings plan or through mutual funds other structures or entities authorized by applicable legal or regulatory provisions;
- determine the amount to be issued or sold, set the issue or sale price in accordance with the terms and limits set by the legislation in force, the terms of payment or sale, set the dates, terms and conditions of the issues or sales to be carried out by virtue of this authorization;

- set the date, including a retroactive date, from which ownership rights on the new shares shall take effect, set the period within which payment must be made within the maximum period set by the legal and regulatory provisions in force, as well as, if applicable, the required length of service for beneficiaries to participate in the transaction and benefit from the Company's contribution;

- in the event of the allocation of bonus shares or securities giving access to the capital, set the number of the shares or securities giving access to capital to be issued, the number to be allocated to each beneficiary, and set the dates, time periods, terms and conditions of the allocation of these shares or securities giving access to the capital within the legal and regulatory limits in force and, notably, choose to allocate these shares or securities giving access to the capital in full or partial substitution for discounts decided by the Executive Board, or to apply the value of these shares or securities to the total of the matching contribution, or to combine the two possibilities;

- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve;

- recognize the amount of the capital increase or increases resulting from any issue carried out by virtue of this authorization and amend the by-laws accordingly;

- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions.

7. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of twenty-six months from the date of this Shareholders' Meeting.

Seventeenth resolution

(Authorization to the Executive Board to grant purchase-type stock options to corporate officers and employees)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board;
- having heard the special report of the Statutory Auditors;
- and pursuant to articles L. 225-177 et seq. of the French Commercial Code:

1. Authorize the Executive Board to grant, on one or more occasions, purchase-type stock options in favor of individuals it shall designate – or cause to be designated – from among the corporate officers and employees of the Company or of companies or corporate groups related to it as defined by article L. 225-180 of the French Commercial Code.

2. Decide that the number of shares available for acquisition by the exercise of options granted by virtue of this authorization may not exceed 1% of the existing share capital on the date the options are granted.

3. Take note that in the event that options are granted to the corporate officers described in article L. 225-185 of the French Commercial Code, the Supervisory Board shall subject the grant and/or exercise of these options to certain conditions, in particular performance-based, and must either prohibit the exercise of these options by the beneficiaries before the termination of their appointments, or set a minimum number of shares resulting from the exercise of options that they are obliged to hold in registered form until termination of their appointment.

4. Decide that the options to be granted by virtue of this authorization shall be subject to disclosure in the form of a special report of the Executive Board to the shareholders, in accordance with legal and regulatory provisions in force.

5. Give full power to the Executive Board to implement this authorization, in particular to:

- set the terms and conditions under which the options shall be granted and draw up the list or categories of option beneficiaries;
- determine the dates of each allocation;
- determine the purchase price of shares, it being specified that this share purchase price shall be set in accordance with the legal and regulatory provisions in force on the date that the options are granted, at a price no lower than the average share price for the twenty trading days prior to the date of the price-setting;
- take the necessary steps to protect the interests of beneficiaries with regard to any financial transactions that may be carried out before the exercise of the options;
- set the terms and conditions of the exercise of the options and notably (i) the period or periods during which the options granted may be exercised, it being specified that the period during which these options may be exercised may not exceed ten years from their grant date and (ii), if applicable, individual and/or group performance conditions;
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions.

6. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of fourteen months from the date of this Shareholders' Meeting.

Eighteenth resolution

(Authorization to the Executive Board to grant bonus shares to company employees and officers)

The shareholders, voting under the quorum and majority required for Extraordinary Shareholders' Meetings:

- having heard the report of the Executive Board;
- having heard the special report of the Statutory Auditors;
- and pursuant to articles L. 225-197-1 et seq. of the French Commercial Code:

1. Authorize the Executive Board, subject to the prior approval of the Supervisory Board in application of article 15-V b) of the by-laws in the event of the allocation of shares to be issued, to allocate, on one or more occasions, bonus shares consisting of existing Company shares or shares to be issued, in favor of employees or corporate officers of the Company who meet the conditions defined in paragraph II of article L. 225-197-1 of the French Commercial Code, or employees and corporate officers of companies or corporate groups linked to it as defined in article L. 225-197-2 of the French Commercial Code.

2. Decide that the total number of bonus shares, existing or to be issued, that may be allocated by virtue of this authorization may not exceed 0.2% of the capital at the grant date.

3. Decide that the shares granted to beneficiaries shall become available:

- either, for all or a part of the bonus shares allocated, at the end of a minimum vesting period of two years, it being specified that in this case the beneficiaries must hold the shares for a minimum period of not less than two years from the date on which they become vested;
- or, for all or a part of the bonus shares allocated, at the end of a minimum vesting period of four years, in which case there shall be no holding period following the date on which they are vested.

4. Take note that in the event of the allocation of shares to the corporate officers described in paragraph II of article L. 225-197-1 of the French Commercial Code, the Supervisory Board shall subject the allocation and/or vesting of shares to certain conditions, in particular performance-based, and must either prohibit the sale of these shares by the beneficiaries before the termination of their appointments, or set a minimum number of these shares that they are obliged to hold in registered form until termination of their appointment.

Shareholders' Meeting

5. Authorize the Executive Board to adjust, if applicable, during the vesting period, the number of shares involved in transactions affecting the Company's share capital, to protect the rights of the beneficiaries.

6. Note that, with respect to these bonus shares, this resolution shall entail, in favor of the beneficiaries of bonus shares, the express waiver by the shareholders of their preferential allocation right to the shares whose issue, through the incorporation of reserves, retained earnings, from premiums from mergers, contributions or other transactions, is hereby authorized.

7. Give the Executive Board full power to implement this authorization, in particular to:

- determine the list of the beneficiaries of bonus shares or the category or categories of beneficiaries of bonus shares and the number of shares granted to each of them;
- set the vesting and holding periods in accordance with the minimum time periods defined above, it being specified that in the event of disability of the beneficiary corresponding to a second or third category classification under article L. 341-4 of the French Social Security code, the shares shall vest immediately before the end of the vesting period and shall become freely negotiable before the end of the holding period;
- adjust, if applicable, the number of bonus shares granted to protect the rights of beneficiaries, with regard to any transactions affecting the Company's share capital. It is specified that the shares granted by virtue of these adjustments shall be deemed granted on the same day as the initially granted shares;
- set the grant conditions and, if applicable, the share grant criteria;

- in the event of the issue of new shares, charge, if applicable, against reserves, retained earnings or share premiums, the amounts required for the full payment of shares;
- charge, if applicable, costs against share premiums, notably issue expenses, and deduct from this amount the sums required to raise the legal reserve;
- recognize the amount of the capital increase or increases resulting from any issue carried out by virtue of this authorization and amend the by-laws accordingly;
- and, generally, take all appropriate steps and enter into any agreements to successfully achieve the planned transactions.

8. Decide that this authorization, which cancels and replaces the unused amounts of any previous authorizations of the same nature, shall be valid for a period of fourteen months from the date of this Shareholders' Meeting.

RESOLUTION PERTAINING TO THE ORDINARY AND EXTRAORDINARY MEETINGS

Nineteenth resolution

(Powers for legal formalities)

The shareholders, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby give full powers to the bearers of copies or extracts of the minutes of these proceedings to make all necessary filings and carry out any registration, filing or other legal formalities.

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Supplemental information

General information on Wendel

Company name and registered office

Company name: Wendel

Registered office: 89, rue Taitbout – 75009 Paris, France.

Legal structure and applicable legislation

Wendel is a French *société anonyme* (public limited company) with an Executive Board and a Supervisory Board governed by the French Commercial Code.

Duration

The Company was formed on December 4, 1871 for a period of ninety-nine years, subsequently extended to July 1, 2064.

Official registration

The Company is registered in the *Registre du commerce et des sociétés* (Paris Company Register) under number 572 174 035.

Purpose of the Company

Pursuant to article 3 of the by-laws, the Company has the following purpose, in all countries, directly or indirectly:

- any equity holdings in industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise; any disposals, exchanges or other operations concerning these shares, ownership rights or equity interests;
- the purchase, rental and operation of any equipment;
- the acquisition, sale and commercial use of any processes, patents, or patent licenses;
- the acquisition, operation, sale or exchange of any real estate or real estate rights;
- and generally, any commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities or to all similar or connected activities.

Consultation of legal documents relating to the Company

Company documents that shareholders have a legal right to consult under the terms stipulated by law, including the by-laws, minutes of Shareholders' Meetings and Auditors' reports, may be consulted at the Company's registered office.

Fiscal year

The fiscal year runs from January 1 to December 31 of every year.

Appropriation of net income

Article 27 of the by-laws provides for the following:

1. At least five percent of net profit for each year, less any losses carried forward from prior years, is credited to the legal reserve until such time as the legal reserve represents one tenth of share capital, as well as any amount credited to reserves pursuant to applicable legislation.

Distributable earnings include net income for the year plus any unappropriated retained earnings carried forward from prior years.

Of this amount, shareholders may decide in their Annual Meeting to deduct, on the recommendation of the Executive Board:

- the amounts they consider should be allocated to any special reserve account;
- the sum required to serve a revenue on shares based on the amount of paid-up, non-repaid capital within the limit of 5% per year;
- the amounts they consider should be allocated to the general reserve or to share capital repayment.

2. Any balance remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings.

3. On the condition that all earnings available for distribution have been allocated in the form of dividends, shareholders may, in their Ordinary Meeting, on the recommendation of the Executive Board, allocate any amounts transferred from the share premium account.

4. As an exception to the provisions of the present article, funds may be allocated to the special employee profit sharing reserve under the terms and conditions set by law.

5. Dividends are paid in the form and at the times determined by shareholders at their Ordinary Meeting or by the Executive Board with the authorization of shareholders at their Ordinary Meeting in accordance with applicable legislation. The Executive Board may decide to distribute an interim dividend before the approval of the financial statements for the year in accordance with applicable legislation.

The shareholders, convened in their Annual Meeting to approve the year's financial statements, may, on the recommendation of the Executive Board, offer each shareholder, for all or a part of the dividend (or the interim dividend) being distributed, the choice between the payment of the dividend (or interim dividend) in cash or in shares under the terms and conditions defined by applicable legislation.

Dividends not claimed within five years from the date on which they were to be paid are forfeited and the amounts paid over to the State.

Executive Board membership

Articles 17 and 18 of the by-laws provide for the following:

1. Executive Board

The Company shall be managed by an Executive Board composed of no less than two members and no more than the number of members permitted by law. They are appointed by the Supervisory Board on the recommendation of its Chairman.

The members of the Executive Board need not be shareholders. They must be individuals. No member of the Supervisory Board may also be a member of the Executive Board. Members of the Executive Board may be tied to the Company through an employment contract that remains in force during and after the member's term on the Executive Board.

Any member of the Executive Board may be revoked by the Supervisory Board. Revocation of a member of the Executive Board does not cause his or her employment contract to be terminated.

2. Terms of the Executive Board members

The Executive Board is appointed for four years and may be reappointed.

The age limit for members of the Executive Board is 65. Any member of the Executive Board reaching this age is automatically deemed to have resigned.

As long as the number of members of the Executive Board is less than the number permitted by law, the Supervisory Board may appoint, on the recommendation of its Chairman, new members to the Executive Board, whose term expires with that of the Supervisory Board.

Supervisory Board membership

Article 12 of the by-laws provides for the following:

1. The Supervisory Board shall be composed of no less than three and no more than 18 members, subject to the legal exception in the event of a merger.
2. The members of the Supervisory Board are appointed by shareholders in their Ordinary Meeting. However, in the event of a vacancy of one or more seats, the Supervisory Board may appoint new members for the remaining term of the previous members, with the proviso that these appointments must be ratified by shareholders at the next Shareholders' Meeting.
3. Supervisory Board members are appointed for four years and may be reappointed.
4. As an exception to this rule, the terms of the initial members of the Supervisory Board will be as follows: two years for a third of them, three years for another third, and four years for the

remaining third. This is to ensure that subsequent reappointments take place in thirds. All subsequent appointments shall be for a period of four years.

5. The term of a member of the Supervisory Board ends at the close of the Shareholders' Meeting called to approve the financial statements of the previous year and held during the year in which his term expires.

6. At the close of each Ordinary Shareholders' Meeting called to approve the parent company financial statements, the number of members of the Supervisory Board aged 70 or more may not exceed one third of the number of members (rounded if necessary, to the next highest whole number).

7. Should this proportion be exceeded, the term of the oldest member of the Supervisory Board, except for the Chairman, shall end at the close of the following Ordinary Shareholders' Meeting.

8. During their terms, the members of the Supervisory Board must own at least 100 fully paid-up shares of the Company.

Information on Shareholders' Meetings

Article 25 of the by-laws provides for the following:

1. Invitation to attend Shareholders' Meetings

Shareholders' Meetings are convened and held as prescribed by law.

They are held at the Company's registered office, or at another location, as indicated in the notice of the Meeting.

2. Participating in Shareholders' Meetings

All shareholders have the right to participate in Shareholders' Meetings personally or by proxy, or to vote by mail.

Under new regulations, shareholders have the right to participate in the Company's Shareholders' Meetings if the shares are recorded in their name or in the name of the financial intermediary that holds them on their behalf no later than midnight Paris time before the third business day prior to the Meeting:

- for holders of registered shares: in the registered securities accounts held by the Company;
- for holders of bearer shares: in the bearer securities accounts of the authorized financial intermediary pursuant to regulations in force.

In accordance with applicable legal conditions, the Executive Board may organize a video conference to allow shareholders to participate and vote or use other telecommunications systems that ensure identification. Shareholders who participate in Shareholders' Meetings by video conference or another system are deemed present for the purposes of calculating the quorum and the majority.

Supplemental information

3. Voting rights and acquisition of double voting rights

Voting rights attached to the shares are proportionate to the percentage of capital they represent.

Nevertheless, double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

In the event of a capital increase through the capitalization of reserves, distributable net income or share premium amounts, double voting rights may be granted at issue on the registered shares thus distributed to shareholders in proportion to their existing shares that benefited from this right.

Shares converted to bearer shares or transferred to another owner lose their double voting rights. However, registered shares that are transferred by way of an inheritance, the liquidation of a marital estate or a gift to a spouse or a direct relative do not lose their double voting rights and are considered as having remained the property of the same shareholder for the purpose of determining the two-year minimum holding period. The same terms apply in the event of a transfer resulting from the merger or demerger of a shareholder company.

Disclosure thresholds

In addition to the legal requirements for disclosing thresholds passed, article 28 of the by-laws requires any individual or corporate shareholder, acting alone or in concert with other shareholders, who comes to own a number of shares or voting rights representing more than 2% of the share capital or voting rights, or any multiple thereof, to disclose to the Company the number of shares and voting rights held within five trading days of crossing this threshold.

The same disclosure requirements apply when the number of shares or voting rights held is reduced to below the said 2% threshold or any multiple thereof.

Failure to comply with the above requirements is sanctioned, as prescribed by law, by the deprivation of voting rights for those shares exceeding the fraction that should have been disclosed, and this for all Shareholders' Meetings held within two years of the date on which the failure to give proper notice to the Company was rectified. This sanction is applicable at the request (recorded in the minutes of the Shareholders' Meeting) of one or more shareholders holding a number of shares or voting rights representing at least 2% of the Company's capital.

General information on the Company's share capital

SHARE CAPITAL

As of March 31, 2009, the share capital amounted to €201,466,400, divided into 50,366,600 shares with a par value of €4 per share. These shares were fully paid-up. The shares are held in registered or bearer form at the shareholder's discretion.

EXISTING FINANCIAL AUTHORIZATIONS

As of March 31, 2009, the following financial authorizations were in effect:

Authorization	Date of Shareholders' Meeting (resolution no.)	Period and expiration date	Authorized amount (amount used)	Overall ceiling
A. Issue of shares or other securities giving access to the capital				Capital: €2,000 million
Securities giving access to the capital:				
• With preferential subscription rights	6/4/2007	26 months	Capital: €500 million	
	11	8/3/2009	(None)	
• Without preferential subscription rights	6/4/2007	26 months	Capital: €250 million	
	12	8/3/2009	(None)	
• Under greenshoe option	6/4/2007	26 months	15% of the initial issue	
	13	8/3/2009	(None)	
• In consideration for contributions in kind	6/4/2007	26 months	10% of share capital	
	14	8/3/2009	(None)	
Incorporation of reserves	6/4/2007	26 months	€2,000 million	
	15	8/3/2009	(None)	
Group savings plan	6/4/2007	26 months	€300,000	
	17	26 months	(€188,284)	
Stock options	6/4/2007	26 months	2,000,000 options	
	18	8/3/2009	(1,768,100 options)	
Bonus share issue	6/4/2007	26 months	0.5% of share capital	
	19	8/3/2009	(3,030 shares)	
B. Share buybacks and share cancellations				
Share buybacks	6/9/2008	18 months	10% of the shares or €805,094,400	
	10	12/8/2009	(€39,294,786.23)	
Share cancellations	6/4/2007	26 months	10% of share capital per 24-month period	
	16	8/3/2009	(5,257,773 shares were canceled on May 29, 2007)	

Supplemental information

During the 2008 fiscal year, Wendel made use of the following authorizations:

Employee share ownership

At the Shareholders' Meeting of June 4, 2007, shareholders approved the principle of a Group savings plan and authorized the Executive Board, with prior approval from the Supervisory Board, to issue shares, on one or more occasions until August 2009, reserved for Group employees and corporate officers for a maximum amount of €300,000 (par value).

As of March 31, 2009, after a capital increase of €75,200 (par value) in June 2007 and of €113,084 (par value) in August 2008, the amount available under this authorization was €111,716 (par value).

Subscription- or purchase-type options

At the Shareholders' Meeting of June 4, 2007, shareholders authorized the Executive Board, with prior approval from the Supervisory Board, to grant subscription- or purchase-type stock options to corporate officers and employees of the Group, on one or more occasions, until August 2009, up to a maximum of 2,000,000 shares.

The Executive Board granted options on 877,500 new shares to the corporate officers and most management-level employees on June 4, 2007, and options on 890,600 new shares on July 15, 2008. After application of the vesting clause, the number of shares remaining under this authorization as of March 31, 2009 was therefore 271,900.

Allocation of bonus shares

At the Shareholders' Meeting of June 4, 2007, shareholders authorized the Executive Board, with prior approval from the Supervisory Board, to grant new or existing shares to corporate officers and employees of the Group, on one or more occasions, until August 2009, up to a maximum of 0.5% of the share capital.

On June 4, 2007, the Executive Board granted 1,000 shares and on June 9, 2008 2,030 shares to non-management level employees who did not have subscription options. The number of shares remaining under this authorization as of March 31, 2009, based on share capital as of that date, was therefore 248,803.

BOND ISSUES

In accordance with the provisions of ordinance 2004-604 of June 24, 2004, the decision to issue bonds and similar instruments is now the competence of the Executive Board.

The Company has carried out the following issues of securities:

- bonds exchangeable for Capgemini shares amounting to €279 million, issued on June 19, 2003, maturing six years hence on June 19, 2009 and offering a coupon of 2%;
- bonds amounting to €500 million, issued on February 16, 2004, maturing seven years hence on February 16, 2011, and offering a coupon of 5%;
- a supplementary issue of €100 million on June 23, 2004 ranking pari passu with the €500 million issue of February 16, 2004;
- bonds amounting to €400 million, issued on November 4, 2004, maturing ten years hence on November 4, 2014, and offering a coupon of 4.875%;
- bonds amounting to €300 million, issued on August 9, 2005, maturing twelve years hence on August 9, 2017, and offering a coupon of 4.375%;
- bonds amounting to €400 million, issued on May 24, 2006, maturing ten years hence on May 26, 2016, and offering a coupon of 4.875%;
- bonds amounting to €400 million, issued on February 26, 2007, maturing on September 21, 2015, and offering a coupon of 4.875%;
- a supplementary issue of €400 million on June 29, 2007 ranking pari passu with the €300 million issue of August 9, 2005.

FINANCIAL AUTHORIZATIONS TO BE PROPOSED AT THE SHAREHOLDERS' MEETING OF JUNE 5, 2009

The 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th and 18th resolutions submitted to shareholders for approval at the June 5, 2009 Shareholders' Meeting will replace and cancel the unused amounts of the resolutions with the same purpose that were adopted at the June 4, 2007 and June 9, 2008 Shareholders' Meetings.

Authorization	Resolution no.	Period and expiration date	Authorized amount	Overall ceiling
A. Issue of shares or other securities giving access to the capital				Capital: €1,000 million
Securities giving access to the capital:				
• With preferential subscription rights	10	26 months 8/4/2011	Capital: €200 million	
• Without preferential subscription rights	11	26 months 8/4/2011	Capital: €100 million	
• Under greenshoe option	12	26 months 8/4/2011	15% of the initial issue	
• As consideration for contributions in kind	13	26 months 8/4/2011	10% of share capital	
Incorporation of reserves	14	26 months 8/4/2011	€1,000 million	
B. Share buybacks and share cancellations				
Share buybacks	9	18 months 12/4/2010	10% of share capital €80 per share (i.e. maximum overall amount of €403 million)	
Share cancellations	15	16 months	10% of share capital per 24 months period	
C. Employee share ownership				
Company savings plan	16	26 months 8/4/2011	€300,000	
Stock options	17	14 months 8/4/2010	1% of share capital	
Bonus share issue	18	14 months 8/4/2010	0.2% of share capital	

SECURITIES GIVING ACCESS TO THE CAPITAL AND SECURITIES NOT REPRESENTING CAPITAL

There are no securities representing liabilities of the Company – convertible bonds, exchangeable bonds and/or bonds redeemable in shares – that give or could give access to the capital.

There are no shares that do not represent capital, such as founder shares or voting rights certificates.

PLEDGE OF ISSUER'S SHARES HELD IN PURE REGISTERED FORM

To the best of the Company's knowledge, as of March 31, 2009, 451,887 Wendel shares held in registered form have been pledged.

Supplemental information

GENERAL INFORMATION ON THE COMPANY'S SHARE CAPITAL

Changes in share capital in the last five years

Date of change in capital	Transaction	Change in the number of shares
Situation as of December 31, 2003		
July 2004	Exercise of options	12,958
July 2004	Issue of shares reserved for employees	40,154
December 2004	Exercise of options	148,020
December 2004	Issue of shares as authorized at the December 3, 2004 Shareholders' Meeting	3,394,440
December 2004	Cancellation of shares as authorized by the Board of Directors on December 3, 2004	-3,394,440
Situation as of December 31, 2004		
January 2005	Cancellation of shares as authorized by the Board of Directors on January 18, 2005	-2,224,765
January 2005	Exercise of options	21,799
February 2005	Exercise of options	6,508
March 2005	Exercise of options	6,446
April 2005	Exercise of options	9,762
May 2005	Exercise of options	33,385
June 2005	Issue of shares reserved for employees	27,221
June 2005	Exercise of options	129,396
July 2005	Exercise of options	35,058
August 2005	Exercise of options	18,560
September 2005	Exercise of options	43,253
October 2005	Exercise of options	9,329
November 2005	Exercise of options	41,741
December 2005	Exercise of options	372,799
Situation as of December 31, 2005		
January 2006	Exercise of options	1,098
June 2006	Issue of shares reserved for employees	20,070
July 2006	Exercise of options	7,017
October 2006	Exercise of options	20,026
November 2006	Exercise of options	17,743
December 2006	Exercise of options	727,667
Situation as of December 31, 2006		
January 2007	Exercise of options	3,000
February 2007	Exercise of options	1,380
March 2007	Exercise of options	652
April 2007	Exercise of options	15,257
May 2007	Exercise of options	24,510
May 2007	Cancellation of shares as authorized by the Executive Board on May 29, 2007	-5,257,773
June 2007	Issue of shares reserved for employees	18,800
July 2007	Exercise of options	1,360
August 2007	Issue of bonus shares	40
September 2007	Exercise of options	1,009
October 2007	Exercise of options	2,834
November 2007	Exercise of options	170
Situation as of December 31, 2007		
April 2008	Exercise of options	14,416
May 2008	Exercise of options	5,513
June 2008	Issue of shares reserved for employees	28,271
Situation as of December 31, 2008		

Number of shares comprising the capital	Par value (in euros)	Change in share capital (in euros)	Amount of share capital (in euros)	Change in share premiums (in euros)	Amount of share premiums
55,981,916	4		223.927.664		127.098.823
55,994,874	4	51,832	223,979,496	120,461	127,219,284
56,035,028	4	160,616	224,140,112	1,076,930	128,296,214
56,183,048	4	592,080	224,732,192	3,558,877	131,855,091
59,577,488	4	13,577,760	238,309,952	162,430,240	294,285,331
56,183,048	4	-13,577,760	224,732,192		294,285,331
56,183,048	4		224,732,192		294,285,331
53,958,283	4	-8,899,060	215,833,132	-100,714,528	193,570,803
53,980,082	4	87,196	215,920,328	616,519	194,187,322
53,986,590	4	26,032	215,946,360	202,008	194,389,330
53,993,036	4	25,784	215,972,144	206,723	194,596,053
54,002,798	4	39,048	216,011,192	303,013	194,899,066
54,036,183	4	133,540	216,144,732	1,094,663	195,993,729
54,063,404	4	108,884	216,253,616	1,264,415	197,258,144
54,192,800	4	517,584	216,771,200	4,001,834	201,259,978
54,227,858	4	140,232	216,911,432	1,145,844	202,405,822
54,246,418	4	74,240	216,985,672	491,876	202,897,698
54,289,671	4	173,012	217,158,684	1,629,216	204,526,914
54,299,000	4	37,316	217,196,000	323,360	204,850,274
54,340,741	4	166,964	217,362,964	1,312,911	206,163,185
54,713,540	4	1,491,196	218,854,160	10,083,025	216,246,210
54,713,540	4		218,854,160		216,246,210
54,714,638	4	4,392	218,858,552	34,082	216,280,292
54,734,708	4	80,280	218,938,832	1,381,017	217,661,309
54,741,725	4	28,068	218,966,900	195,215	217,856,523
54,761,751	4	80,104	219,047,004	475,618	218,332,141
54,779,494	4	70,972	219,117,976	606,677	218,938,818
55,507,161	4	2,910,668	222,028,644	22,296,538	241,235,356
55,507,161	4		222,028,644		241,235,356
55,510,161	4	12,000	222,040,644	61,770	241,297,126
55,511,541	4	5,520	222,046,164	49,652	241,346,778
55,512,193	4	2,608	222,048,772	21,581	241,368,359
55,527,450	4	61,028	222,109,800	536,687	241,905,046
55,551,960	4	98,040	222,207,840	796,070	242,701,116
50,294,187	4	-21,031,092	201,176,748		242,701,116
50,312,987	4	75,200	201,251,948	1,930,948	244,632,064
50,314,347	4	5,440	201,257,388	36,965	244,669,029
50,314,387	4	160	201,257,548		244,669,029
50,315,396	4	4,036	201,261,584	22,158	244,691,187
50,318,230	4	11,336	201,272,920	103,829	244,795,016
50,318,400	4	680	201,273,600	3,500	244,798,516
50,318,400	4		201,273,600		244,798,516
50,332,816	4	57,664	201,331,264	490,267	245,288,783
50,338,329	4	22,052	201,353,316	202,401	245,491,184
50,366,600	4	113,084	201,466,400	1,413,550	246,904,734
50,366,600	4		201,466,400		246,904,734

Supplemental information

Share buyback policy

Legal framework

At the Combined Shareholders' Meeting of June 9, 2008 (10th resolution), shareholders authorized a share buyback program limited to the number of shares representing 10% of the share capital at the time of the buyback.

At the Shareholders' Meeting of June 4, 2007 (16th resolution), shareholders authorized the Executive Board, with prior approval of the Supervisory Board, to reduce the share capital of the Company by no more than 10% per twenty-four month period through the cancellation of shares repurchased in the various share buyback programs authorized by shareholders.

Features of the share buyback program

The share buyback authorization at the Combined Shareholders' Meeting of June 9, 2008 is valid for a period of eighteen months beginning on the date of the Meeting, i.e. until December 8, 2009. Under this authorization, the maximum price is €160.

The Executive Board is authorized to repurchase the number of shares representing a maximum of 10% of the share capital. At the date the authorization was granted, this maximum was 5,033,832 shares.

In accordance with applicable regulations and market practices permitted by the AMF, the repurchased shares were to be used for the following objectives:

- to deliver shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs or asset contributions; or
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date; or
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the *Autorité des marchés financiers*; or
- to implement a purchase-type stock option plan as defined in articles L. 225-177 et seq. of the French Commercial Code; or
- to allocate bonus shares pursuant to articles L. 225-197-1 et seq. of the French Commercial Code; or

- to allocate or sell shares as part of the Company's profit-sharing plan or any Company savings plan as provided by law, in particular under articles L. 442-5 and L. 443-1 and seq. of the French Labor Code; or
- to cancel of all or part of the shares thus repurchased.

Share buybacks carried out by the Company under the buyback program approved by shareholders at their June 9, 2008 Shareholders' Meeting

Under this authorization, between June 9, 2008 and March 31, 2009, Wendel purchased none of its own shares directly.

On October 7, 2005, Wendel signed a liquidity contract with Oddo Corporate Finance with the intention of generating market activity, by putting €5,000,000 and 80,000 shares at the disposal of the market maker.

Between June 9, 2008 and March 31, 2009, Oddo Corporate Finance purchased 828,893 of the Company's shares on its behalf under the liquidity contract for a total amount of €39,294,786.23 at an average unit price of €47.41. Similarly, under the same contract, Oddo Corporate Finance sold 761,143 of the Company's shares for a total amount of €36,459,701.13 and an average unit price of €47.90.

On balance, 67,750 shares were purchased under the liquidity contract between June 9, 2008 and March 31, 2009.

The Company has not repurchased shares for any of the other purposes authorized by the program.

Wendel did not make use of any derivative instruments in the context of this share buyback program.

Sale of shares carried out by Wendel in the context of the buyback program

As indicated above, between June 9, 2008 and March 31, 2009, Oddo Corporate Finance sold 761,143 of the Company's shares under the liquidity contract for a total amount of €36,459,701.13 at an average unit price of €47.90.

Cancellation of Wendel shares

Wendel a During the twenty-four months prior to March 31, 2009, Wendel canceled 5,257,773 shares.

Situation as of March 31, 2009

As of March 31, 2009, Wendel held 170,401 shares, or 0.34% of its share capital. Of these shares, 10,401 were classified as "Marketable securities", because they were being used to cover stock option plans, and 160,000 were being used in the liquidity contract.

In accordance with applicable legislation, there are no dividends or voting rights attached to these shares.

At that date, to the best of the Company's knowledge, no subsidiary held any Wendel shares.

Description of the share buyback program proposed to shareholders at their June 5, 2009 Shareholders' Meeting

The 9th resolution proposed at the June 5, 2009 Shareholders' Meeting asks shareholders to approve a new share buyback program, pursuant to articles L. 225-209 et seq. of the French Commercial Code, to Title IV of Book II of the general regulation of the AMF and to European Commission regulation 2273/2003, dated December 22, 2003.

Under this program, shares may be repurchased for one of the following purposes:

- to deliver shares (as an exchange, payment or other consideration) in the framework of acquisitions, mergers, spin-offs or asset contributions; or
- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital immediately or at a later date; or
- to enable an investment service provider to make a secondary market in the Company's stock or maintain the liquidity thereof within the framework of a liquidity contract in compliance with the Code of Conduct of the *Autorité des marchés financiers*; or

- to implement a purchase-type stock option plan as defined in articles L. 225-177 et seq. of the French Commercial Code; or
- to allocate bonus shares pursuant to articles L. 225-197-1 and seq. of the French Commercial Code; or
- to allocate or sell shares as part of the Company's profit-sharing plan or any Company savings plan as provided by law, in particular under articles L. 3321-1 and L. 3331-1 et seq. of the French Labor Code.
- to cancel of all or part of the shares repurchased.

The program shall also enable the Company to pursue any other authorized purpose or any purpose that might become authorized by law or by regulations in effect. In such an event, the Company would inform shareholders via a press release.

The number of shares repurchased under the authorization to be granted to the Executive Board may not exceed 10% of the share capital. As of March 31, 2009, this authorization represented 5,036,660 shares, or a maximum theoretical investment of €402,932,800, based on the maximum price of €80 per share.

Pursuant to article L. 225-210 of the French Commercial Code, the Company has made a commitment to keep its holding, both direct and indirect, within the limit of 10%. As of March 31, 2009, the number of Wendel shares held by the Company was 170,401. In light of the shares already held in treasury, the Company would be able to repurchase 4,866,259 shares, or 9.66% of the share capital, for a maximum amount of €389,300,720, based on the maximum unit purchase price of €80. The Company reserves the right to pursue the program to the full extent of its authorization.

The share buyback authorization would be valid for a period of 18 months from the June 5, 2009 Shareholders' Meeting, i.e. until December 4, 2010.

Summary of transactions carried out by the Company on its own shares between June 9, 2008 and March 31, 2009⁽¹⁾

	Gross transaction amounts		Open positions as of March 31, 2009					
	Achats	Sales/Transfers	Open long positions			Open short positions		
Number of shares	828.893	761.143	Calls purchased	Puts written	Forward purchases	Calls written	Puts purchased	Forward sales
Maximum average maturity			NA	NA	NA	NA	NA	NA
Average transaction price	€ 47.41	€ 47.90						
Average strike price	NA	NA	NA	NA	NA	NA	NA	NA
Amounts	€ 39.294.786.23	€ 36.459.701.13						

(1) The period under consideration begins the day of the Shareholders' Meeting during which the report on the current program was approved and ends at the most recent available date.

Supplemental information

Information about the principal shareholders

CURRENT SHAREHOLDERS AND THEIR VOTING RIGHTS

As of March 31, 2009, the number of shares issued by the Company was 50,366,600, and they carried 74,330,021 voting rights. Double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder, regardless of his or her country of citizenship. At that date, 24,133,822 shares enjoyed double voting rights.

To the best of the Company's knowledge, the main shareholders as of March 31, 2009 were as follows:

	% of capital	% of voting rights
SLPS*	34.8	45.8
Arnhold & Bleichroeder	7.3	6.7
Treasury shares	0.3	–
Employees, former employees and executives	4.4	4.0
Other shareholders	53.2	43.5

* Pursuant to article L. 233-10 of the French Commercial Code, these figures included SLPS and its Chairman.

To the best of the Company's knowledge:

- no other shareholder owns more than 5% of the Company's shares;
- members of the Supervisory Board and the Executive Board hold or represent 4.9% of the shares and 6.2% of the voting rights. All members are individuals.

CHANGE IN THE NUMBER OF REGISTERED AND BEARER SHARES

The breakdown of share capital into registered shares and bearer shares was as follows:

	Situation as of 12.31.2006			Situation as of 12.31.2007*			Situation as of 12.31.2008		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares*	% of capital	% of voting rights
Registered shares	31,301,634	56.4	74.8	26,097,831	51.9	67.5	25,643,989	50.9	66.9
Registered shares held in treasury	5,284,562	9.5	–	10,401	0.02	–	10,401	0.02	–
Bearer shares	18,920,965	34.1	25.2	24,210,168	48.1	32.5	24,712,210	49.1	33.1
Total	55,507,161	100.0	100.0	50,318,400	100.0	100.0	50,366,600	100.0	100.0

* Following the cancellation of 5,257,773 shares held in treasury on May 29, 2007.

In January 2009, a study was performed, as is done every year, to identify the shareholders of Wendel. As of December 31, 2008, the distribution of shareholders was as follows:

	% of capital
SLPS*	34.8
Individuals	25.5
Institutional investors outside France	29.5
Institutional investors in France	4.7
Treasury shares	0.3
Employees	5.2

* Pursuant to article L. 233-10 of the French Commercial Code, these figures included SLPS and its Chairman.

The two most noteworthy changes over the year were as follows: the percentage held by international institutional investors increased from 22.0% at December 31, 2007 to 29.5% at December 31, 2008, to the detriment of French institutional investors (4.7% at year-end 2008 compared with 7.4% a year earlier) and individuals (25.5% at year-end 2008, vs 29.6% the previous year). Similarly, the number of shareholders declined by 12% to 53,400 at December 31, 2008 (from 60,900 a year earlier), but has increased by more than 40% since 2002, the year in which WENDEL-Investissement was created.

SIGNIFICANT CHANGES IN THE SHAREHOLDER STRUCTURE OVER THE LAST THREE YEARS

	Situation as of 12.31.2006		Situation as of 12.31.2007		Situation as of 12.31.2008	
	% of capital	% of voting rights	% of capital	% of voting rights	% of capital	% of voting rights
SLPS*	36.5	53.1	35.9	46.5	34.8	45.8
Arnhold & Bleichroeder	9.8	7.6	6.0	7.1	7.3	6.7
Lone Pine	–	–	–	–	4.1	2.8
Registered shares held in treasury	9.5	–	0.1	–	0.1	–
Employees (Group savings plan)	0.3	0.3	0.5	0.5	0.5	0.6
Other shareholders (institutional and individuals)	43.9	39.0	57.5	45.9	53.2	44.1

* Figures include the executives of SLPS.

As of December 31, 2008, no other shareholder had disclosed ownership of more than 2% of the shares or voting rights, either alone or in concert.

PRINCIPAL SHAREHOLDERS

SLPS

Presentation of SLPS

SLPS is a holding company that owns Wendel shares.

SLPS is owned by around 950 individual shareholders, members of the Wendel family.

The Company's purpose is to:

- invest and manage its own funds and acquire participating interests;
- own (through purchase, subscription at issue, exchange or any other means) and manage any French or foreign listed or unlisted securities, rights to intangible or tangible property, and engage in any type of short-, medium- or long-term capital transactions;
- participate in any guarantees, placements or other syndicates;
- create new companies;
- preserve the assets and other interests of the Wendel family;
- and generally, in France, French overseas territories and any other country, undertake any commercial, industrial, financial, investment or real estate operations directly or indirectly related, in whole or in part, to the above-mentioned activities.

Economic and financial ties with Wendel

There are no financial or economic ties between SLPS on the one hand and Wendel on the other, other than those resulting from the ownership of shares (dividends).

There is an agreement involving a brand license (exclusive license to use the brand WENDEL-Investissement), which is mentioned in the Statutory Auditors' special report.

There are also technical assistance agreements and property leases with SLPS. These are mentioned in the Statutory Auditors' special report.

Arnhold & Bleichroeder Advisers

2002

By letter dated December 16, 2002, Arnhold & Bleichroeder Advisers informed the Company that it owned 1,720,526 Wendel shares, representing 3.08% of the capital.

2003

By letter dated March 24, 2003, Arnhold & Bleichroeder Advisers informed the Company that it owned 3,144,126 Wendel shares, representing 5.62% of the capital, and had exceeded the threshold of 5% of the capital.

2004

By letter dated January 15, 2004, Arnhold & Bleichroeder Advisers informed the Company that it owned 5,603,260 Wendel shares, representing 10.01% of the capital. The firm added the following declarations to its threshold disclosure statement:

Supplemental information

- We are acting alone.
- We intend to continue buying and selling shares of the Company depending on their discount to our estimate of their intrinsic value. We define intrinsic value as the price that a strategic or financial investor would pay in cash to acquire the whole Company.
- We have no intention of taking control of the Company.
- We do not intend to seek a seat on the Board of Directors.
- We support all initiatives that contribute to the full expression of the Company's intrinsic value.

By letter dated March 16, 2004, Arnhold & Bleichroeder Advisers informed the Company that it had passed below the 10% disclosure threshold and owned 9.99% of the capital. By letter dated March 26, 2004, this shareholder informed the Company that it had again gone over the 10% disclosure threshold and owned 10.01% of the capital. The firm added disclosures to its threshold disclosure that were identical in all respects to the previous ones. On June 23, 2004, this shareholder informed the Company that it had again passed below the 10% disclosure threshold and owned 9.99% of the capital.

2005

By letter dated January 31, 2005, this shareholder informed the Company that it had again gone over the 10% disclosure threshold and owned 10.12% of the capital. The firm added declarations to its threshold disclosure that were identical in all respects to the previous declarations.

2006

On January 26, 2006, this shareholder informed the Company that it had again passed below the 10% disclosure threshold and owned 9.99% of the capital. On January 31, 2006, this shareholder informed the Company that it had purchased 58,000 shares and had again gone over the 10% disclosure threshold and owned 10.1% of the shares of Wendel. Finally, on April 3, 2006, this shareholder informed the Company that it had again passed below the 10% disclosure threshold and owned 9.8% of the shares of Wendel.

2007

On March 6, 2007, this shareholder informed the Company that it had sold 18,941 shares on February 26 but that it had exceeded the 6% and 8% voting rights thresholds on March 2, after obtaining double voting rights on part of the shares it holds. As a result, as of March 6 it held 7.87% of the shares and 9.995% of the voting rights.

On June 7, 2007, this shareholder informed the Company that on May 31, following cancellation of shares held in treasury, it had once again exceeded the threshold of 10% of the voting rights and held 10.09% of the shares and 8.1% of the voting rights.

On July 11, 2007, this shareholder informed the Company that on July 6, following the sale of shares, it held 7.95% of the shares and 9.99% of the voting rights. On September 10, 2007, this shareholder informed the Company that following an additional sale of shares, it held 5.96% of the shares and 7.63% of the voting rights.

On December 7, 2007, this shareholder informed the Company that it had once again exceeded the threshold of 8% of the voting rights, following the purchase of shares, and held 6.01% of the shares and 7.24% of the voting rights.

2008

On January 25, 2008, this shareholder informed the Company that following the purchase of shares, it held 7.41% of the shares and 7.38% of the voting rights.

On February 7, 2008, this shareholder informed the Company that on February 4, following the purchase of shares, it had exceeded the 8% voting rights threshold and held 8.03% of the shares and 8.45% of the voting rights.

On May 28, 2008, this shareholder informed the Company that it had passed below the threshold of 8% of the shares and held 7.92% of the shares and 7.49% of the voting rights. On July 1, this shareholder indicated 8.03% of the shares and 7.59% of the voting rights.

On August 11, this shareholder informed the Company that it had once again passed below the threshold of 8% of the shares and held 7.93% of the shares and 7.53% of the voting rights. On September 3, this shareholder informed the Company that it held 7.29% of the shares and 6.69% of the voting rights.

This shareholder has not made any further disclosures since that date.

Lone Pine

2008

On February 19, 2008, this shareholder informed the Company that it had exceeded the threshold of 2% of the shares and held 2.02% of the shares and 1.37% of the voting rights. On October 14, this shareholder disclosed that it held 4.05% of the shares and 2.77% of the voting rights.

2009

On March 30, this shareholder informed the Company that it had passed below the threshold of 4% and held 3.88% of the shares and 2.65% of the voting rights.

On April 16, this shareholder disclosed that it had passed below the threshold of 2% and held 1.91% of the shares and 1.31% of the voting rights.

COMMITMENTS CONCERNING WENDEL SHARES

In accordance with the August 1, 2003 law, the Company has been informed of agreements between SLPS, SPIM and certain individual shareholders requiring shares to be held for defined periods, as follows:

- commitments to hold shares for a period of six years pursuant to article 885 L bis of the French Tax Code, dated December 23, 2003, December 17, 2004, December 21, 2005, December 19, 2006, December 14, 2007 and December 19, 2008 relating to 24.95%, 23.27%, 36.67%, 34.49%, 36.49% and 38.06% of the share capital, respectively, at those dates;
- commitments to hold shares for a period of two years pursuant to article 787 B of the French Tax Code, dated December 17, 2004, December 19, 2006, December 14, 2007 and December 19, 2008, relating to 23.27%, 33.25%, 36.16% and 36.84% of the share capital, respectively, at those dates.

In addition to the commitment to hold shares for a defined period, these agreements stipulate that pre-emptive rights have been granted to SLPS and SPIM in respect of shares representing around 12% of the share capital. The shareholders involved in these obligations are not considered to be acting in concert.

As required by articles 885 I bis and 787 B of the French Tax Code and L. 233.11 of the French Commercial Code, these agreements have been reported to the AMF.

Other than the above agreements, and to the best of the Company's knowledge, there is no agreement, accord or contract between shareholders related to their interest in Wendel.

Supplemental information

Market for Wendel shares, dividends

WENDEL SHARE PRICE AND VOLUMES TRADED SINCE JANUARY 2007

Month	Highest/lowest prices		Average price	Number of shares traded	Amounts traded
	Highest (in euros)	Lowest (in euros)	(in euros)	(average per trading day)	(in thousands of euros) (average per trading day)
January 2007	115.30	109.00	112.47	112,811	12,688
February 2007	122.99	110.55	118.31	91,739	10,854
March 2007	129.20	108.75	119.14	108,862	12,970
April 2007	129.93	124.73	127.61	103,989	13,271
May 2007	136.90	126.10	130.97	120,957	15,842
June 2007	138.90	125.10	132.83	101,299	13,456
July 2007	145.25	127.75	137.84	100,135	13,803
August 2007	131.68	112.20	123.11	127,188	15,658
September 2007	126.90	116.60	121.34	149,319	18,118
October 2007	129.49	116.11	122.27	187,411	22,915
November 2007	119.38	88.56	105.98	246,590	26,133
December 2007	109.25	96.00	102.73	182,746	18,773
January 2008	99.49	60.62	75.22	356,739	26,835
February 2008	78.98	67.50	72.40	196,951	14,259
March 2008	80.77	70.51	75.15	194,423	14,610
April 2008	90.00	79.46	85.57	221,225	18,931
May 2008	93.90	87.16	90.71	176,183	15,982
June 2008	92.70	62.80	76.35	282,685	21,583
July 2008	73.00	54.50	64.48	260,629	16,805
August 2008	80.40	70.50	75.16	162,102	12,183
September 2008	76.10	53.50	63.60	309 549	19,688
October 2008	65.00	26.50	41.24	325,226	13,411
November 2008	44.67	29.84	37.35	186,727	6,974
December 2008	38.00	30.75	34.75	110,091	3,826
January 2009	39.18	29.51	34.08	106,207	3,619
February 2009	34.46	19.55	27.00	211,494	5,711
March 2009	22.18	14.88	18.93	357,490	6,769

DIVIDENDS (adjusted and in euros)

The following table presents the adjusted series of dividends for the last five years.

Year	Dividend (in euros)	Additional dividend (in euros)	Total dividend distributed (in millions of euros)
2004	1.15	–	56.48
2005	1.40	0.60	98.90
2006	1.70	0.30	100.40
2007	2.00	–	100.53
2008*	1.00	–	50.37

* Amount proposed at the Shareholders' Meeting of June 5, 2009.

Supplemental information

SUMMARY OF STOCK-OPTION PLANS IN FORCE AS OF DECEMBER 31, 2008

Compagnie Générale d'Industrie et de Participations plans					
	Plan no. 4		Plan no. 5		
Date of Shareholders' Meeting	6/2/1999		5/30/2000		
Total number of options authorized	393,022		313,111		
Options not granted – plans closed	0		0		
Options to be granted – plans in existence	–		–		
Total number of shares that may be subscribed	393,022		313,111		
Date of Board of Directors or Executive Board meeting	6/2/1999	5/30/2000	7/20/2000	7/19/2001	9/25/2001
Plans	CGIP 4-1	CGIP 4-2	CGIP 5-1	CGIP 5-2	CGIP 5-3
Starting date for exercise of the options	6/2/2002	5/30/2003	7/20/2000	7/19/2002	9/25/2002
Expiration date of the options	6/1/2009	5/29/2010	7/19/2010	7/18/2011	9/24/2011
Subscription price per share in euros	37.10	44.23	44.23	33.35	28.50
Discount	0%	0%	0%	0%	0%
Options granted	179,997	213,025	5,919	224,549	82,643
<i>Of which:</i>					
<i>Subscription-type options</i>	179,997	213,025	–	–	82,643
<i>Purchase-type options</i>	–	–	5,919	224,549	–
Number of shares subscribed as of 12/31/2008	168,559	188,742	5,919	214,148	82,643
Number of options remaining to be subscribed or purchased at 12/31/2008	11,438	24,283	0	10,401	0
Number of shares that may be subscribed or purchased by directors and officers					
Mr Seillière					
Mr Lafonta					
Mr Gautier					

WENDEL-Investissement plans						Wendel plans		Total
	Plan no. 1	Plan no. 2	Plan no. 3			Plan no. 1		
	6/13/2002	5/27/2003	6/10/2004			6/4/2007		
	562,410	562,821	564,023			2,000,000		
	278,900	239,000	26,200			–		
	–	–	–			271,900		
	283,510	323,821	537,823			1,728,100		
	7/17/2002	7/16/2003	7/9/2004	7/6/2005	7/4/2006	6/4/2007	7/16/2008	
	WI 1-1	WI 2-1	WI 3-1	WI 3-2	WI 3-3	W1-1	W1-2	
	7/17/2003	7/16/2004	7/9/2005	7/6/2006	7/4/2007	6/4/2012	7/15/2013	
	7/16/2012	7/15/2013	7/8/2014	7/5/2015	7/3/2016	6/4/2017	7/15/2018	
	24.59	25.96	39.98	65.28	90.14	132.96	67.50	
	0%	0%	0%	0%	0%	0%	0%	
	283,510	323,821	428,223	49,000	60,600	837,500	890,600	3,579,387
	<i>283,510</i>	<i>323,821</i>	<i>428,223</i>	<i>49,000</i>	<i>60,600</i>	<i>837,500</i>	<i>890,600</i>	3,348,919
	–	–	–	–	–	–	–	230,468
	261,249	306,661	360,206	0	100	0	0	1,588,227
	22,261	17,160	68,017	49,000	60,500	837,500	890,600	1,991,160
						90,000	–	90,000
						350,000	350,000	700,000
			20,190			150,000	150,000	320,190

Supplemental information

Ownership interest of corporate officers and employees

RETIREMENT

The pension plan set up in 1947 by the company “Les petits-fils de François de Wendel et Cie”, which has since been renamed Wendel, is a defined benefit plan that was closed to new entrants on December 31, 1998. All employees of the Company – executives, managers, supervisors, technicians and other employees – who worked for the Company until that date are entitled to benefits under the plan, on the same terms, provided they retired while employed by the Group. Apart from this plan, the executives of Wendel do not benefit from any other specific retirement plan. No current corporate officer benefits from the above-mentioned retirement plan.

INFORMATION ON THE NATURE OF TRANSACTIONS BETWEEN THE COMPANY AND ITS DIRECTORS AND OFFICERS

The Company has not entered into any agreement with its corporate officers or with companies with which it has executives in common, excluding ordinary business transactions, other than those mentioned in the Statutory Auditors’ special report on regulated agreements.

LOANS TO MEMBERS OF THE COMPANY’S GOVERNING BODIES

None.

OBLIGATION OF CORPORATE OFFICERS TO HOLD SHARES OBTAINED THROUGH OPTION EXERCISES OR BONUS SHARE GRANTS

Pursuant to the January 2007 Afep-Medef recommendations, on March 28, 2007 the Supervisory Board, based on a proposal from the Governance Committee, asked that corporate officers hold at least 30% of the Wendel shares obtained through option exercises or bonus share grants. In addition, the Board recommended that this request also apply to shares already issued prior to March 28, 2007 for corporate officers in office at that date.

TRADING OF CORPORATE OFFICERS IN THE COMPANY’S SHARES

The table below shows the purchases and sales of Wendel shares transacted by corporate officers during 2008. This information has been disclosed on the Company’s website, as required by regulations.

Disclosure of transactions on the shares of Wendel carried out by its directors and officers in 2008

Nbr. & date of AMF filing	Corporate officer	Financial instrument	Type of transaction	Date	Unit price (in euros)	Gross transaction amount (in euros)	Market	AMF disclosure number
2008-22 1/8/2009	BJPG, legal entity related to Bernard Gautier	Shares	Purchase	12/24/2008	34.37	37,878	Euronext Paris	209D0181
2008-21 8/1/09	Bernard Gautier	Shares	Disposal	12/24/2008	34.26	37,757	Euronext Paris	209D0180
2008-20 12/22/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Shares	Repayment of shares loaned	12/1/2008	32.60	1,304,000	Euronext Paris	208D8786
2008-19 10/2/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Shares	Loan of shares	9/30/2008	60.15	2,406,600	Euronext Paris	208D6456
2008-18 10/2/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Shares	Investment	9/29/2008	56.21	3,801,707	Euronext Paris	208D6457
2008-17 10/2/2008	Individuals related to Jean-Bernard Lafonta	Shares	Disposal	9/29/2008	56.48	6,215,430	Euronext Paris	208D6458
2008-16 9/18/08	Frédéric Lemoine	Shares	Investment	9/16/2008	57.40	1,722	Euronext Paris	208D6110
2008-15 8/29/08	Bernard Gautier	Shares	Subscription	8/26/2008	54.00	35,910	Euronext Paris	208D5656
2008-14 8/29/08	Jean-Bernard Lafonta	Shares	Subscription	8/26/2008	54.00	223,182	Euronext Paris	208D5657
2008-13 8/29/08	Ernest-Antoine Seillière	Shares	Subscription	8/26/2008	54.00	7,182	Euronext Paris	208D5655
2008-12 7/25/08	Ernest-Antoine Seillière	Other	Disposal	7/23/2008	5.50	247,500	Euronext Paris	208D5104
2008-11 7/25/08	Ernest-Antoine Seillière	Other	Investment	7/23/2008	5.50	247,500	Euronext Paris	208D5103
2008-10 7/16/08	Frédéric Lemoine	Shares	Investment	7/15/2008	57.28	11,456	Euronext Paris	208D4781
2008-09 7/11/08	François de Wendel	Shares	Investment	7/10/2008	59.99	121,415	Euronext Paris	208D4724
2008-08 5/7/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Other	Disposal	5/5/2008	8.2136	410,680	Euronext Paris	208D3068
2008-07 5/7/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Other	Investment	5/5/2008	8.2136	410,680	Euronext Paris	208D3067
2008-06 4/23/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Other	Disposal	4/15/2008	6.22	404,300	Euronext Paris	208D2782
2008-05 4/23/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Other	Investment	4/15/2008	6.22	404,300	Euronext Paris	208D2783
2008-04 4/14/08	Compagnie de l'Audon, legal entity related to à Jean-Bernard Lafonta	Other	Disposal	4/8/2008	6.33	854,550	Euronext Paris	208D2652
2008-03 4/14/08	Compagnie de l'Audon, legal entity related to Jean-Bernard Lafonta	Other	Investment	4/8/2008	6.33	854,550	Euronext Paris	208D2651
2008-02 4/11/08	François de Mitry	Shares	Investment	4/1/2008	81.79	16,553	NYSE Euronext Paris	208D2572
2008-01 2/29/08	François de Wendel	Shares	Investment	1/31/2008	67.50	103,275	Euronext Paris	208D1645

Supplemental information

Information on the Company's businesses

BRIEF HISTORY OF THE COMPANY

Marine-Wendel was created in 1975 when the Wendel Group took control of the Marine-Firminy holding company. The predominance of the Group's steel industry assets (Saciilor, Forges et Aciéries de Dilling, etc.), alongside its diversified activities (Carnaud, Forges de Gueugnon, Oranje-Nassau, Cimenteries de l'Est, several mechanical engineering companies, etc.) led to the break-up of the Group into two entities during the European steel crisis of 1977. By transferring all of its non-steel industry assets in November 1977, Marine-Wendel created Compagnie Générale d'Industrie et de Participations (CGIP), in which it retained only a 20% equity interest. Thereafter, Marine-Wendel progressively divested itself of its steel industry assets. Over the years and through numerous internal restructurings, it increased its stake in CGIP to the point of acquiring control of the company. In June 2002, Marine-Wendel and CGIP merged, and the new entity took the name of WENDEL-Investissement. At that date, the Company's market capitalization totaled €1,190 million. The industry approach and focus of our management teams on long-term corporate development has helped give our Group a strong, clearly-identified image. This solid positioning as a professional shareholder that understands investments from the industry's point of view prompted us to propose, at your June 4, 2007 Annual Meeting, that the legal name of the Company be simplified from "WENDEL-Investissement" to "Wendel", thereby putting emphasis on the long-term, industry values that have been a part of the Group for 300 years. A summary of key dates and events can be found in the chapter entitled, "2008 Highlights and 2009 News" in this document.

The principal changes that took place in the Group over the last two fiscal years are discussed in the consolidated financial statements in the section dealing with the consolidation scope.

HISTORICAL FINANCIAL INFORMATION

Pursuant to article 28 of EC regulation 809/2004, the following information is included by reference in this reference document:

- the key figures on pages 10 and 11 as well as the corresponding consolidated financial statements and audit reports on pages 76-157 of the 2007 reference document filed with the AMF on April 30, 2008 under number D.08-356;
- the key figures on pages 16 and 17 as well as the corresponding consolidated financial statements and audit reports on pages 65-142 of the 2006 reference document filed with the AMF on May 23, 2007 under number D.07-0496.

The unincluded parts of these documents either do not apply to investors or are covered by another part of this reference document.

COMPETITIVE POSITION

Wendel is one of Europe's leading investment companies, both in size, with nearly €5 billion in assets under management, and in activity, with €4 billion in acquisitions and €4.4 billion in divestments between 2002 and 2008.

The investment team is composed of 15 experienced professionals with varied and complementary profiles. This team has both in-depth industry knowledge and recognized financial expertise. Its business approach and strategy aim to foster the emergence of companies that are leaders in their sector and to accompany their development in the medium or long term, particularly by encouraging innovation and boosting productivity. First, an analytical team reviews each investment proposal and the enterprise's growth prospects. It then either rejects the proposal or undertakes a more in-depth study and presents it to the Investment Committee, which brings together the Managing Directors and the members of the Executive Board. Wendel is both a shareholder and an active partner. It supports entrepreneurial teams, gives them responsibility, compensates them and works with them over time to achieve ambitious growth and shareholder value objectives. Wendel invests in a company when it is convinced that it can accelerate its growth.

Wendel's competitors are European and Anglo-Saxon investment firms, investment funds, as well as listed and unlisted holding companies. These competitors hold a diversified array of assets. Unlike investment funds or other investment companies, Wendel is a professional shareholder, defining the strategy of its subsidiaries and pursuing long-term investment objectives.

The 2008 financial crisis, which hit the investment funds hard, also affected Wendel. In contrast to many funds, however, which raise money from investors, borrow from financial institutions, invest in companies and turn them around so as to sell them quickly, dissolve the fund and share out the proceeds, Wendel invests with a long-term perspective. The proceeds of divestments are reinvested in new acquisitions.

The crisis will force some funds to sell off assets and recognize losses when they are liquidated. The teams that manage these funds, unable to raise additional capital, will disappear from the investment landscape. Companies with a sounder base will reap the following benefits:

- market participants with insufficient performance will disappear;

- transaction prices will come down from the heights achieved in 2007;
- they will be able to buy good-quality assets or those belonging to funds in liquidation at more attractive terms.

DEPENDENCE ON PATENTS, LICENSES, OR INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS

The Wendel Group seeks to optimize the diversification of its assets. For this reason, the Group does not have any significant dependence on specific patents, licenses, or industrial, commercial or financial contracts.

TRANSACTIONS WITH RELATED PARTIES

Information on related parties can be found on pages 101 and 102 of this document in the “Notes to the consolidated statements”.

Regulated agreements related to fiscal year 2008, submitted for approval to the Supervisory Board, can be found on pages 194-195 of this reference document.

There are no industrial, commercial or management agreements between Wendel and its subsidiary or affiliates. Wendel provides certain of them with advice and assistance regarding strategic, legal, tax, financial and accounting matters. These services are billed on an arm's length basis by reference to actual costs if identifiable or at flat rates.

INFORMATION ON THE COMPANY'S BUSINESSES

Amounts billed for services with respect to the last three accounting periods were as follows:

In thousands of euros, excluding VAT	2008	2007	2006
Stallergenes	150	80	80
Bureau Veritas	–	1,620	2,000
Editis	–	1,250	1,000
Deutsch	–	–	1,375
Materis	–	–	1,333
Trief Corporation	–	–	17,000
Eufor	6,885	4,200	–
Other subsidiaries	94	125	104

ITEMS POTENTIALLY AFFECTED IN THE EVENT OF A TAKEOVER BID

Pursuant to article L. 225-100-3 of the French Commercial Code, to the best of the Company's knowledge, the items that might be affected in the event of a takeover bid are detailed in the following sections of this reference document:

- “Management of liquidity risk” in the notes to the consolidated financial statements on bonds issued and certain financing contracts containing change-of-control clauses;
- “Statutory Auditors’ special report on regulated agreements” under Shareholders’ Meeting, for agreements authorizing the Company to use the name “Wendel” and containing a cancellation clause in the event SLPS’s ownership interest in the Company is less than 33.34% for 120 consecutive days;
- “Shareholders’ agreements” in “Supplemental information” concerning commitments undertaken by certain shareholders to maintain certain ownership interests and containing a right of first refusal in favor of SLPS or SPIM.

Supplemental information

SHAREHOLDER AND CORPORATE GOVERNANCE AGREEMENTS

Saint-Gobain

Wendel and Saint-Gobain signed a corporate governance via a letter dated March 18, 2008 and published on March 20, 2008. The letter is reproduced in its entirety below. This letter was approved by Saint-Gobain's Board of Directors on March 20, 2008 and by shareholders at their Annual Meeting of June 5, 2008.

Paris, March 18, 2008

Dear Mr Chairman,

The discussions we have had, in a spirit of partnership, have enabled us to detail the conditions under which Wendel can take part in the governance of your company. Consequently, we hereby confirm to you the structure that will enable us, as principal shareholder, to contribute to the development of Saint-Gobain through participation in its Board of Directors, while providing you with the assurances you feel are necessary.

As principal shareholder of Saint-Gobain, we intend to support the company's strategy, implemented by its CEO, and help the company realize its ambitions, while adding stability to its shareholding structure.

1. Voting rights

In the event Wendel should hold, alone or in concert, more than 34% of the voting rights of shareholders participating in a Saint-Gobain Shareholders' Meeting, solely as a consequence of holding double voting rights, Wendel agrees to limit the exercise of these rights during such Shareholders' Meeting such that Wendel did not exceed this 34% threshold.⁽¹⁾

These provisions shall remain in force until the end of the Annual Shareholders' Meeting to be held in 2011.

Nevertheless, the above provisions limiting Wendel's voting rights shall cease to apply in the event the shares held by any other shareholder, acting alone or in concert, come to exceed 11% of the share capital of Saint-Gobain or in the event of a takeover bid on Saint-Gobain.

2. Corporate governance

We have observed that the governance of Saint-Gobain is in line with the principles set down by the Afep and the Medef.

We understand that you plan to propose to shareholders at their June 5, 2008 Annual Meeting that they increase the number of Board members to 16 so as to maintain a sufficient number of independent directors, and we will vote in favor of this resolution. In this context, we will be represented on the Board of Directors

by three members. The Board of Directors shall propose the first two to shareholders at their June 5, 2008 Annual Meeting and the third at their 2009 Annual Meeting.

A Strategy Committee shall be created after the Shareholders' Meeting of June 5, 2008. It shall be composed of three members. It shall be chaired by an independent director and shall include the CEO of Saint-Gobain and a director proposed by Wendel. This committee shall pursue the dialog we have initiated with the Executive Management of Saint-Gobain. It shall meet six times a year to examine the strategic plan, the potential for improving it and other strategic topics proposed by the members.

A director representing Wendel shall also be named to the Appointments and Compensation Committee beginning as of the 2008 Shareholders' Meeting.

Lastly, we agree to reduce our representation on the Board of Directors of Saint-Gobain to one member should we come to hold less than 10% of the share capital.

In addition, Wendel and Executive Management shall work together, one month before the relevant Board of Directors meeting, on the resolutions to be proposed, other than those mentioned in a) and b) below, which will be presented to shareholders at their Annual Meetings. We shall not present any resolutions to the shareholders of Saint-Gobain at their 2008 and 2009 Annual Meetings that have not received prior approval from the Board of Directors.

In particular, we are prepared to vote as follows:

a) at the June 5, 2008 Annual Shareholders' Meeting

1. in favor of a resolution similar to the 20th resolution adopted by shareholders at their June 7, 2007 Annual Shareholders' Meeting,
2. in favor of renewing the appointment of the Chairman of the Board of Directors;

b) at the June 2009 Annual Shareholders' Meeting, in favor of resolutions similar to the 12th through the 20th resolutions adopted by Saint-Gobain shareholders in their June 7, 2007 Extraordinary Meeting.

3. Changes in Wendel's ownership percentage

We confirm to you that we shall not raise the ownership percentage held directly or indirectly by Wendel, acting alone or in concert, beyond 21.5% of the share capital of Saint-Gobain.

It is understood that this provision shall not apply in the event the number of Saint-Gobain shares is reduced or Saint-Gobain repurchases its own shares while Wendel keeps the number of shares it previously had.

In the event Saint-Gobain should carry out a capital increase, Wendel may, if it so desires, exercise its right to maintain or increase its ownership percentage up to 21.5% of the capital.

Nevertheless, the above provisions concerning changes in Wendel's ownership percentage shall cease to apply in the event the shares held by any other shareholder, acting alone or in concert, come to exceed 11% of the share capital of Saint-Gobain or in the event of a takeover bid on Saint-Gobain.

Lastly, Wendel agrees not to take part in any takeover bid whose terms have not been approved by the Board of Directors of Saint-Gobain, to refrain from any action that would instigate, encourage, or foster the success of such a bid and from recommending it publicly, with the provision that Wendel is free to tender all or part of its shares to such a bid.

4. Right of first refusal

We share your desire to foster a stable capital structure with high-quality shareholders. As a result, in the event we planned to transfer, in one or more transactions, shares representing at least 5% of the share capital of Saint-Gobain to a limited number of buyers, we would inform Executive Management of our plans and of the price that we hope to obtain.

Executive Management shall then have five trading days, beginning on the day of the notification, to have Saint-Gobain or a third party acquire the shares whose sale is planned at the indicated price. Should this not occur, we would be free to transfer the shares at least equal to the announced price.

In any event, Saint-Gobain's Executive Management shall make its best efforts to contribute to the success of the transaction in a spirit of cooperation and partnership.

Lastly, in the event of a takeover bid on Saint-Gobain this right of first refusal shall not apply to Wendel's tendering Saint-Gobain shares to a bid that has been declared admissible.

5. Term

The commitments detailed in this letter shall expire at the end of Saint-Gobain's 2009 Annual Shareholders' Meeting, except for the provisions related to voting rights stipulated in paragraph 1 of this letter.

These commitments shall automatically renew by tacit agreement for successive twelve month periods until the end of the Annual Shareholders' Meeting to be held in 2011. However, we may terminate the commitments by notifying Saint-Gobain of our decision at least two months prior to the expiration date of the agreement, or if applicable, the expiration date of a renewal period. In this case, the directors representing Wendel shall resign from the Board of Directors at the expiration of the agreement.

In the event of a major disagreement between Wendel and the majority of the Board of Directors of Saint-Gobain, a two-month conciliation procedure shall be organized. If the disagreement still exists at the end of this procedure the directors representing Wendel shall resign from the Board of Directors.

In the two cases mentioned above and depending on the provisions regarding voting rights detailed in paragraph 1 of this agreement, only the provisions of paragraphs 3 and 4 of this agreement concerning changes in our ownership percentage and the right of first refusal granted to Saint-Gobain shall remain in force, (a) in the event the agreement is not renewed, during the notice period mentioned above and (b) in the event of a major disagreement, during the conciliation period also mentioned above, and also in either or these two cases, during a subsequent period of two months Wendel would be free of its commitments if the Board of Directors of Saint-Gobain were to convene a Shareholders' Meeting other than the Annual Combined Shareholders Meeting convened to deliberate proposed resolutions typical of this type of meeting during the notice or conciliation period or during the subsequent two-month period indicated above.

6. Communication

It is understood that neither of our two groups shall issue press releases nor take a public position concerning the other party without informing the latter in advance.

Sincerely yours,

Ernest-Antoine Seillière and
Chairman
of the Supervisory Board

Jean-Bernard Lafonta
Chairman
of the Executive Board

(1) Wendel and Saint-Gobain shall inform the institution responsible for holding the Shareholders' Meeting in order that it performs the necessary calculations and informs the Meeting Committee thereof.

Supplemental information

Legrand

Legrand's IPO terminated the 2002 agreement between the Company, KKR and the principal minority shareholders.

Wendel and KKR concluded a new agreement on March 21, 2006.

This new agreement, governing the relationship between KKR and Wendel vis-à-vis Legrand, covers in particular:

- the principle of joint ownership and various provisions in the event one of the parties initiates a takeover bid;
- the company's governance, in particular the composition of the Board of Directors;
- certain rules concerning exit mechanisms (tag-along rights and right of first refusal) and block sales.

For more details on this agreement, see the Legrand's 2007 reference document filed on April 23, 2008 (no. R08-029).

This document is available on Legrand's website (www.legrandelectric.com) and that of the AMF (www.amf-france.org).

Shareholder agreements entered into by the Wendel Group: unlisted companies

The Wendel Group is party to several agreements governing the relationship with other shareholders in Materis, Deutsch and Stahl. In some cases, these are financial investors, in others they are the senior managers of these companies participating in Wendel's programs enabling managers to benefit from the performance of their companies (see the note to the consolidated financial statements entitled "Participation of managers in Group investments").

These agreements contain standard clauses including ones related to:

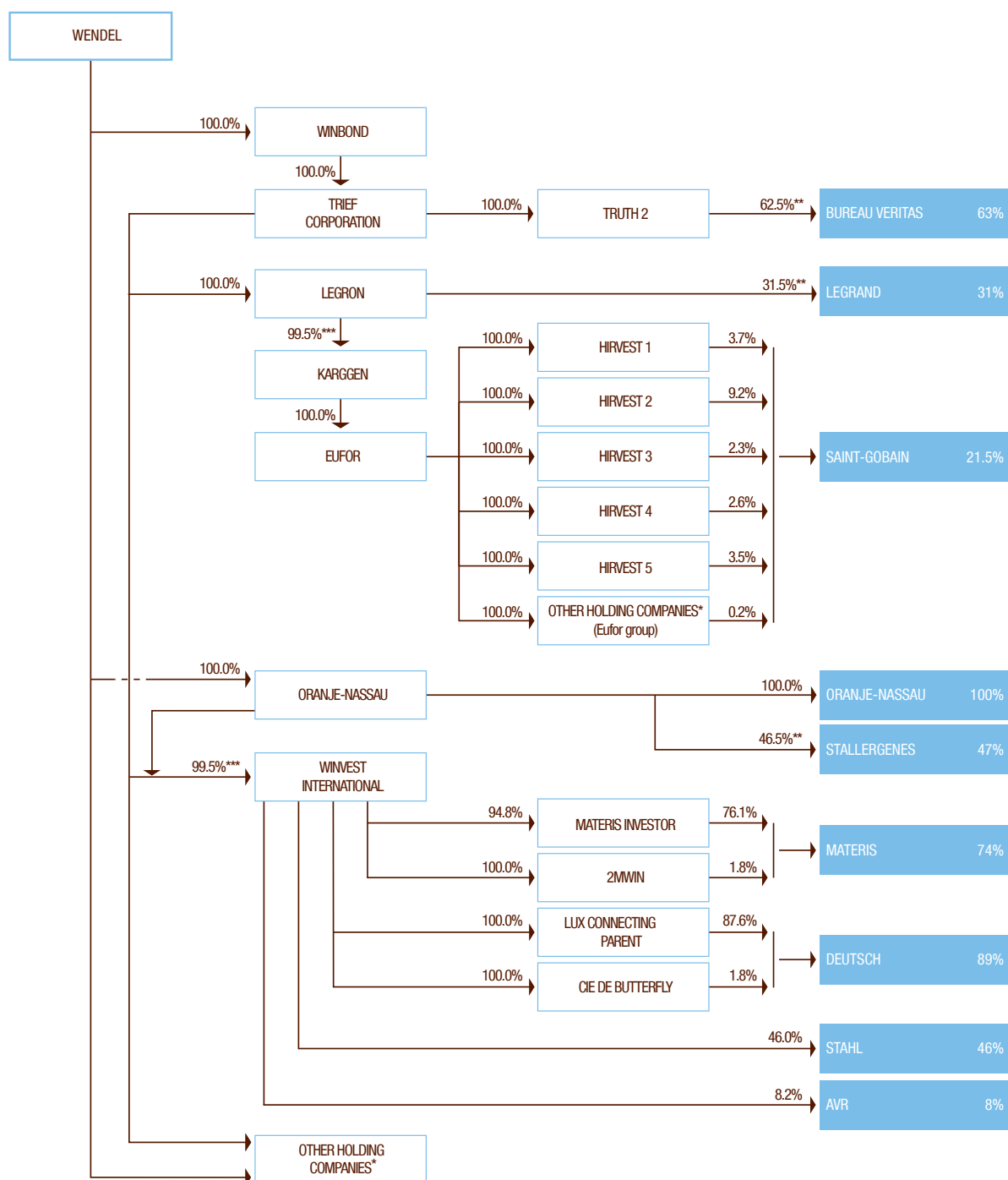
- corporate governance (composition of governing bodies and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights);
- exit terms in the event of a sale or IPO (tag-along and drag-along rights);
- executive departures (commitment to sell shares to Wendel in the event of an executive departure from a subsidiary and/or manager's commitment to buy shares in certain specific cases);
- liquidity in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time.

SIGNIFICANT CONTRACTS

The important financing agreements and bond indentures to which the Company is a principal are detailed in the section entitled "Risk management" of the consolidated financial statements and other important contracts in "Shareholders agreements".

ORGANIZATION CHART

as of December 31,



* See list of other holding companies on the next page.

** Taking account of treasury shares.

***Percentage corresponding to amount invested by Wendel. The remaining 0.5% have been invested by the executives of Wendel (see pages 102 to 103).

Supplemental information

Other holding companies

These intermediary holding companies serve to finance Group activities and hold Group equity interests.

Company name (shareholders)	Ownership interest
Compagnie financière de la Trinité (100% Wendel)	—
Sofiserve (100% Wendel)	—
Winvest 10 (100% Wendel)	—
Winvest 11 (100% Wendel)	—
Winvest 14 (100% Wendel)	—
Winvest 15 (100% Wendel)	—
Coba (100% Wendel)	—
Sofe (100% Wendel)	—
Xevest holding (ex.-Cie du Sahara) (80% Wendel, 20% Trief Corporation)	100% Xevest 1 100% Xevest 2
Winvest Part 1 (100% Trief Corporation)	—
Winvest Part 4 (100% Trief Corporation)	—
Winvest Part 5 (100% Trief Corporation)	—
Winvest Part 6 (100% Trief Corporation)	—
Winvest Part 7 (100% Trief Corporation)	—
Winvest Conseil (100% Trief Corporation)	100% Wendel Japan
Sofisamc (100% Trief Corporation)	—
Sthal Lux 1 (100% Winvest International)	—
Froeggen (100% Eufor)	—
Grauggen (100% Eufor)	—
Hourggen (100% Eufor)	—
Ireggen (100% Eufor)	—
Jeurggen (100% Eufor)	—
Hirvest 6 (100% Eufor)	—
Hirvest 7 (100% Eufor)	—
Xevest 1 (100% Xevest holding)	—
Xevest 2 (100% Xevest holding)	—
Wendel Japan (100% Winvest conseil)	—

NET ASSET VALUE

Methodology

Net asset value in December 2008 was calculated on the basis of the financial statements of Wendel, its consolidated subsidiaries and the subsidiaries accounted for on an equity basis, as of December 31, 2008.

To value its unlisted investments Wendel follows the recommendations of "International Private Equity and Venture Capital Valuation Guidelines", published by the European Private Equity and Venture Capital Association (EVCA). Republished in January 2009, this document can be downloaded at the following site: www.evca.eu. The methodology is described in chapter 3. In the same chapter, EVCA makes reference to several methods:

- Discounted cash flow; a valuation using this approach is performed by the head of the investment, but remains internal;
- Earnings multiple; this approach is used for calculating net asset value.

Shares in **unlisted subsidiaries** are valued by applying stock market multiples of similar companies in the same reference period to the principal measures of earnings. These measures are earnings before interest, tax, depreciation and amortization – Maintainable EBITDA – and earnings before interest, tax and amortization – Maintainable EBITDA; net financial debt is deducted from enterprise value, as is the estimated amount of gains to be paid to executives pursuant to co-investment plans if the company were sold at that value. This gives the net asset value of the investment, assuming an ownership interest of 100%; applying Wendel's ownership percentage at the valuation date gives the value of the investment to be included in the net asset value.

The peer group of comparable companies is composed of listed companies that have a sufficiently high free-float percentage. These companies are covered by the principal brokers, and financial analysts regularly publish research notes and their estimates for the company and its business sector. Wendel uses these estimates to calculate forward multiples so that the prospects for growth for these companies and the sector to which they belong are taken into account.

The peer group is used to calculate average sector multiples, which are then used to determine the enterprise value of a given company. When the operating margin of the company (EBITDA / sales) consistently exceeds the peer group average, the model takes the higher profitability into account by increasing the multiple. Conversely, if the company's operating margin is consistently below the peer group average, the model takes the lower profitability into account by decreasing the multiple. The peer group takes into account major changes over time in each sector. Companies enter the peer group following acquisitions that make them similar, from a sectoral or geographic point of view, to the company under review. Conversely, companies subject to a takeover will be withdrawn from the peer group. Similarly, a company that announces a major restructuring program caused by internal problems, will be taken out of the peer group until the announced measures are implemented.

Listed companies are valued at the average closing price of their shares over the twenty trading days preceding the valuation. Variations in their share prices thus represent changes in their enterprise value and market expectations. Nevertheless, during periods of market crisis, Wendel also gives a valuation based on an average price over a longer reference period so as to better take into consideration the long-term approach that is one of the hallmarks of the Wendel model. In this case, the reference period used to calculate the average is clearly indicated.

The value of the hedges (puts) on Saint-Gobain is calculated using a Black & Scholes-type mathematical model. The Saint-Gobain share price used in this calculation is the same as the one used to value Saint-Gobain shares as a listed investment.

The net asset value does not take into account any control premiums or illiquidity discounts.

Wendel shares **held in treasury** to cover exercises of purchase-type stock options are valued at their acquisition price. Other shares are valued at the lower of the following two values: net asset value per share or the average of the last twenty closing prices preceding the valuation.

New investments, subsidiaries and affiliates, listed or unlisted, are valued at cost for the twelve months following their acquisition. After acquisition, the subsidiary prepares its audited, year-end consolidated financial statements, and updates its business plans and earnings estimates for the fiscal year following the acquisition. After this period, the company is valued on the basis outlined above.

Supplemental information

Oranje-Nassau principally holds interests in oil and gas fields. To value its oil and gas assets, Oranje-Nassau develops a plan for each field and applies assumptions to each of the following parameters:

- equity reserves and annual extraction rate for each field;
- possible future trends in crude oil prices;
- extraction costs for each field;
- the EUR/USD exchange rate;
- the discount rate.

This analysis results in estimates of revenues and earnings for future years. The net present value of future cash flows gives the valuation of the company's Energy business.

Current assets and liabilities are included at their net book value or their market value if this value can be determined at regular intervals or is provided by third parties. To be conservative, financial debt is valued at nominal value plus accrued interest.

Net asset value is given before taking into account future tax on unrealized capital gains.

Third-party validation and communication

At the request of the Audit Committee, Associés en Finance, a renowned, independent expert in Paris, performs its own valuation of Wendel at least twice a year. Associés en Finance submits its work to the Committee, and the Committee compares it with the net asset value calculated internally. Comparison of the valuations may give rise to discussion within the Committee about the reasons for the divergence in the valuation of one investment or another.

Net asset value is disclosed regularly to the financial community: when annual and semi-annual financial statements are published, at the Shareholders' Meeting and at the year-end information meeting on unlisted companies. It is included in the press release published in connection with each of these events.

Changes in the composition of net asset value

Between 2002 and 2008, Wendel invested in assets worth **€4,000 million** and sold assets worth **€4,400 million** (book value). Wendel has developed a balanced model. The proceeds from the sale of its minority investments are re-employed. Wendel deploys its long-term professional shareholder model in such a way as to take controlling interests or to become the principal shareholder in listed and unlisted companies with strong growth potential, both in France and abroad. A long-term investor that understands the industries in which it invests, Wendel develops and implements strategies to improve its operational profile and accelerate growth.

In December 2004, Wendel strengthened its holding in Bureau Veritas from 34% to 99%.

In 2005 and 2006, Wendel continued to divest, selling its remaining bioMérieux, Valeo and Capgemini shares. Similarly, Wheelabrator Allevard was sold in mid-2005.

In 2006, Wendel acquired Materis, Deutsch, Stahl and AVR. Wendel took Legrand public, reducing its stake from 37% to 30%.

In 2007, Wendel took Bureau Veritas public. In addition, Wendel acquired an 18% stake in Saint-Gobain.

In 2008, Wendel strengthened its holding in Saint-Gobain to 21.3% at year-end, while selling Editis to Planeta.

These partial or total divestments illustrate the value created between the acquisition date and the date of the IPO or sale of these companies.

Growth in gross assets and net asset value between December 2004 and December 2008

The breakdown of gross assets and changes over the period are shown in the table below:

In millions of euros	Dec. 2004*	%	Dec. 2005	%	Dec. 2006	%	Dec. 2007	%	Dec. 2008	%
Companies in which Wendel is the principal or controlling shareholder	3,770	74%	4,530	74%	6,470	80%	7,800	80%	2,680	60%
Minority investments	520	10%	300	5%	230	3%	60	1%	40	1%
Wendel shares	240	5%	430	7%	570	7%	10	–	–	–
Cash	570	11%	820	14%	780	10%	1,840**	19%	1,750	39%
Gross assets, revalued including cash	5,100	100%	6,080	100%	8,050	100%	9,710	100%	4,470	100%
Financial debt	–1,670		–1,600		–2,000		–3,160		–3,060	
Net asset value	3,430		4,480		6,050		6,550		1,410	
Net asset value per share	€61		€82		€109		€130		€28	

* Net asset value calculated after the impact of Wendel's simplified share buyback on its own shares, which ended in January 2005.

** Net cash after equity invested in Saint-Gobain. The cash balance free of all pledges was €1.7 billion at end-December 2007 and €0.9 billion at end-December 2008.

At end-2004, net asset value stood at €3,430 million, or **€61 per share**. The increase in value in **2005**, linked to further appreciation in the value of Legrand, Bureau Veritas and Editis, was €1,050 million or **€21 per share**. Net asset value was **€82 per share**.

In **2006**, net asset value rose by €1,570 million or **€27 per share to €109**. It reflected good performance across all subsidiaries: acquired for €660 million at the end of 2002, Legrand had a market value of €1,900 million in April 2006, the month in which it returned to the stock exchange; the value of this investment more than tripled in a little over three years. At the end of 2006, Deutsch, Materis and Stahl were still valued at their acquisition cost.

In June 2007, Wendel canceled nearly 10% of the shares held by the Company. Excluding the impact of this cancellation, gross asset value rose by €1,060 million, an increase comparable to that of previous years. Cancellation of the treasury shares had no impact on net asset value per share, which advanced by **€21 to €130** at the end of **2007**.

At that date, investments represented 80% of gross revalued assets and cash, totaling €1,840 million, nearly 20%. This high cash position resulted from the Bureau Veritas IPO in October 2007. This structure, with a higher proportion of listed assets (two IPOs in the space of eighteen months) and a healthy cash balance, gives Wendel good flexibility.

At the end of **2008**, net asset value stood at €1,140 million, or **€28 per share**, down **€102**. The value of investments was down very sharply, totaling only €2,680 million. This poor performance came about because the stock market – and the listed assets in

Wendel's portfolio – dropped precipitously, with the multiples used to value unlisted companies following suit. Treasury stood at €1,750 million, including €900 million free of all pledges. Financial debt was €3,060 million.

HISTORICAL FINANCIAL INFORMATION

Press release regarding 1st quarter 2009 sales

1st 2009 consolidated sales maintained at €1,184 million in a very difficult economic environment:

- improvements in the Group's flexibility with the sale of a block of Bureau Veritas shares and the sale of Oranje-Nassau Groep's oil & gas assets;
- continuing efforts to adapt Group companies to the economic slowdown.

Wendel's consolidated sales rose slightly by +1.5% for the first quarter of 2009 to €1,184 million.

Thus despite an unfavorable first-quarter 2008 base of comparison, consolidated sales in the first quarter of 2009 rose slightly, notably due to the excellent performances of Bureau Veritas and Stallergenes.

Frédéric Lemoine, Chairman of the Executive Board said: *"In the context of recession, which became more pronounced in the fourth quarter of 2008 and the first quarter of 2009, Wendel Group companies reacted differently to the economic slowdown*

Supplemental information

depending on their business segments and their end-user markets. Nevertheless, they have all reacted very rapidly with major operational and financial adaptation plans. As the economic environment continues to deteriorate due to various technical adjustments particularly the dilution loss on the Saint-Gobain shares (for more than €600 million) Wendel may report a net loss in the first half of 2009 and for the whole year, with no impact on its solid liquidity position.

My priority for Wendel, in the coming months, will be to increase its head rooms to support the Group companies throughout the current crisis, strengthen its financial structure and to be in position from 2010 to take advantage of all investment opportunities creating value."

Contribution of Group companies to 1st quarter 2009 sales

Consolidated sales (excl. Editis and ONG, in accordance with IFRS 5)

In millions of euros	Q1 2009	Q1 2008	Change	Organic growth
Bureau Veritas	648.2	552.0	+17.4%	+10.6%
Deutsch	92.8	120.7	-23.2%	-28.2%
Materis	387.0	444.9	-13.0%	-13.1%
Stallergenes	56.2	49.0	+14.7%	+14%
Total	1,184.1	1,166.6	+1.5%	

Sales of equity-method companies

In millions of euros	Q1 2009	Q1 2008	Change	Organic growth
Legrand	901.4	1,049.9	-14.1%	-14.9%
Saint-Gobain	8,782.0	10,301.0	-14.8%	-14.9%
Stahl	47.7	79.9	-40.3%	-40.1%

Business activity of Group companies in the 1st quarter of 2009

Bureau Veritas: A +17.4% rise in sales / +10.6% organic growth

Sales in the first quarter of 2009 were €648.2 million, up by 17.4% on the same period in 2008 and 16.2% at constant exchange rates, reflecting organic growth of 10.6%, a contribution from acquisitions of 5.6% and a positive impact from currency fluctuations of 1.2%.

The Consumer Products, Marine and Industrial divisions experienced the strongest organic growth with +38.4%, +21.8% and +17% respectively:

In the **Consumer Products division**, the very strong demand for testing on toys and certain products in the hardline product category continued, sustained by the new regulations that came into force in the United States under the Consumer Product Safety Improvement Act. Business in the textile and electrical & electronic product sectors also experienced solid growth.

The **Marine division** benefited from the strong growth in ships under construction in Asia and Europe requiring classification and inspection of on-board equipment.

benefited from the strong growth in ships under construction in Asia and Europe requiring classification and inspection of on-board equipment.

Outstanding orders for new construction in the first quarter of 2009 remain high at 35.2 million tons and reflected the growth in Bureau Veritas' market share. This ensures good visibility for 2009 and 2010. The inspection business for ships in service is also growing. At March 31, 2009, the fleet classified by Bureau Veritas was up by 9.4% compared to March 31, 2008.

This growth will continue over the next few years.

The **Industry division** experienced robust growth in Europe (Spain, Italy), Asia (China, Malaysia), the United States, Latin America, India, the Middle East and South Africa. In all these countries, growth is linked to high levels of investment and increased externalization of inspection and control functions in the energy sector.

Although it is difficult to provide estimates in the current economic environment, Bureau Veritas' business should continue to grow in 2009, albeit at a slower pace than in 2008. The Group aims at maintaining its operating margin in 2009 as compared to 2008. Bureau Veritas' resilience is due to the regulatory and periodic nature of the majority of its businesses, as well as the diversity of its business portfolio and the existence of structural factors such as the strengthening of regulations, the privatization and the outsourcing of control and inspection operations.

Deutsch: Significant decline in business generated by underlying markets

In the first quarter of 2009, Deutsch experienced a significant deterioration in its business, with sales down by 23.2% compared to the first quarter of 2008 due to the very sharp fall in Ladd and industrial divisions. In contrast, business remained sound in the Aerospace division in Europe with a few signs of slowdown in the United States. A limited decline in business is forecast during the bottom of the 2009-10 cycle due to the following factors:

- civilian aircraft: very diversified customer base for short-distance aircraft, and an increase in the connector content on new platforms (A380, B787);

- military aircraft: potential fall in the United States that should remain limited, however, as there is a need to renew and upgrade technologies;
- business aviation: sharp fall in volumes expected due to the economic crisis but Deutsch is only slightly exposed to this market segment.

In offshore, business remains brisk and the group is forecasting double-digit growth for this market.

Legrand (equity method): Decline in business in all of its geographic markets

Published data set sales for the quarter at €901 million, down 14.1% from the first quarter of 2008, with the decline standing at 14.9% at constant scope of consolidation and exchange rates. Consolidation of acquisitions added 1.6% to sales and variations in exchange rates reduced the total by 0.7%.

France: Systems for commercial and residential applications and VDI progressed, and the overall trend in product mix remained favorable. This did not, however, suffice to offset the overall decline in the market and sales were down 6.6%.

Italy: Sales were down 25.3% but this in fact corresponds to a decline in downstream sell-out of our products by distributors of around 13%. Like most mature markets, Italy saw a general decline in business as well as cuts in distributor inventories. This trend was significantly worsened in Italy by the change in the seasonal trends in distributors' inventory building.

Rest of Europe: Some countries saw rises in the quarter, but with the spread of economic slowing, sales showed an overall decline of 18.3%.

United States and Canada: Watt Stopper, the market leader for energy-efficient lighting, remained on the rise. However, the continuation of steep falls in the residential market and deterioration in the commercial sector led to an overall decline of 16.1% in sales.

Rest of the world: sales were down 9.6%, reflecting general market contraction. However growth continued in several Latin American countries.

Considering these results, and assuming economic conditions do not deteriorate further,

Legrand confirms its target for a recurrent adjusted operating margin of at least 14% in 2009.

Materis: Decline in activity related to slowdown in end-user markets

Sales in the first quarter of 2009 fell by 13% compared to Q1 2008.

Organic growth (-13%) was penalized in terms of volumes (-16%), which were down in all businesses due to the lower number of business days (one day fewer in France), weather conditions that were not very favorable for outdoor working and a difficult environment (fall in new construction and steel production, inventory rundowns and postponements of renovations).

Price increases, introduced at the end of 2008 and the beginning of 2009, and improvements in the product mix contributed 3% to organic growth for the quarter. The impact of changes to the consolidation scope and currency fluctuations were insignificant in the period.

Saint-Gobain (equity method): Sales down by 14.8%

Saint-Gobain's consolidated sales for first-quarter 2009 came in at **€8,782 million**, compared to €10,301 million for the year-earlier period. This represents a decline of 14.8% on a reported basis and 12.9% at constant exchange rates.*

Changes in Group structure accounted for a 1.9% increase in sales. This was almost entirely offset by the 1.8% negative currency effect, due for the most part to the slide in the pound sterling and the Brazilian real against the euro, which was not offset by the climb in the US dollar.

On a like-for-like basis, consolidated net sales contracted by 14.9%. Sales prices remained firm, gaining 2.3%, while volumes slumped 17.2%.

The sharp downturn in trading conditions observed in the fourth quarter of 2008 intensified in the first quarter of 2009 as the economic climate continued to deteriorate, with virtually every country across the globe now affected. In addition, sales in the first two months of the year were weighed down by particularly unfavorable weather conditions in both Europe and the United States.

With all global markets in the doldrums during the first quarter of the year and faced with persistent uncertainty going forward, Saint-Gobain has not yet seen any concrete evidence that the economic crisis has bottomed out. As a result, and given the unfavorable basis for comparison, the first half of 2009 will be extremely challenging.

In 2009, Saint-Gobain will therefore pursue and amplify the operational adjustment work it has already accomplished. In particular, it will seek to optimize selling prices and accelerate the cost reduction program in all lines of business. The group has already undertaken programs representing additional savings of €700 million so far this year. This will bring the total of reductions achieved in 2008 and 2009 to €1.1 billion. At the same time, industrial investments will be trimmed to €500 million, acquisition plans will be put on ice, and an asset disposal program will be carried out in a dynamic and timely fashion.

* Based on average exchange rates for first quarter of 2008.

Supplemental information

Stahl (equity method): Decline in sales linked to the slowdown in end-user markets and an unfavorable 2008 base of comparison. The business low-point seems to have been reached in January/February 2009

Sales fell by 40.3% in the first quarter of 2009 compared to the first quarter of 2008, when they were particularly high. January and February represented a low point, impacted by the weakness of underlying markets, notably automobile, and the rundown of inventories. The business grew in March.

Restructuring efforts implemented in advance have enabled the company to significantly reduce its fixed cost base, compared to 2008.

Stallergenes: Continuing strong growth: +15% / Successful launch of Oralair® in Germany

Consolidated sales grew by 14.7% (organic 14%) in the first quarter of 2009 to € 56.2 million. The

foreign exchange effects were only slightly unfavorable (0.6%). This increase once again reflected the advance of sublingual route products. Analysis by geographic region highlights the marked increase of "Other EU countries", whose sudden growth (up 36% in 2009 -organic 28%-, up 16% in 2008) comes mainly from the launch of Oralair® in Germany and the transfer from a distributor to a subsidiary of the operations in Switzerland. Southern European markets performed well in spite of the economic recession in a context of partial reimbursement with 10% growth.

Lastly, in export markets, operations expectedly marked time following the exceptional 45% growth recorded over the same period in 2008.

On April 29, 2009 Stallergenes S.A. announced the first positive results of its phase IIb/III clinical trial (VO 57.07) in relation to the development of a sublingual dust mite desensitization tablet. This is the first large-scale study to demonstrate the efficacy of dust mite immunotherapy in treating perennial allergic rhinitis. This study is a genuine landmark which confirms desensitization as a new therapeutic class in the treatment of allergic respiratory disorders. Stallergenes is consolidating its leadership in this field through its innovation and development capabilities.

Consolidated liquidity despite poor economic conditions and other financial items

Saint-Gobain capital increase

Wendel subscribed to 8.3 million shares, at €14 per share, in Saint-Gobain's right issue of March 2009. Following this issue, Wendel holds 89.8 million Saint-Gobain shares, or 18.3% of its share capital (18.5% net of treasury shares). Unexercised warrants were sold for around €66 million. The impact of the dilution (from 21.6% to 18.5%) will result in a dilution loss of around €600 million in Wendel 2009 financial results, taking the value of the Saint-Gobain share in its books from €65.7 to €54.2. This dilution loss has no impact on the net asset value and cash position of the Group.

Sale of a 10% block in Bureau Veritas

Wendel sold 11 million Bureau Veritas shares in March 2009 at official €25 a share representing a net proceed of €272 million. Wendel continues to be the majority shareholder with over 52% of the share capital after the sale. The impact of the sale will be booked in 2009 and for approximatively +€120 million.

Sale of Oranje-Nassau oil & gas assets

Following a strategic review of its businesses, the Oranje-Nassau Group announced that it has signed an agreement with a view to selling the businesses of its Oranje-Nassau Energie (ONE) subsidiary.

This sale was achieved at a very attractive price of €630 million and on the basis of a forward oil price of \$70 a barrel. The closing of the transaction is due by the end of May 2009.

Oranje Nassau capital gain from the transaction amounts to around €350 million. After repayment of a debt of around €125 million to Oranje-Nassau Groep, this will result in net cash proceeds for the Wendel Group of around €505 million.

Financing of Materis

In terms of financing, an important step was reached on the 4th of May with the agreement of more than 2/3 of the pool on the general amendment to the facilities agreement, which provides among others for:

- the reset of financial covenants based on a revised business plan;
- the availability of a €100m facility to finance acquisitions and industrial capex;
- votes are being collected for the partial deferral of debt amortisation.

Financial structure

Wendel's financial structure is in line with its long-term investment strategy and relies on long-term financing (principal bond issues mature between 2011 and 2017) and a high level of liquidity.

In a context of a deteriorating economy in the first quarter of 2009, and in anticipation that this deterioration continues in 2009, the Wendel Group's priority is to prepare and support its businesses. All of them have undertaken measures intended to adjust and resize their operational capacities, reduce their costs and optimize their working capital requirements. They are also examining, proactively, the financial flexibility required to face the recession in 2009.

At the end of April 2009, after the sale of the Oranje-Nassau oil & gas businesses, Wendel cash available amounts to €1.6 billion. In June 2009 therefore, Wendel has enough resources to face short-term market risks, meet its next debt repayment (€279 million of CapGemini exchangeable bonds), and increase its flexibility.

Supplemental information

Risk factors

LIQUIDITY RISK, INTEREST RATE RISK, CURRENCY RISK AND EQUITY RISKS

(See section on risk management in the notes to the consolidated statements.)

LEGAL RISKS AND LITIGATION**Specific regulations applicable to the Group; dependence**

Given the geographic and business diversity of the activities of Wendel and the subsidiaries it controls, there is no specific regulation uniformly applicable to the entire Group. The Group is not directly subject to any particular regulation that might affect the normal conduct of its business.

Each company carries out its business in compliance with applicable law and regulations. Bureau Veritas benefits from numerous authorizations, approvals and accreditations from governments and international organizations, which are periodically renewed. To the best of the Company's knowledge, there is no problem relating to the renewal of any of these that might have a significant impact on the activities of Bureau Veritas. As a pharmaceutical laboratory, Stallergenes is subject to the public health directives of the European Commission and complies with recommendations and guidelines of the AFSSAPS, the French healthcare product safety authority, concerning good manufacturing practices. Materis and Deutsch are not subject to any specific regulation that might have a significant impact on their activities, except for REACH regulations applicable to Materis.

For more information on regulations applicable to Bureau Veritas or Stallergenes, please refer to their reference documents. These documents are available on the web sites of Bureau Veritas (www.bureauveritas.fr), Stallergenes (www.finance.stallergenes.com) and the AMF (www.amf-france.org).

To the best of the Company's knowledge, there is no foreseeable change in regulations or development in case law that could have a significant impact on the Group's activities.

In addition, Wendel and the subsidiaries it controls are not dependent on any patent or licenses, or on any industrial, commercial or financial supply agreement.

To the best of the Company's knowledge, no company in the Group has entered into any agreement of this type that would have a significant impact on its activity should it expire or be terminated.

Claims and litigation

In the normal course of business, Wendel and the companies it controls are involved in litigation, arbitration and administrative disputes and are regularly subject to tax, labor or administrative review.

A provision is set aside any time a risk is determined and the cost associated with this risk can be estimated. The methods for determining provisions and for accounting for liabilities comply with applicable accounting standards. Provisions set aside represent the best estimate of the financial consequences for the Group of ongoing disputes based on available information.

Provisions for disputes included on the consolidated balance sheet amounted to €96.9 million, of which €63.3 million related to Bureau Veritas. In the normal course of business, Bureau Veritas is party to several thousand disputes and legal proceedings intended to invoke its professional liability.

At the Company level, the main litigation concerns pollution discovered on a site near Rouen, alleged to be due to the iron and steel activities carried out by Hauts Fourneaux de Rouen (HFR), which ceased operations in 1967. The Prefect of the Seine-Maritime département, alleging an ownership link between HFR and Sofiservice (a Group subsidiary), issued a prefectoral decree in 1998 ordering Sofiservice to conduct an environmental study and rehabilitate the site. This decree was contested and was overturned by order of the Administrative Court, but this decision was itself overturned by the Administrative Court of Appeal in October 2002, which ordered that the environmental study be undertaken. On January 10, 2005, the Conseil d'État (Supreme Administrative Court) confirmed the ruling of the Administrative Court of Appeal. As a result, the provision against this litigation remains on the books.

To the best of the Company's knowledge, the Company and the subsidiaries it controls are not exposed to any other dispute, arbitration or exceptional event that may substantially affect or has recently had a substantial impact on the assets, financial situation, results and activity of the Company.

INSURANCE

As part of its risk management policy, Wendel has taken out policies with leading insurance companies, whose solvency it has verified. Every year, the Company reviews its principal insurance contracts with an eye towards improving coverage while taking advantage of market pricing so as to achieve significant savings. The following principal risks are now covered:

- Damage to property (buildings and/or tenant's liability risk) and contents (ca. €11 million in coverage). This policy covers physical damage to property. Coverage was reviewed and increased in 2007 and 2008, in particular regarding IT risks;
- Third-party operating liability (ca. €10 million in coverage). This policy covers bodily injury, physical damage and other losses suffered by third parties. This policy's coverage and limits have been substantially increased;
- Third-party professional liability (ca. €25 million in coverage). This policy, which came into force on January 1, 2009, covers litigation risks in the event of professional error or an act deemed as such, committed by the Company or one of its agents or employees in their relationship with subsidiaries and affiliates;
- Automotive fleet;
- Travel insurance covering Company employees, including an assistance contract since 2006;
- Liability insurance for executives and corporate officers. This policy covers the Company's corporate officers, its representatives on the governing bodies of subsidiaries and affiliates, and persons considered executives de facto or de jure, who might be held responsible for a professional error in connection with their duties of management, supervision or administration;
- Health, death and disability of Company employees. New contracts with a high level of coverage have been in place since January 2007.

Every company controlled by the Group directly manages its own insurance policy and has risk coverage suited to its business.

UNAVAILABLE ASSETS

(See note 37 to the consolidated financial statements.)

SIGNIFICANT CHANGES IN FINANCIAL CONDITION OR BUSINESS STATUS

To the best of the Company's knowledge, since December 31, 2008, there has been no event or exceptional item that might have a significant impact on the financial condition, business, earnings or assets of the Company or the Group, except for those detailed in the note to the consolidated statements entitled "Subsequent events".

Supplemental information

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

In thousands of euros	2007				2008			
	Ernst & Young Audit		Pricewaterhouse-Coopers		Ernst & Young Audit		Pricewaterhouse-Coopers	
	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Audit and certification of the parent company and consolidated financial statements	3,186		4,788		3,520		5,006	
– Wendel	409	10%	624	9%	537	13%	832	15%
– fully-consolidated subsidiaries	2,777	66%	4,165	59%	2,983	74%	4,174	73%
Other verifications and services directly related to the auditing assignment	556		2,072		166		93	
– Wendel	–	0%	–	0%	60	1%	10	0%
– fully-consolidated subsidiaries	556	13%	2,072	30%	106	3%	83	1%
Sub-total	3,742	89%	6,860	98%	3,686	91%	5,099	89%
Other services								
Legal, tax, employment	447	11%	138	2%	342	8%	614	11%
Review of internal control procedures – fully-consolidated subsidiaries	–	0%	–	0%	–	0%	–	0%
Other	15	0%	15	0%	4	0%		0%
Sub-total	462	11%	153	2%	346	9%	614	11%
Total	4,204	100%	7,013	100%	4,032	100%	5,713	100%

Persons responsible for the reference document and the audit of the financial statements

Person responsible for the reference document including the annual financial report

I hereby certify, having taken all reasonable measures in this regard, that the information contained in this reference document is, to the best of my knowledge, accurate and that no information has been omitted that would be likely to alter its substance.

The parent-company and consolidated financial statements were approved by the Executive Board on March 24, 2009, under the chairmanship of Mr Jean-Bernard Lafonta.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the management report presents a true and fair picture of the business, its results and the financial condition of the Company and of its consolidated group of companies, as well as a description of the principal risks and uncertainties to which they are exposed.

I have obtained a statement from the Company's Statutory Auditors, wherein they indicate that they have verified the information regarding the financial position and financial statements included in the reference document and that they have examined the entire reference document.

The historical financial information related to the 2008 fiscal year and presented in this document was subject to reports issued by the Statutory Auditors. These reports can be found on pages 167-10, 168 and 191 and 230-31 and include certain observations. These observations are as follows:

Statutory Auditors' report on the consolidated financial statements

"We hereby certify that the consolidated financial statements provide a true and fair view of the assets and liabilities, financial position and results of operations of the group of companies and entities included in the consolidation, in accordance with IFRS as adopted by the European Union.

Without calling into question the opinion expressed above, we draw your attention to the following items:

- *Note 5 to the consolidated financial statements, 'Equity method investments – Impairment test on equity-method investments: Saint-Gobain', explains how the investment in Saint-Gobain was valued and that it was based on its value in use, in accordance with IFRS. In particular,*
 - *your Company has determined the value in use of the investment in Saint-Gobain as of December 31, 2008 to be €65.7 per share. This value assumes a long-term investment horizon and takes into account the events and circumstances*

prevailing at the end of the fiscal year as well as information available at the time the statements were approved by the Executive Board. This valuation led to an impairment loss of €240 million in 2008;

- *given the uncertainty regarding worldwide economic conditions, forecasting is difficult, and actual amounts might be different from the projections used in the test. As a result, the value in use of the investment might be different from that derived from the assumptions and estimates used at the end of the 2008 fiscal year;*
- *a sensitivity analysis shows that if the discount rate were 0.5% higher, an additional loss of €651 million would be recognized and that if the discount rate were 0.5% lower, the impairment loss of €240 million would not be recognized. Similarly, if the long-term growth rate were 0.5% lower, an additional loss of €476 million would be recognized, and if it were 0.5% higher, the impairment loss of €240 million would not be recognized.*
- *Note 4.D⁽¹⁾ to the consolidated financial statements, 'Financial assets and liabilities – Derivatives', concerning the derivatives used as hedges against a decline in the Saint-Gobain share price, indicates that these instruments are valued according to IAS 39 on the basis of market parameters as of December 31, 2008. The change in fair value of these instruments during the 2008 fiscal year led to a profit of €418 million.*
- *Note F to the consolidated financial statements 'Risk management – Managing liquidity risk' describes Wendel's liquidity and cash position and that of its principal consolidated subsidiaries.*
- *Note 38 to the consolidated financial statements, 'Subsequent events', mentions a dilution loss of approximately €600 million that will be recognized in 2009, related to Saint-Gobain's March 2009 capital increase.*

Statutory Auditors' report on the annual financial statements

"Without calling into question the opinion expressed above, we draw your attention to note 18 'Liquidity risk management', which describes your Company's liquidity and cash position."



Frédéric Lemoine – Chairman, Executive Board

Supplemental information

PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Statutory Auditors:

Ernst & Young Audit

represented by Jean-Pierre Letartre

Member of the *Compagnie régionale des Commissaires aux comptes de Versailles*.

Tour Ernst & Young 11, allée de l'Arche
92037 Paris-la Défense, France

- Date of first appointment: Shareholders' Meeting of November 15, 1988 (formerly named Castel Jacquet et Associés)
- Appointment last renewed: Shareholders' Meeting of June 4, 2007
- Term of office: six years
- Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012

PricewaterhouseCoopers Audit

represented by Olivier Thibault

Member of the *Compagnie régionale des Commissaires aux comptes de Versailles*.

63, rue de Villiers – 92208 Neuilly-sur-Seine, France

- Date of first appointment: Shareholders' Meeting of November 24, 1994 (formerly named Befec-Mulquin et Associés, Befec-Price Waterhouse)
- Appointment last renewed: Shareholders' Meeting of June 4, 2007
- Term of office: six years
- Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.

Alternate auditors

Cabinet Auditex

Tour Ernst & Young 11, allée de l'Arche
92037 Paris-la Défense, France

- Date of first appointment: Shareholders' Meeting of June 4, 2007.
- Term of office: six years
- Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the year ending December 2012

Jean-François Serval

114, rue Marius-Aufan – 92300 Levallois-Perret, France

- Date of first appointment: Shareholders' Meeting of June 13, 2002
- Term of office: six years
- Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the year ending December 2013

Person responsible for corporate communication

Gérard Lamy, Director of Financial Communication

Tel.: +33 (0)1 42 85 30 00

E-mail: g.lamy@wendelgroup.com

DOCUMENTS AVAILABLE TO SHAREHOLDERS AND THE PUBLIC

The Company's by-laws, minutes of Shareholders' Meetings and other Company reports, as well as historical financial information and other documents prepared by experts at the request of Wendel that shareholders have the right to consult under the terms stipulated by law, may be consulted at the Company's registered office, at 89, rue Taitbout, 75009 Paris, France.

In addition, all financial news and all information documents published by Wendel are accessible on the Company's website: www.wendelgroup.com

Cross-reference index

To facilitate the reading of this annual report, filed as the reference document, the following cross-reference index identifies the principal categories of information required under appendix 1 of European regulation 809/2004 and indicates the corresponding pages of this document.

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Cross-reference index for the annual financial report

This reference document includes all the items of the annual financial report mentioned in I of article L. 451-1-2 of the French Monetary and Financial Code as well as in article 222-3 of the general regulation of the AMF.

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The original French version of this report was registered with the French stock exchange authorities (Autorité des marchés financiers – AMF) on May 11, 2009 under number D.09-400, 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 English language version of this text is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.

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