

2007
ANNUAL REPORT

“FULFILL OUR ROLE
AS INDUSTRY SHAREHOLDER
AND IMPLEMENT LONG-TERM
GROWTH STRATEGIES.”



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Oranje-Nassau
Deutsch
Stallergènes
Editis
Materis
Saint-Gobain
Legrand
Bureau Veritas

INVESTMENTS AND SUBSIDIARIES

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This report on the 2007 fiscal year includes the French reference document and the annual financial report.

ENTREPRENEURSHIP AND INVESTMENT FOR THE LONG TERM

“We aim to contribute to the progress of the companies we own, so as to accelerate their growth and business development, in the interest of their employees and customers.”

Jean-Bernard Lafonta

Wendel is one of the most prominent listed investment companies in Europe. Its philosophy is to invest for the long term, as a majority or principal shareholder, in listed or unlisted companies with leadership positions, so as to accelerate their growth and business development. Be they industrial or service companies, French or international, Wendel takes part in the definition and implementation of their ambitious strategies and ensures the financing necessary for them to succeed.

Wendel's investment and business development strategy is an outgrowth of the close relationship we forge with the management teams of the companies we invest in. This partnership is at the heart of our value creation process. Wendel provides active and constant support, shares the risk and brings its experience and its financial and technical skills to the table. Wendel does not get involved in the day-to-day operations of the enterprise; that is management's job. Wendel representatives sit on the Board of Directors or the Supervisory Board of each company.

Our objective is to increase the value of Wendel over the long term, by more than 15% p.a. on average, while offering shareholders an equivalent rate of increase in the dividend.



“CONFIDENT IN BUREAU VERITAS’ OUTLOOK
FOR GROWTH, WE DECIDED TO TAKE
THE COMPANY PUBLIC SO AS TO PURSUE
AND ACCELERATE ITS DEVELOPMENT.”

2007 was another year of growth for our Group. All of our subsidiaries posted favorable sales trends and increased business development, thereby strengthening their positions as international leaders. During the year, they carried about 30 acquisitions with a total value of €760 million. These good results reflect the quality of our assets and of the employees who breathe life into them. Our portfolio also evolved and diversified during the year.

Confident in Bureau Veritas' outlook for growth, we decided to take the company public so as to pursue and accelerate its development. It was an important milestone in the life of the company. Twelve years ago, when Wendel became a shareholder, Bureau Veritas was a company of around 6,000 employees. Today it is one of the leaders in certification with 30,000 people working throughout the world. The assessment and certification markets are consolidating on a global basis and the IPO will give Bureau Veritas the resources it needs to grow. It aims to double in size over the next five years. Wendel is the controlling shareholder, with 63% of the shares.

Wendel also invested in Saint-Gobain in 2007. Toward the end of 2006 we saw that unlisted companies, the segment in which we had successfully invested over the past few years (Legrand, Bureau Veritas, Editis), was offering a less profitable outlook for the near future. Remaining faithful to our long-term professional investment philosophy, we decided to put priority on acquiring a position as principal shareholder in a large listed company. We decided on Saint-Gobain, leader in various industrial sectors, principally connected with residential housing. Between September 2007 and April 2008, we became the largest shareholder, with 21.5% of the shares. Since the end of 2007, the financial crisis resulting from payment defaults on US real estate loans has caused the economic situation in the United States, and to a lesser extent in Europe, to deteriorate. Despite this more challenging backdrop, Wendel believes that Saint-Gobain, like Legrand not long ago or Bureau Veritas 12 years ago, has significant potential for expansion, in particular in emerging economies and in energy-saving products for residential housing. In line with our role as an industry shareholder, we aim to help Saint-Gobain's management realize its strategic plan and increase its potential, thereby stepping up the Group's growth and profitability in the medium term. In this regard, a governance agreement was signed with Saint-Gobain's Board of Directors a few months after we became a shareholder. The agreement recognizes Wendel's role in defining strategy and in seeking out potential for improvement. It also recognizes Wendel's position as principal shareholder, the exercise thereof, and the terms under which Wendel will be able to exert a lasting influence. Wendel is convinced that its investment in Saint-Gobain will contribute very positively to its earnings and value creation in the long term.

Deterioration in the international financial system has created a climate of uncertainty, leading to an across-the-board decline in equity markets. Wendel did not escape this trend. In this more difficult environment, the diversification and quality of our subsidiaries and equity investments, the skills and commitment of our employees and the support of our shareholders, in particular the family shareholders, give us every reason to be confident in our future success.

Ernest-Antoine Seillière, Chairman of the Supervisory Board

Jean-Bernard Lafonta, Chairman of the Executive Board

MANAGEMENT TEAM

The Executive Board is assisted in the management of the Group and the implementation of the investment and development strategy by a team of professionals that has been renewed and strengthened since 2002.

The investment team currently comprises the two members of the Executive Board (Jean-Bernard Lafonta and Bernard Gautier), six managing directors, four directors combining the skills of managers and investors, and six project managers.

They contribute varied and complementary profiles as entrepreneurs, operational managers and consultants. They all have solid experience as investors and recognized expertise in financial engineering gained within Wendel and in their previous roles in France and abroad.

They play a role early on in the investment process, performing analyses to identify investment potential, evaluate it and make a decision. They carry out very detailed due diligence. They organize, negotiate and optimize financing and acquisition structures. They design, schedule and implement, in collaboration with the management of each company, the action necessary to create value. They organize asset sales.

An Investment Committee meets every week to identify investment opportunities, define development strategies and analyze growth potential. The committee works very closely with the management of Group companies, in an ongoing dialogue aimed at gaining a detailed understanding of the operational issues on the ground.

The Management Team also includes the Finance, Tax, Legal, and Communications directors, plus the Corporate Secretary. They work with the investment team and with the executives of Group companies. An Operations Committee meets weekly to ensure that information flows properly and decisions are coordinated.

Finally, the Wendel team calls upon consultants and experts to complement its internal competencies. These external partners have specifically defined assignments depending on the sector and their technical nature. They are active in strategic, financial, legal and environmental areas.



MANAGING DIRECTORS

Philippe Donnet,
CEO, Asia-Pacific

Dirk J. van Ommeren,
CEO Netherlands

Roland Lienau,
Germany





EXECUTIVE BOARD

Jean-Bernard Lafonta, Chairman of the Executive Board
Bernard Gautier, member of the Executive Board



MANAGING DIRECTORS

Yves Moutran, Gaël de la Rochère, Patrick Tanguy



DIRECTORS

Stéphane Bacquaert, Olivier Chambriard, David Darmon, Jérôme Michiels



PROJECT MANAGERS

Patrick Bendahan, Stéphanie Besnier, Bruno Fritsch
Stanislas Panhard, Karim Soud, Félicie Thion de la Chaume

LEGAL

Arnaud Desclèves



TAX

Jean-Yves Hémerly



FINANCE

Jean-Michel Ropert



COMMUNICATION

Christine Dutreil



FINANCIAL COMMUNICATION

Gérard Lamy



GENERAL SECRETARIAT

Jean-Michel Mangeot



2007 HIGHLIGHTS

"We are pleased that the market has recognized our world leader status.

Together with our shareholder Wendel, we are pursuing the ambitious growth strategy we have set for ourselves."

Frank Piedelièvre,
President
of Bureau Veritas



BUREAU VERITAS' SUCCESSFUL IPO

To enable Bureau Veritas to embark on a new phase of growth and development, Wendel carried out an initial public offering of its subsidiary in October 2007.

Through this successful transaction, Wendel sold Bureau Veritas shares worth €1.2 billion while remaining the company's largest shareholder, with 63% of the shares.

This IPO was the largest in France in 2007.

ACQUISITION OF 21.5% OF THE SHARES OF SAINT-GOBAIN

Wendel is now the largest shareholder of Saint-Gobain, having purchased 21.5% of the shares between September 2007 and April 2008 for approximately €5.5 billion.

Saint-Gobain is one of the world's 100 largest industrial companies, specialized in the production, transformation and distribution of materials for construction and housing. It is among the world leaders in each of its businesses.

In accordance with its role as a professional investor, Wendel has invested for the long term. It is convinced that Saint-Gobain has competitive advantages and significant potential for business development. It wants to help Saint-Gobain's management put them to work.

In this regard, Wendel's participation in the governance of Saint-Gobain has been defined. In particular, Wendel will have three seats on Saint-Gobain's Board of Directors (two in 2008 and a third in 2009) and will participate in the Appointments Committee. A Strategy Committee has also been formed.



SALE OF NEUF CEGETEL

In September 2007, Wendel sold its entire 2.4% stake in Neuf Cegetel for a total of €148 million.



1

THE INVESTMENT TEAM WAS STRENGTHENED AND INTERNATIONALIZED



2

After carrying out three foreign investments in 2006 (Deutsch, Stahl and AVR), Wendel chose in 2007 to focus its international investment strategy on two regions of the world: Asia (Japan and South Korea) and Europe (Germany and the Netherlands).

Concerning Asia, Philippe Donnet⁽¹⁾ joined the Group and opened a representative office in Singapore in 2007.

A subsidiary will be opened in 2008 in Tokyo and a local team will be hired. On January 1, 2008, Roland Lienau⁽²⁾, a German citizen, joined Wendel to develop investments in Germany. Meanwhile, Dirk

J. van Ommeren⁽³⁾, CEO of Oranje-Nassau, will identify investment opportunities for Wendel in the Netherlands.

In addition, two managing directors with in-depth experience and strong operational skills in industrial sectors in France and abroad and three project managers joined the investment team in 2007.

The investment team is now composed of 18 professionals.



3

2008 NEWS

BUREAU VERITAS ACQUIRES 100% OF CHILEAN GROUP CESMEC

Continuing to grow through acquisition, Bureau Veritas reached an agreement in February 2008 to acquire all of the shares of Chilean company Cesmec.

Founded in 1968, the Cesmec group includes several companies in Chile, Peru and Argentina (11 sites in all in these three countries), and has around 950 employees. Cesmec offers a wide range of assessment and compliance services.

In 2007, Cesmec posted net sales of €21.5 million. This acquisition will significantly strengthen Bureau Veritas' presence in South America, where it will now have 3,700 employees and a leadership position in inspection services and laboratory trials in Chile.

It will also enable Bureau Veritas to extend its activities vis-à-vis the mining industry, strengthening and complementing the portfolio of services offered by CCI Holdings, the Australian company acquired in June 2007.



WENDEL ENTERS EXCLUSIVE NEGOTIATIONS WITH PLANETA WITH A VIEW TO SELLING EDITIS

In April 2008, Wendel entered exclusive negotiations with Spanish publishing group Planeta with a view to selling its subsidiary Editis. The sale agreement could be signed before the end of June 2008, provided the necessary authorizations are obtained and consultations take place as required. At that date, the enterprise value is estimated to be €1,026 million, or around 11 times operating income. Together, Editis and Planeta will contribute to the emergence of a new European publishing leader. The move is in line with Editis' business development strategy since 2004.

During that time, Editis has acquired seven companies with total sales of €150 million. Over the same period, its operating income has increased by 60%, reaching €93 million in 2007.

For Jean-Bernard Lafonta, Chairman of the Executive Board of Wendel, "Alain Kouck's strategy has made Editis into a major player in French publishing. Combining it with Planeta is in line with our strategy to create and internationalize leading companies. We are pleased to have contributed to this strategic development."

DEUTSCH ACQUIRES TWO COMPANIES AND SELLS ONE

As part of refocusing on its core business, the manufacture of high-performance electrical connectors, Deutsch sold its Relais division to STPI in January 2008.

Separately, Deutsch made two strategic acquisitions:

- 60% of Ladd, a division of Wesco International, for approximately \$75 million. Ladd has distributed connectors for the "harsh environments" served by Deutsch in the United States for more than 20 years. In 2007, Ladd's sales were \$100 million. Deutsch and Wesco will work together to strengthen commercial relationships with customers and step up the development of new market segments and new products;
- 100% of the shares of Servo, a distributor of connectors for automotive racing. This transaction will lead to a sharp rise in the distribution of essential components for the motor sport industry.



LEGRAND ACQUIRES PW INDUSTRIES

PW Industries is the North American specialist in cable tray systems for the industrial and service sectors. In acquiring PW, Legrand, uncontested leader in cable tray systems in the United States and in the world, has strengthened its position, rounding out its product range and stepping up expansion in the industrial market. PW Industries posted sales of \$32 million in 2007.

ORANJE-NASSAU PART OF WENDEL GROEP FOR 100 YEARS

Wendel became the owner of the Oranje-Nassau Groep in 1908. Founded in the Netherlands in the 19th Century, Oranje-Nassau obtained a concession to operate coal mines in 1893. Owing to a change in the Netherlands' energy policy in the early 1960s, coal mining activities gradually came to an end. In 1967 Oranje-Nassau progressively started an oil and gas drilling business in the North Sea, and production began in 1977. In 1982, with the acquisition of assets in several European, North African and Middle Eastern countries, Oranje-Nassau became an international oil and gas production company.

MATERIS ACQUIRES ICP/ALLTEK

Materis Paints, a subsidiary of Materis, acquired the French company ICP/Alltek at the end of January 2008. ICP/Alltek is the second-largest producer of paste renders in France.

Half of the company's sales derive from France and the other half from the rest of Europe through networks of integrated and independent distributors or through consumer channels. This acquisition will position Materis Paints' in a segment that is very complementary to decorative paints.

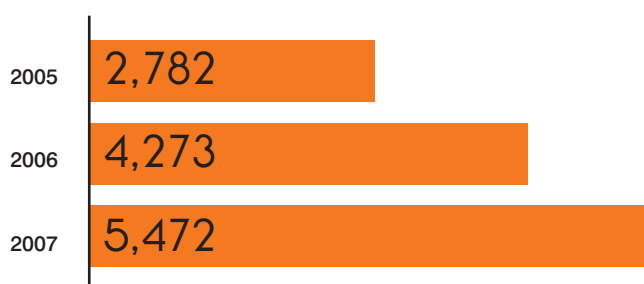


FINANCIAL HIGHLIGHTS

as of December 31, 2007

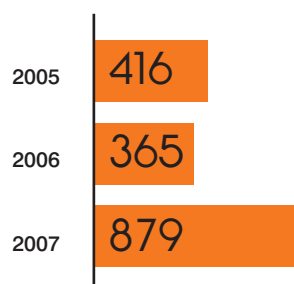
CONSOLIDATED NET SALES

In millions of euros (IFRS)



CONSOLIDATED NET INCOME (GROUP SHARE)

In millions of euros (IFRS)

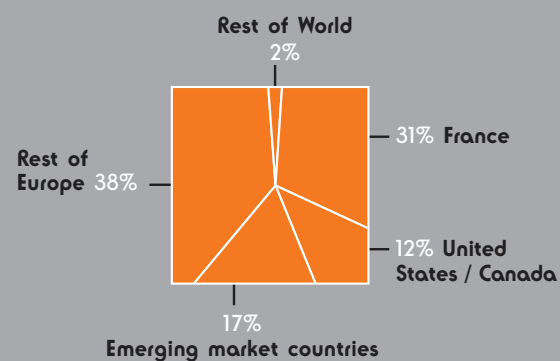


NET INCOME FROM BUSINESS SECTORS BY COMPANY

In millions of euros

	2005	2006	2007
Bureau Veritas	139.6	157.2	188.4
Legrand	92.5	120.5	129.0
Oranje-Nassau	74.0	69.8	58.9
Editis	30.1	41.5	48.9
Materis	–	36.6	46.4
Stallergènes	13.4	14.5	16.0
Stahl	–	3.9	3.4
Deutsch	–	– 0.2	10.1
Wheelabrator Allevar	12.6	–	–
Financing, operating expense and taxes	– 67.3	– 81.3	– 93.0
Net income from business sectors	295.0	362.5	408.1

GEOGRAPHIC BREAKDOWN (1)



(1) 2007 net sales on a proportional consolidation basis

RATINGS

Wendel has been rated by Standard & Poor's since September 2002. On April 17, 2008, the ratings attributed by Standard & Poor's were:

Long term
BBB-
Negative outlook.

Short term
A-3

NET ASSET VALUE PER SHARE

The method for calculating the net asset value has been set in accordance with the January 2002 fairness opinion. The change in net asset value measures the increase in shareholder value from one year to the next.

Net asset value nearly tripled between December 2003 and December 2007. The internal rate of return, with dividends reinvested in Wendel shares, was 33%⁽¹⁾ p.a. on average during this period. This strong, steady profitability illustrates the value Wendel has created since the end of 2003.

The methods used to calculate net asset value are described on pages 217 - 219 of this report. At least twice a year, an independent expert prepares his own valuation and submits it to the Audit Committee.



(1) With dividends reinvested.

NET ASSET VALUE

In millions of euros

Dec. 2003 Dec. 2004 Dec. 2005 Dec. 2006 Dec. 2007

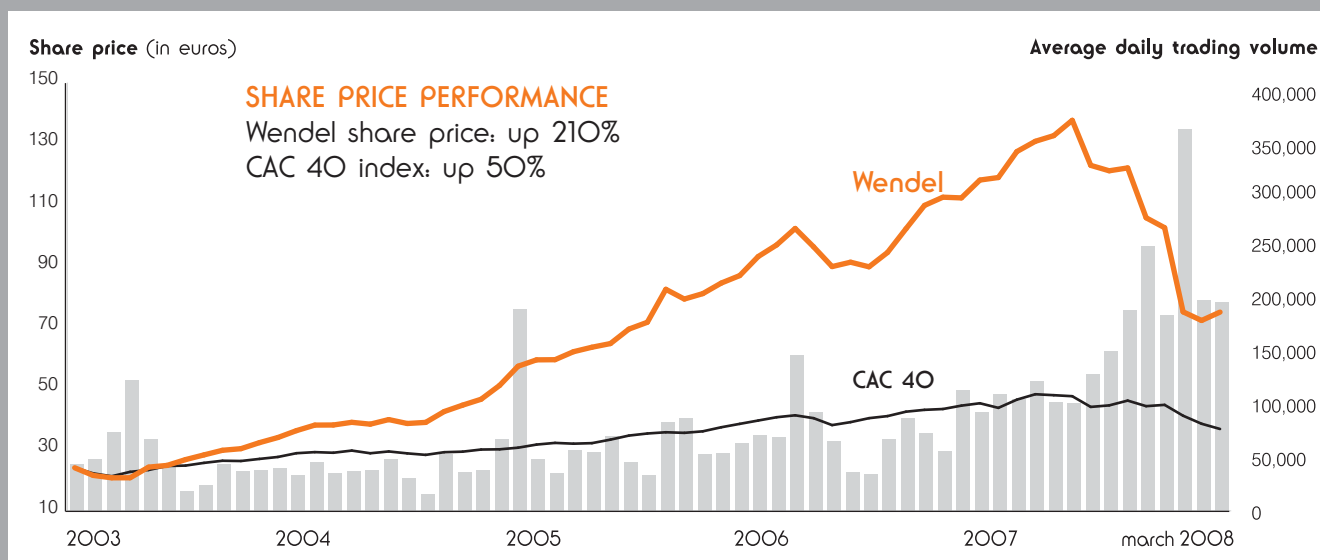
Companies in which Wendel is the principal or controlling shareholder	2,430	3,770	4,530	6,470	7,800
Minority investments	970	520	300	230	60
Wendel shares held in treasury	–	240	430	570	10
Net cash	90	570	820	780	1,840*
Gross assets, revalued, including net cash	3,490	5,100	6,080	8,050	9,710
Financial debt	– 970	– 1,670	– 1,600	– 2,000	– 3,160
Net asset value	2,520	3,430	4,480	6,050	6,550
Net asset value per share (in euros)	45	61	82	109	130

*Net cash after equity invested in Saint-Gobain. The cash balance free of all pledges at end-December 2007 was €1.7 billion.

STOCK MARKET DATA

In euros	2003	2004	2005	2006	2007
Highest price	35.15	54.10	88.15	115.80	145.25
Lowest price	19.51	33.70	48.90	84.20	88.56
Average price	25.37	42.01	70.27	98.06	119.25
Average price in December	34.14	51.16	84.63	112.71	102.73
Market capitalization in December (in millions of euros)	1,910	2,874	4,571	6,256	5,169

Wendel shares are traded in Compartment A of Eurolist by Euronext Paris.
ISIN code: FROOOO1212O4.

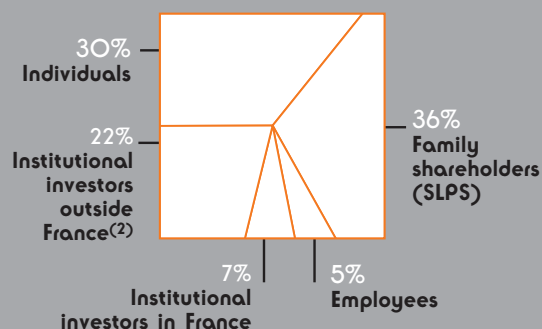


SHAREHOLDERS AS OF DECEMBER 31, 2007

DIVIDEND

In euros	2003	2004	2005	2006	2007 ⁽¹⁾
Ordinary dividend	1.05	1.15	1.4	1.7	2.0
Additional dividend	—	—	0.6	0.3	—

(1) Dividend proposed to shareholders at their Annual Meeting.



(2) including Arnhold & Bleichroeder: 6%.

Since its creation, Wendel has made shareholder information a key priority. Throughout the year, Wendel invites shareholders to take part in the life of the Company. It deploys all channels of communication to provide shareholders, both individual and institutional, and the financial community in general with regular, transparent information. In France, a **toll-free number 0 800 897 067** enables the Group's 55,000 individual shareholders (the number has been increasing regularly) to obtain practical information on the management of their shares, their rights, events in the life of the Group, etc.

Information regularly published throughout the year

- Letters to shareholders and press releases announce annual and semiannual earnings, quarterly net sales or any other major event in the life of the Group and its subsidiaries. These press releases are published in the economic press and in general daily and weekly news publications.

Meetings with financial analysts, fund managers, investors and journalists

- In March and September 2007, Wendel organized two meetings to present the half-year and annual financial statements. Jean-Bernard Lafonta, Chairman of the Executive Board, gave an in-depth presentation of the Group's financial situation, its investment strategy, current financial transactions and future prospects. These meetings were followed by a telephone conference call run by Mr. Lafonta and intended mostly for English-speaking analysts and investors.

- On December 18, 2007, Wendel organized, for the fifth time, a day of information on the Group's unlisted companies. The program began with a visit to Interforum, the distribution platform of Wendel's 100%-owned subsidiary Editis, where around 50 analysts and investors attended a presentation of Editis' distribution business. This visit was followed by a presentation of Wendel's other unlisted companies.

The Chairmen of Editis, Materis, Deutsch, Oranje-Nassau and Stahl gave detailed presentations of their businesses, strategies and prospects. More than 200 analysts, investors and journalists, from France and abroad, were present. Jean-Bernard Lafonta and Wendel's entire team were on hand to answer the audience's questions. The presentations and their remarks can be consulted on Wendel's Website.

- Meetings were organized throughout the year with fund managers from the principal financial institutions in Paris, London, New York, Brussels, Edinburgh, Amsterdam, Luxembourg and Geneva so as to generate contact between Wendel management and investors in France and abroad.

- On December 5, 2007 Jean-Bernard Lafonta spoke at the University of Paris-Dauphine during a debate organized by the *Cercle des Économistes* and NYSE Euronext. The debate brought together more than 2,000 participants, and the theme of the round table discussion was the risks that investment funds create for markets and companies.

Website: www.wendelgroup.com
communication@wendelgroup.com

Current information on Wendel and its subsidiaries, as well as financial and regulatory data can be consulted at the Group's Website in English and French.

All published documents are available on the site, including Wendel's last four annual reports, which can be downloaded. Press articles about Wendel and its subsidiaries are available. Daily share prices and share price history are available at all times, and net asset value, published quarterly, is also available. An online forum has been created for shareholders to e-mail questions to the Company.



2008 timetable

- > Shareholders' Meeting: June 9
- > Dividend payment: June 16
- > Presentation of first-half financial statements: September 3

CONTACTS

- > Internet: wendelgroup.com
- > Financial communication: communication@wendelgroup.com

INVESTMENTS AND SUBSIDIARIES

Bureau
Veritas



assessment and
certification

Legrand



products and
systems for
low voltage
installations

Saint-Gobain



production,
transformation
and distribution
of materials

Materis



specialty
chemicals for
construction

Editis



publication
and
distribution

“The Wendel Group’s investments combine industry tradition, entrepreneurial spirit and a strong culture of technological innovation.”

15

Stallergènes



allergy
immunotherapy

Deutsch



high-performance
connectors

Oranje-
Nassau



energy

Stahl



coatings and
leather finishing
products

Bureau Veritas

16

63%

Wendel investment

World's second-largest provider of compliance and certification services in the areas of quality, health, safety, environment and social responsibility (QHSE-SR) and world leader in QHSE-SR services, excluding commodities inspection.

- > Present in **140** countries
- > More than **300,000** customers
- > More than **850** offices and laboratories
- > **55,000** companies have been certified by BV Certification
- > More than **33,000** employees

(in millions of euros)	2006	2007
Net sales	1,846	2,067
Adjusted operating income ⁽¹⁾	268	312
Consolidated net income	157	164

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



ASSET as of 12.31

(in millions of euros)

2007		
899	910	1,837
Non-current assets	Current assets	Total
	28 Non-current assets held for sale	
2006		
719	701	1,420
Non-current assets	Current assets	Total

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31

(in millions of euros)

2007			
165	932	717	1,837
Shareholders' equity	Non-current liabilities	Current liabilities	Total
		23 Current liabilities held for sale	
2006			
228	628	564	1,420
Shareholders' equity	Non-current liabilities	Current liabilities	Total

SHARP RISE IN NET SALES AND EARNINGS. In 2007, net sales totaled €2,067 million, up 12% from 2006. Organic growth of 10% resulted from robust advances in all divisions. Fluctuations in exchange rates had a negative impact of 3% on growth, as the euro became stronger. Adjusted operating income was €312 million, up 16% from 2006, and the operating margin stood at 15.1%, widening from 14.5% in 2006.

GOOD PERFORMANCE IN ALL DIVISIONS. Net sales in the **Marine** division totaled €247 million, up 18%. This increase was driven by strong growth in classification and surveillance of ships under construction and in service.

The **Industry Services** division achieved net sales of €299 million, up 29%. The division benefited from robust growth from its investments in energy and from expansion in its scope of consolidation in Australia (CCI Holdings, Intico).

Net sales in the **Inspection and In-service Verification** division totaled €268 million, up 11%. Organic growth derived essentially from France.

The **Health, Security and Environment** division achieved net sales rise 7% to €201 million. The division benefited from solid growth in France, where services in social responsibility and in energy and environmental efficiency were in high demand, whereas business was more sluggish in the companies recently acquired in the United States, the United Kingdom and Australia.

The **Construction Services** division grew by 5% to €393 million. The good performance posted on the French, Spanish and Japanese markets were offset by a decline in the United States, where Bureau Veritas nevertheless continued to win new outsourcing contracts with municipalities. The division is benefiting from a structural trend towards privatization.

The **Certification** division posted an increase of 7% to €247 million.

This good performance resulted from growth in the certification business, rapid expansion in large worldwide contracts and double-digit advances in certain high-growth countries such as China, India, Brazil and Russia.

Net sales in the **Consumer Products** division (€259 million) increased by 4%, composed of 12% organic growth and a 7% contraction due to the impact of currency fluctuations. Growth was strong in the toys area and in analytical tests on textiles.

Net sales in the **Government Services and International Trade** division jumped 27% to €152 million. Pre-shipment inspection contracts were signed with the governments of Cambodia, Mali and the Democratic Republic of the Congo, and the division benefited from strong growth in imports inspection in Angola. In addition, inspection of mineral commodities received a boost from the acquisition of Australian company CCI Holdings and the opening of a specialized laboratory in Tianjin, China.

CONTINUED ACQUISITIONS. In 2007, Bureau Veritas confirmed its leadership role in the consolidation of its industry with the acquisition of 16 companies having total net sales in excess of €260 million.

In 2007, Bureau Veritas used its acquisition strategy to strengthen positions in Europe, North America, South America and Asia, in virtually all of its operating divisions.

By acquiring CCI Holdings in June 2007, Bureau Veritas doubled its size in Australia. Moreover, by taking 100% control of ECA in October 2007, Bureau Veritas now holds a leadership position in Spain. Overall, 2007 acquisitions contributed 5% of Bureau Veritas' growth.

The outlook for future acquisitions is also very positive. In early February, Bureau Veritas announced that it had signed an agreement to buy Chilean market leader Cesmec, which posted net sales of €21.5 million in 2007.

OUTLOOK

> 2008 looks set to be in line with the announced target of doubling net sales between 2006 and 2011, to be derived from several factors: organic growth of 8%, acquisitions, operating margin improvement and average annual growth in attributable net income of 15-20% (excl. non-recurring items).

> Based on the December 31, 2007 scope of consolidation and at constant exchange rates, net sales and adjusted operating income are expected to rise by more than 15% in 2008 compared with 2007.

bureauveritas.fr

- > Present in more than **60** countries with sales in more than **180** countries
- > Nearly **60%** of sales in industrial and commercial segments
- > More than **130,000** stock-keeping units
- > **4-5%** of sales devoted to R&D
- > More than **100** wiring accessory ranges

- > **38%** of sales derive from new products

- > **35,000** employees

(in millions of euros)

	2006	2007
Net sales	3,737	4,129
Recurring adjusted operating income ⁽¹⁾	640	732
Consolidated net income	255	423

(1) Operating income adjusted before goodwill linked to the acquisition of Legrand France in 2002, impairment of goodwill and non-recurring items (restructuring costs and capital gains or losses on asset disposals).



ASSETS as of 12.31

(in millions of euros)

2007

4,448	1,662	6,110
non-current assets	current assets	Total

2006

4,407	1,529	5,936
non-current assets	current assets	Total

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31

(in millions of euros)

2007

2,131	2,226	1,753	6,110
shareholders' equity	non-current liabilities	current liabilities	Total

2006

2,169	1,986	1,781	5,936
shareholders' equity	non-current liabilities	current liabilities	Total

ROBUST GROWTH IN 2007 EARNINGS

Legrand's net sales advanced significantly in 2007, by 10.5% over 2006, to €4,129 million. Organic growth was very robust at 8.6%, and acquisitions contributed 3.6% to the group's growth. Recurring adjusted operating income rose by 14.4% to €732 million. Finally, net income rose sharply compared with 2006 to €423 million in 2007.

STRUCTURAL IMPROVEMENT IN THE BUSINESS MODEL

Legrand's 2007 performance illustrated the structural change that has taken place in the group's business model, which now combines improved financial strength with a tangible acceleration in the rate of growth.

Over the past several years, Legrand has improved the coverage of its sales forces and technical staff worldwide. It has gradually become a group with several large, fast-growing regions such as Mexico, Brazil, China, India, Russia, Poland and Turkey.

With nearly 25% of sales deriving from emerging market countries, Legrand has improved its growth profile and diversified its market positions. Net sales in these countries increased by 18% on a like-for-like basis, thereby contributing around 50% of the group's organic growth.

Legrand also significantly improved its cost structure. Fifty-four percent of production staff are now located in low-cost countries and more than half of operating costs are variable.

Finally, Legrand systematically exploits new, promising market segments such as lighting control, energy efficiency, voice-data-image networks and home automation. All of these businesses posted double-digit growth in 2007.

ACTIVE POLICY OF TARGETED ACQUISITIONS

Self-financed acquisitions, or the group's recurrent ability to generate external growth, has accelerated. Over the last three years, Legrand has purchased 15 companies, including six in 2007. Annualized, this represents acquired net sales of more than \$0.5 billion. These targeted acquisitions have given Legrand access to fast-growing markets in emerging economies (TCL and Shidean in China, Cemar in Brazil, Kontaktor in Russia, Macse in Mexico) and in home automation (OnQ, Vantage and UStec) and have made a strong contribution to the group's expansion in both manufacturing and services sectors (Van Geel, Zucchini, ICM-Cablofil, Alpes Technologies).

For 2008, the group has already announced the acquisition of PW Industries, North American specialist in ceiling cable tray systems for manufacturing facilities and service companies.

STRONG FREE CASH FLOW GENERATION

Because earnings rose significantly and capital employed was kept under control, free cash flow⁽¹⁾ advanced by 21% in 2007 to €553 million, or 13% of sales.

For the fourth year in a row, free cash flow was appreciably above 10% of sales, compared with 6% historically, indicating that Legrand's structural ability to generate very significant levels of recurrent cash flow has improved.

OUTLOOK

> For 2008, taking into account the economic slowdown and assuming no major cyclical changes in its markets, Legrand is confident it will be able to grow its top line by 7-9%, excluding currency effects but including acquisitions. It expects its adjusted operating margin to be near its 2007 level.

legrandelectric.com

(1) Free cash flow is defined as cash flows from ordinary operations, plus net cash from asset disposals, minus investments and capitalized development costs.

20 | **18%**
Wendel investment

- > One of the world's **100** leading industrial companies
- > Present in **54** countries
- > A world leader in each of its businesses
- > **207,000** employees

(in millions of euros)	2006	2007
Net sales	41,596	43,421
Recurring adjusted operating income	3,322	3,156
Consolidated net income	1,682	1,543



ASSETS as of 12.31 (in millions of euros)

2007		
26,041	15,097	41,138
non-current assets	current assets	Total
2006		
26,274	15,402	41,676
non-current assets	current assets	Total

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31 (in millions of euros)

2007		
15,267	12,754	13,117
shareholders' equity	non-current liabilities	current liabilities
2006		
14,487	14,238	12,951
shareholders' equity	non-current liabilities	current liabilities

HEALTHY INCREASE IN REVENUE AND MARGIN

Saint-Gobain experienced healthy business conditions in 2007, with net sales rising 5.0% on a comparable basis (incl. price effects of 3.7%) to €43.4 billion. Operating income grew by 10.6% and by 11.4% at constant exchange rates. The group's operating margin stood at 9.5% of sales, vs. 8.9% in 2006.

GOOD PERFORMANCE AT ALL FIVE BUSINESS SECTORS.

Flat Glass posted the group's highest rate of growth in net sales (10.4% unadjusted; 11.2% on a comparable basis). This growth resulted from very robust demand, price increases in glass for the building industry and a larger contribution from higher value-added products.

In the **High Performance Materials** business sector, the Ceramics, Plastics and Abrasives units achieved organic growth of 4.5%, as investment and industrial production held up well worldwide.

Net sales in the **Construction Products** business sector firmed by 2.5% like-for-like, as demand in western Europe and emerging markets (77% of total sales) was high. This more than offset the contraction in the US construction market.

Net sales in **Building Distribution** advanced by 10.8% owing to acquisitions in 2006 and 2007 and solid organic growth of 5.7%. Business remained strong in most western European countries. Emerging markets remained very buoyant, and sales there passed the €1 billion mark in 2007.

Net sales in the **Packaging** business sector rose by 5.5% on a comparable basis, owing in particular to higher sales prices, against a background of vigorous demand in Europe and in developing countries.

GOOD INTERNAL CASH GENERATION.

Cash flow from operations excluding provisions for Flat Glass fines totaled €3,762 million, up 12.4% from 2006. Industrial investments increased by 3.7% to €2,273 million and represented 5.2% of sales. The group's capital expenditures are concentrated in emerging markets, which absorb 40% of growth capital expenditures, and in markets related to energy efficiency, in particular Flat Glass and Construction Products, which represent more than 50% of capital expenditures). Free cash flow (cash flow from operations – capital expenditures) surged 28.8% to €1,489 million. Excluding the acquisition of Maxit, net debt was €9,928 million at December 31, 2007, down 14.4% compared with the previous year-end.

ROBUST BUSINESS GROWTH IN EMERGING MARKETS.

Businesses related to residential housing in Europe (in particular Flat Glass, Distribution, Interior Building Solutions) benefited from strong demand, amplified by new energy-saving regulations in the building industry. This growth more than offset the sharp decline in construction in the United States. In Asian markets, where Saint-Gobain derived 15% of its net sales and 19% of its operating income, all of the group's businesses continued to see very robust growth (16.6%).

By geographic region, there were sharp contrasts, on a like-for-like basis, between North America (13% of the group's net sales), where sales declined 7.1%, and the rest of the world, which saw robust growth. Sales advanced by 5.2% in France for example (28% of net sales) and by 6% in the rest of Europe (44% of sales). Emerging markets and Asia (15% of net sales) posted the fastest growth: 16.5% organically. With the exception of North America, profitability improved in each geographical area.

OUTLOOK

> Against a more difficult and more uncertain economic backdrop, the group has significant built-in resilience.

It is present in building renovation in Europe.

It is a world leader in residential energy efficiency. It intends to carry out additional acquisitions. Finally, its financial structure is sound and its cash flow generation high.

> For 2008 and future years, the group intends to pursue the strategic avenues presented in July 2007:

- step up geographic expansion via growth investments in emerging economies, with the objective of deriving 33% of the group's net sales (excl. Distribution) from them by 2010;
- continue to grow through acquisitions, in particular to extend the group's footprint in emerging market countries, increase the potential for innovation, and strengthen Building Distribution;
- innovate and devote more effort to R&D, in particular in energy and the environment.

saint-gobain.com

Materis

One of the world's leaders in specialty chemicals for construction, with four divisions: Chryso admixtures, Kerneos aluminates, Parex Group mortars and Materis paints.

22

76%

Wendel investment and shareholder loan

- > More than **100** brands, well-known in their local markets
- > **88** manufacturing sites in **23** countries
- > **350** points of sale for paints and home furnishings
- > **9,000** employees worldwide

(in millions of euros)

	2006	2006 (8 months)	2007
Net sales	1,622	1,122	1,817
Adjusted operating income ⁽¹⁾	206	155	227
Net income from business sectors	–	36.6	46.4

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



ASSETS as of 12.31 (in millions of euros)

2007

2,366	694	3,060
Non-current assets	Current assets	Total

2006

2,312	663	2,975
Non-current assets	Current assets	Total

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31 (in millions of euros)

2007

126	2,424	510	3,060
Shareholders' equity	Non-current liabilities	Current liabilities	Total

2006

137	2,424	418	2,975
Shareholders' equity	Non-current liabilities	Current liabilities	Total

RISE IN NET SALES AND EARNINGS. In 2007, Materis experienced robust and profitable growth, with net sales of €1,817 million, up 12% compared with 2006. Adjusted operating income totaled €227 million and the operating margin held steady at 12.6%. Innovation, price increases and productivity gains offset the increase in the cost of commodities and energy.

CONTINUED BALANCED GROWTH. Materis continued to benefit from a good balance between organic growth (7%) and acquisitions (6%).

The Admixtures business (Chryso) delivered excellent performance, with growth in sales especially in eastern Europe, Africa and the Middle East, owing in particular to the market for concrete. Net sales totaled €201 million, up 16.5% compared with 2006.

The Aluminates business (Kerneos) posted a very good 2007, with growth of 10.8% in net sales to €327 million. All geographic regions contributed to this very favorable performance.

The Mortars business (Parex Group) once again turned in an excellent year, with net sales of €552 million, up 13.2% over 2006. The regions driving growth were Asia-Pacific, Argentina and Europe, with France leading the way. They more than offset the contraction in individual construction in the United States.

The Paints business (Materis Paints) posted net sales of €748 million, up 10.5% compared with 2006, benefiting from relatively upbeat market conditions in France and a favorable turnaround in the market in Spain and Portugal.

INNOVATION MOMENTUM. Materis' four divisions launched a large number of clean, easy-to-use and high value-added products and services during the year.

Chryso launched a range of new-generation plasticizers to facilitate the use of ordinary concrete and also worked on a demolding agent designed exclusively with plant-based components and more than 60% biodegradable. Kerneos launched Secar Xeniom™, a product that improves refractory concretes by making them simpler, easier to use and more consistent.

After launching a dustless tile adhesive in France in 2006, the first of its kind anywhere in the world, Parex Group launched a dustless render in 2007 and expanded the technology in Argentina and the United States.

As part of its efforts to protect the environment, Materis Paints developed new generation paints that carry the European green Ecolabel. They offer maximum environmental value, as well as exceptional esthetic qualities, yield and applicability.

CONTINUED INTERNATIONAL GROWTH. In 2007, Materis invested a total of €70 million in more than 10 acquisitions in its four businesses. Three acquisitions, in Brazil, Argentina and Chile, strengthened Materis' existing positions in mortars in South America. Materis entered the Turkish market with the acquisition of Geser (mortars) and also acquired the fifth-largest Moroccan decorative paints company, accelerating the group's growth in emerging markets, where Materis derives 18% of its net sales.

Finally, Materis is consolidating its positions in mortars, admixtures and paints in North America, which will constitute a platform for development.

OUTLOOK

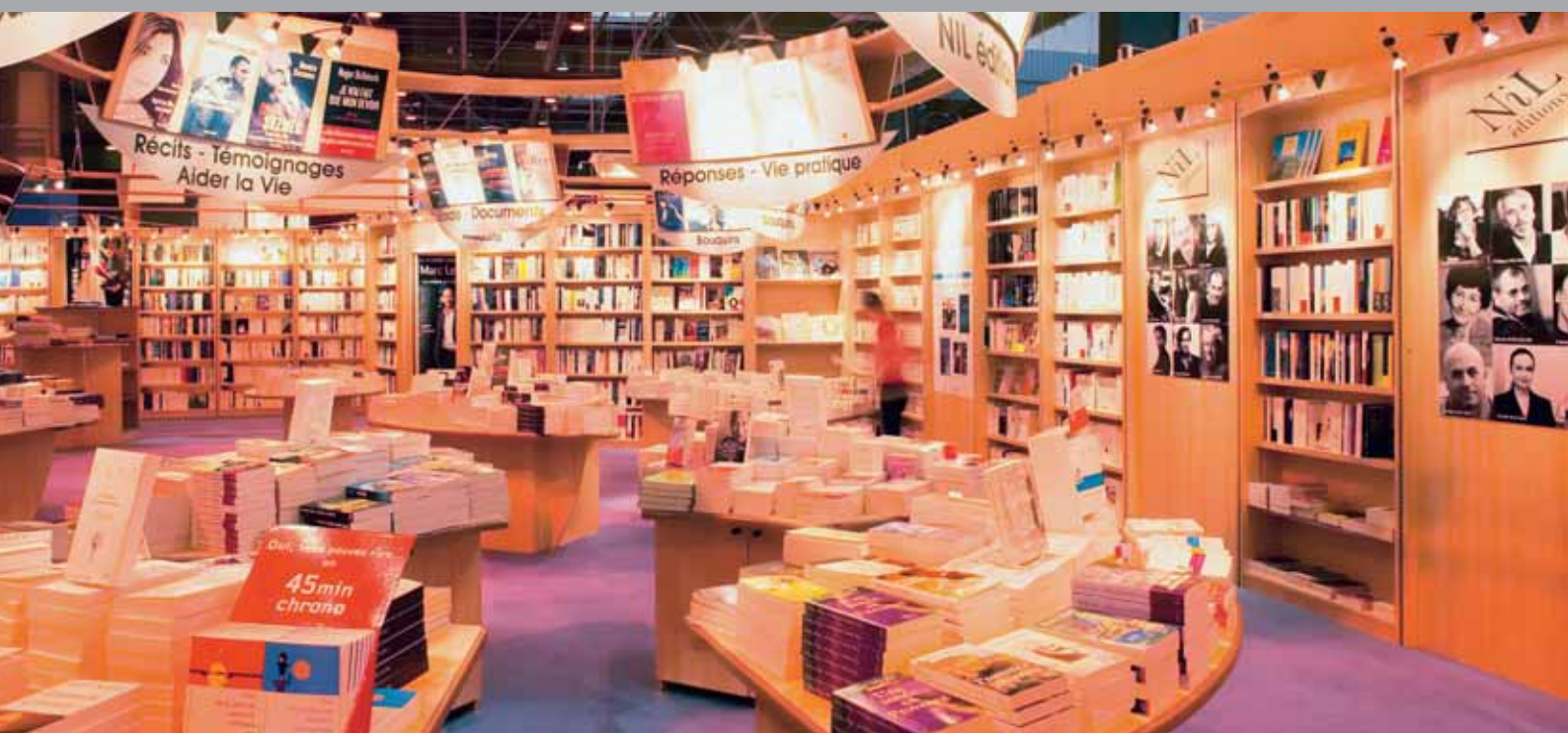
> Materis' markets are growing rapidly in emerging economies, while they are stable overall in Europe and contracting in the United States. Materis is confident it will be able to continue growing by pursuing its internal development projects and taking advantage of acquisition opportunities.

materis.com

- > 44 publishing brands
- > 105 million volumes distributed by Interforum
- > More than 2,600 employees

(in millions of euros)	2006	2007
Net sales	755	760
Adjusted operating income ⁽¹⁾	80.2	93.1
Net income from business sectors	41.5	48.9

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



ASSETS as of 12.31

(in millions of euros)

2007		
747	391	1,141 Total
Non-current assets	Current assets	
	3 Non-current assets held for sale	
2006		
673	351	1,032 Total
Non-current assets	Current assets	
	8 Non-current assets held for sale	

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31

(in millions of euros)

2007			
222	540	379	1,141 Total
Shareholders' equity	Non-current liabilities	Current liabilities	
2006			
169	490	370	1,032 Total
Shareholders' equity	Non-current liabilities	Current liabilities	
		3 Current liabilities held for sale	

In a stable market, Editis posted net sales of €760 million in 2007, outperforming its market. Editis' operating income once again increased significantly, by 16%, leading to profitability of 12.2%.

GOOD ORGANIC GROWTH. Organic growth totaled 2.5%, comparable to that of 2006, driven by three business segments: **Literature**, where 2007 bestsellers performed well and the paperback format continued to expand, **Education**, where performance was favorable and books for young people sold well, and **Distribution**, which benefited from new contracts signed with outside publishers, strengthening Interforum's business.

MOMENTUM IN ACQUISITIONS. In 2007, Editis pursued an active investment policy, acquiring Belgian group De Boeck, publishing house Gründ and the educational company Paraschool. Alongside DNL, acquired in 2006, these acquisitions contributed to growth in consolidated net sales (up 9%) and offset the impact of discontinuing the university distribution contract, which was transferred to the Lagardère group as of January 1, 2007 (down 10%).

With the acquisition of the Belgian group De Boeck (2006 sales of 40 million), Editis has expanded its Education division and strengthened its presence in Belgium. De Boeck is the leader in French-language schoolbooks in Belgium, and is present at the university, graduate and professional levels, as well as in the legal field, in French and in Dutch.

Through the acquisition of Gründ, Editis has strengthened its presence in practical books and books for young people in France. Founded in 1880, Gründ publishes books on art, nature, practical guides and books for young people. Exports account for 20% of its sales.

With Paraschool, Editis has entered the interactive content area as it relates to professional training and school tutoring. Paraschool has seen steady, rapid growth in sales since it was created in 2000.

NEW CHALLENGE: DIGITAL PUBLISHING. In 2007, Editis brought new skills and resources on board to meet the challenge of the digital economy and make itself competitive at every level of the publishing value chain, from the author to the reader. A new organization was implemented with three main orientations: a director of digital publishing was hired to define new business models, an ambitious project to digitize the company's entire catalog was launched and an e-commerce distribution channel was created.

HIGHLIGHTS. In early 2008, publishers within the Editis group merged, based on their complementary nature of the material they publish, so as to attain the size and level of resources necessary for further expansion. Gründ and First were combined, then Perrin and Presses de la Renaissance. In addition, Hemma has joined Place des éditeurs and its new young people's division.

OUTLOOK

> In 2008, Editis intends to pursue its organic growth by expanding into new publishing segments, signing new distribution contracts and seizing opportunities in digital publishing. Editis also plans to take advantage of any acquisition opportunities that would allow it to strengthen its business.

editis.com

Stallergènes

World's leading biopharmaceutical company specialized in sublingual immunotherapy for allergy-related respiratory ailments.

26

47%

Wendel investment

- > Nearly 500,000 patients treated in 2006
- > Nearly 1 million treatments prepared
- > 16% of sales devoted to R&D
- > 700 employees

(in millions of euros)

2006 2007

Net sales	126.6	147.1
Operating income (before R&D)	41.2	49.1
Consolidated net income	14.6	16.0



ASSETS as of 12.31

(in millions of euros)

2007

74.1	56.5	130.6
Non-current assets	Current assets	Total

2006

67.2	55.9	123.1
Non-current assets	Current assets	Total

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31

(in millions of euros)

2007

66.4	19.1	45.1	130.6
Shareholders' equity	Non-current liabilities	Current liabilities	Total

2006

52.7	21.9	48.5	123.1
Shareholders' equity	Non-current liabilities	Current liabilities	Total

GROWTH ACCELERATED IN 2007. Growth picked up speed in 2007, with net sales up 16% to €147 million. Sublingual treatment is gaining popularity, growing 21% in 2007, and this is driving growth at Stallergènes on all markets. A significant increase in the number of new patients, in particular in France and Germany, has been the principal vector.

Owing to these strong sales, operating income was €49 million before R&D, up 19% and €25.3 million after R&D, a rise of 9%. Net income was €16 million, up 10% over 2006. These good results were achieved amid increases of 32% in R&D and 20% in sales and marketing costs related to the tablet program.

Stallergènes maintained its net margin at the high level of 11.1%, enabling it once again to generate significant, positive free cash flow of €6.5 million and to reduce net debt by 14% to €10.4 million.

THE ORALAIR® TABLET PROGRAM. R&D represented more than 16% of net sales. Precursor and leader in sublingual immunotherapy, Stallergènes is now carrying out an ambitious development program aimed at offering sublingual immunotherapy in tablet form. The ORALAIR® tablet program includes three products (grass pollen, birch pollen and mites) and will make it possible to treat the principal allergies afflicting around two of every three allergy sufferers in Europe. The effectiveness and favorable tolerance of ORALAIR® Graminées have been validated by the results of two clinical studies finalized in late 2007, one on

adults and one on children. As soon as the product is approved by the German healthcare authorities, Stallergènes will apply for approval in most European countries under the mutual recognition procedure.

The two other products, the birch pollen and mites allergen tablets, are under development.

Development of the tablets has required significant investment. Industrially, an extension to Stallergènes' production facilities will soon be opened, while on the sales & marketing side, significant resources have been devoted to preparation for the European launch of ORALAIR® Graminées. In addition, Stallergènes is seeking a partner to develop and sell ORALAIR® Graminées in the United States.

Alongside the tablet program, Stallergènes is conducting the Enhanced Allergens program, which aims to use new technologies to modulate the immune response.

This innovative research program is part of Stallergènes' overall approach, which consists in dedicating its unique expertise in allergens to the constant improvement of oral immunotherapy treatment.

OUTLOOK

> For 2008 Stallergènes aims to increase sales by at least 10%. To accompany the program underway, the company intends to intensify R&D, which should represent 17-18% of the top line in 2008. Stallergènes also plans to request authorization to perform clinical trials in the United States (IND process), in view of a filing. Finally, Stallergènes will continue to study proposals for partnerships in the United States.

stallergenes.com

Deutsch

Global specialist in high-performance connectors for harsh environments.

28

89%

Wendel investment and shareholder loan

- > No. 1 worldwide in high-performance connectors
- > Present in 25 countries
- > 3,500 employees worldwide

(in millions of USD)

	2006 ⁽¹⁾	2006 (5 months)	2007
Net sales	550	236	600
Adjusted operating income ⁽²⁾	90	39	89.5
Net income from business sectors	–	– 0.3	13.9

(1) Cumulative, pro forma, unaudited figures.

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



ASSETS as of 12.31
(in millions of USD)

2007

975	292	1,299
Non-current assets	Current assets	Total
	32 Non-current assets held for sale	

2006

988	272	1,260
Non-current assets	Current assets	Total

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31
(in millions of USD)

2007

111	1,025	154	1,299
Shareholders' equity	Non-current liabilities	Current liabilities	Total
		9 Non-current liabilities held for sale	

2006

180	957	123	1,260
Shareholders' equity	Non-current liabilities	Current liabilities	Total

A NEW ORGANIZATION. Over the last 18 months, Deutsch has combined its three independent American, French, and British companies into a single, global group. This project represented the major challenge of 2007.

To bring the group's structure into line with its new size, environment and challenges, Deutsch reorganized in July 2007, creating an Industry division and an Aircraft & Transportation division.

In this context, Deutsch created a group head office in New York, developed several transverse functions and hired several senior executives, including a Director of Aircraft & Transportation, a Chief Financial Officer and a Chief Information Officer. The group also installed centralized and more efficient IT and reporting systems.

The reorganized group has set two targets:

- develop a complete range of products by division;
- achieve better geographic coverage of its customers.

SOLID ORGANIC GROWTH. Overall organic growth was 4% in 2007.

The **Aircraft & Transportation division** saw healthy organic growth of 10% owing to positive initial results from the cross marketing strategy, in particular in the United States. In this way D-Easy, a product developed and manufactured in France, is now used by Boeing.

The **Industry division** remained stable, whereas Deutsch had expected a 50% decline in the US truck market, because a change in emission standards had prompted customers to bring many orders forward into 2006. Growth in European sales was very favorable. Finally, growth in the agriculture and construction markets was fueled by Asia and emerging economies in general.

ACQUISITIONS AND DISPOSALS. As part of its strategy to refocus the group on the manufacture and distribution of high performance connectors, Deutsch carried out three transactions in early 2008. It acquired 60% of Ladd Industries, a company that distributes the products of the Industry division in the United States and the 50% of Servo Interconnect it did not already own. Servo Interconnect is a UK-based distributor of connectors for auto racing vehicles. Separately, Deutsch sold its Relais business.

OUTLOOK

> Deutsch will reap the benefits of the measures implemented in 2007, in particular the procurement optimization program, in 2008. Deutsch is now well placed to improve its growth rate and its margins.

compagnie-deutsch.com

- > Production of around **17,500** barrels of oil per day
- > **34** production fields worldwide, mainly in the North Sea

(in millions of euros)	2006	2007
Net sales ⁽¹⁾	232	243
Operating income ⁽¹⁾	154	142
Net income from business sectors⁽²⁾	69.8	58.9

(1) Energy business.

(2) Excluding Wendel Group companies held via Oranje-Nassau.



ASSETS as of 12.31

(in millions of euros)

2007

992	132	1,124
Non-current assets	Current assets	Total

2006

839	144	1,006
Non-current assets	Current assets	Total
	23 Assets held for sale	

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31

(in millions of euros)

2007

815	154	155	1,124
Shareholders' equity	Non-current liabilities	Current liabilities	Total

2006

745	156	105	1,006
Shareholders' equity	Non-current liabilities	Current liabilities	Total

ENERGY. Oranje-Nassau's strategy is to acquire fields already in operation. The group does not undertake exploration, a more risky activity.

The average price of Brent oil, the benchmark, was \$72.45 per barrel, up 10% from the average price of \$65.75 in 2006. This was equivalent to €52.90 in 2007, vs. €52.20 in 2006, an increase of only 1% because of the steady appreciation of the euro against the dollar in 2007. Driving this further increase in energy prices in 2007 was an increase in worldwide demand.

Net sales from Energy operations totaled €243 million, up 5% from 2006. Oil and gas production stood at 5.4 million barrels, up 8% from the previous year. This increased came about because the Buzzard oil field, located on the UK continental shelf, came on stream. This successful launch more than offset the natural depletion of other oil and gas reserves in operation.

In July 2007, Oranje-Nassau signed an agreement with Devon Energy International Ltd to acquire all of its Gabon-based petroleum assets for \$206 million, subject to approval from the Gabonese authorities. These fields should increase the group's production by around 15%.

Conversely, Oranje-Nassau signed an agreement to sell half of the stake, i.e. 9.1% out of 18.2%, it held in the Janice oil field, located on the UK continental shelf. Completed in January 2008, this disposal and the corresponding capital gain will be recognized in the 2008 financial statements.

REAL ESTATE. Oranje-Nassau has decided to refocus on its core business, the acquisition of operating oil fields and to sell its real estate business. In October 2007, Oranje-Nassau believed market conditions to be favorable and sold its Real Estate division.

INVESTMENT. Since 2006, Oranje-Nassau has been making equity investments in the Netherlands, with the support of Wendel, in companies with high potential for business development.

Oranje-Nassau acquired 8% of AVR in 2006, alongside KKR and CVC Partners. AVR is the largest waste treatment company in the Netherlands. In 2007, Oranje-Nassau acquired Van Gansewinkel, an industry leader in Belgium, thereby strengthening its position as one of the premier European companies in this sector.

OUTLOOK

> Oil production is set to continue in 2008 with the acquisition of new oil fields in Gabon. The group is in a favorable position to pursue its investments.

oranje-nassau.com

AVR - Van Gansewinkel

AVR - VAN GANSEWINKEL is a major participant in the waste collection and treatment market. In 2007 the company processed more than 10 million metric tons of waste and posted net sales of more than €1.2 billion.

THE GROUP'S 6,500 EMPLOYEES are specialists in collection, storage, recycling and processing of all types of waste. They

are constantly seeking to offer waste treatment solutions to companies and local authorities.

(in millions of euros)	2007
Net sales	1,197
Operating income	274

OUTLOOK

> In the context of its expansion, AVR - Van Gansewinkel acquired De Sutter in Belgium, Semler, based in Son en Breugel, Netherlands and the container specialist J. Eiland in Emst, Netherlands.

avrvangansewinkel.eu

Stahl

World leader in high-performance finishings
for leather, textiles and related products.

32

48%

Wendel investment
and shareholder loan

- > 9 manufacturing sites
- > 26 technical service centers
- > 1,300 employees in 28 countries

(in millions of euros)

2006 ⁽¹⁾

2006
(6 months)

2007

Net sales	316	155	311
Adjusted operating income ⁽²⁾	44.4	20.1	44.2
Net income from business sectors		3.9	3.4

(1) Cumulative, pro forma, unaudited figures.

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



ASSETS as of 12.31 (in millions of euros)

2007

502	135	637
Non-current assets	Current assets	Total

2006

546	130	676
Non-current assets	Current assets	Total

LIABILITIES AND SHAREHOLDERS' EQUITY as of 12.31 (in millions of euros)

2007

66	468	103	637
Shareholders' equity	Non-current liabilities	Current liabilities	Total

2006

73	516	87	676
Shareholders' equity	Non-current liabilities	Current liabilities	Total

PRESENTATION OF ACTIVITIES. Stahl is the leading global producer of leather finishing chemicals and performance coatings, for use in clothing, footwear, motor vehicles, furniture, and other leather goods applications. Stahl also sells chemicals and dyes for the processing of leather.

RECOVERY IN ORGANIC GROWTH. After a decline in the first half of 2007 due to market softness, Stahl's organic growth rose +3% in the second half of the year, in particular owing to the good performance of the performance coating division (Permuthane) and leather finish division in Asia. Net sales in 2007 totaled 311 million euros, representing an organic growth for the year of +1%.

ROBUST CASH GENERATION. Stahl has historically benefited from high cash conversion rates (in excess of 70%), due to low capital expenditures and strict management of working capital. The cash conversion rate $(EBITDA - \text{capex} - \text{change in WCR}) / EBITDA$ increased further to more than 90% due to successful action plans to reduce working capital.

COST OPTIMIZATION AND ORGANIZATION STRENGTHENING. Stahl's management implemented a plan to optimize fixed costs and improve operations, thereby boosting the company's profitability, a trend that is expected to continue in 2008. The new CEO, Huub van Beijeren, has successfully simplified the organization and strengthened the global management team with a new Director of Manufacturing and Director of Purchasing and Logistics. Fixed cost optimisation actions were started in June mainly in Europe and the USA. As a result operational costs excluding depreciation and amortization were almost 4 million euros lower in the second half year than in the first half year in 2007.

FOCUS ON ASIA. A new General Manager China was appointed to lead the growth in this important market and to capitalize on the launch of the new Suzhou plant (China). This 17.5 million US dollar investment provides Stahl with access to parts of the Chinese market previously untapped due to high import duties, transport costs and long lead times. The unit has been on trial production in early 2007 and sales took off in the second half of the year. Furthermore, leather finish sales staff has been doubled in Asia in the last 2 years, reflecting Stahl's continuous efforts to strengthen its market positions.

OUTLOOK

> The outlook for 2008 is positive, capturing the full year benefits of the restructuring in 2007, focusing on growth in Asia Pacific and further working capital improvements. Stahl expects to be in a better position than competition to benefit from the opportunities which are offered by the market in both leather and high performance coating (Permuthane).

stahl.com

COMMITMENTS

Corporate governance
Environmental policy
Social policies
Patronage



**“OUR GROUP HAS BEEN
IN BUSINESS FOR MORE
THAN 300 YEARS.
THERE CAN BE NO
CORPORATE SUSTAINABILITY
WITHOUT A SHARED
VISION, STRONG
VALUES AND AN ETHICAL
AND RESPONSIBLE
COMMITMENT.”**

COMPOSITION OF THE CORPORATE BODIES

As of the Shareholders' Meeting of May 31, 2005, Wendel became a *Société Anonyme* with an Executive Board and a Supervisory Board. As of December 31, 2007, the Supervisory Board included ten members and the Executive Board two. The number of members will rise to eleven with the appointment of Frédéric Lemoine, if approved by the shareholders in their Meeting to approve the 2007 financial statements.

Members of the Supervisory Board are ordinarily appointed for a four-year term. 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 are as follows:

2008 (Annual Shareholders' Meeting at which shareholders approve 2007 financial statements):

Jean-Marc Janodet
François de Mitry
François de Wendel

2009 (Annual Shareholders' Meeting at which shareholders approve 2008 financial statements):

Ernest-Antoine Seillière
Édouard de L'Espée
Grégoire Olivier

2010 (Annual Shareholders' Meeting at which shareholders approve 2009 financial statements):

Nicolas Celier
Béatrice Dautresme

2011 (Annual Shareholders' Meeting at which shareholders approve 2010 financial statements):

Didier Cherpitel
Guy de Wouters

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

Rules of operation

The Executive Board is "collectively responsible for managing the Company."

To this end, it has extensive management and decision-making powers.

Pursuant to the Company's by-laws, the Supervisory Board exercises ongoing oversight of the Executive Board. 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, key income statement ratios and principal balance sheet items), projected or executed financial transactions and all other transactions that might affect the Company.

Every quarter, the Executive Board also presents the change in net asset value per share, indicating the value created by the Company, share price performance, as well as items indicating the Company's performance relative to its peers and to the principal equity market indices. It also presents the balance sheet of the Company, its debt structure, the nature and maturities of its financing.

The Executive Board also informs the Supervisory Board every quarter about changes in the share capital and voting rights, about the Company's proposed acquisitions or divestments and any other plans that might have a material impact on the financial condition 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, any debt issue, any planned capital increase or issue of securities giving access to the capital, including indirectly or in the future.

The Supervisory Board may conduct any verification it deems appropriate.

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 revocation of members of the Executive Board. It sets, on the basis of proposals from its Governance Committee, the policy regarding the compensation and bonuses paid to members of the Executive Board. It also renders its opinion, based on the recommendations of the Executive Board, on proposed profit-sharing and other performance-based awards and sets the overall limits for co-investment amounts that can be invested by each member of the Executive Board.

In addition to the responsibilities conferred by law, the Company's by-laws require the Supervisory Board to approve amendments to the by-laws and any transaction that changes, directly or indirectly, the share capital of the Company. It must also approve any decision to appropriate earnings or pay dividends.

To discharge its responsibilities, the Supervisory Board may create standing committees composed of its members to monitor certain activities of its choosing.

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.

1 – Supervisory Board and Executive Board

1.1 – The composition of the Supervisory Board

The Supervisory Board comprises the following ten members:



Ernest-Antoine Seillière,

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, Deputy CEO and 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 Editis Holding and 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 the President of Medef (French Employers' Federation) from 1997 to 2005 and has been the 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 70.

As of December 31, 2007, he owned directly or indirectly 1,185,972 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, 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 Electrafina, 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, Stallergènes, etc. He is currently a Senior Advisor and member of the European Advisory Council of Lehman Brothers in London.

In addition, he was also Chairman of Uniapac (International Union of Christian Business Executives) from 1993 to 1997.

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 77. As of December 31, 2007, 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 currently holds appointments as a board director or corporate officer of several companies: FKO Invest BV (Netherlands), Solving International SA, Parkers Mussy SAS, Lamibois SAS, Oslo SA, I-ces SAS and RSO SpA (Italy). He is Chairman of the Supervisory Board of Optimprocess SA and the Board of Cherche-Midi Participations SAS (since 2002). Age 64.

As of December 31, 2007, he owned directly, or indirectly, 99,739 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 is currently Chairman of the Supervisory Board of Atos Origin and 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). Age 63.

As of December 31, 2007, he owned directly, or indirectly, 4,000 Wendel shares as defined by regulations..



Béatrice Dautresme,

Graduate of the *École nationale des langues orientales*. She has spent her entire career at L'Oréal. After nine years as Executive Vice President of the Cosmetics division in the United States, she returned to France in 1989. She was

Executive Vice-President International of Helena Rubinstein and has been a member of the Management Committee of L'Oréal since 2001 as Executive Vice-President in charge of Corporate Communications, External Affaires and Prospective. She is a

member of the National Order of the Legion of Honor. Age 62. As of December 31, 2007 she owned directly, or indirectly, 375 Wendel shares as defined by regulationsl.



Jean-Marc Janodet,

(His appointment is up for renewal at the Shareholders' Meeting at which shareholders approve the 2007 financial statements.) Graduate of the 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 Stallergènes. He is an officer of the National Order of Merit. Age 73.

As of December 31, 2007 he owned directly, or indirectly, 22,935 Wendel shares as defined by regulations.



Édouard de l'Espée,

Graduate of the ESCP. He began his career as a financial analyst and portfolio manager in Geneva, London and Paris. In 1988 he was appointed manager of Praetor Global Bond, an international bond fund (best performing European fund over 10 years according to Standard & Poor's in 2002), and he established Concorde Bank Ltd. Partner of Optigestion SA in Paris and independent manager in Geneva since 1991. He established Calypso Asset Management SA in 1999. He is a member of the Swiss Wealth Management Association, director and CEO of Calypso Asset Management (since 1999) and since 2004 has been a director of Praetor Sicav SA (Luxembourg), Concorde Asset Management (Barbados) and SLPS. Age 59.

As of December 31, 2007 he owned directly, or indirectly, 3,706 Wendel shares as defined by regulations.



François de Mitry,

(His appointment is up for renewal at the Shareholders' Meeting at which shareholders approve the 2007 financial statements.) 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 as an analyst and then was responsible for structured finance in relation to LBOs. He joined Intermediate Capital Group PLC (ICG) 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, SIA, Sebia, Rétif, Medi-Partenaires and Protection One. He is also Chairman of the Supervisory Board of Eisman GmbH. Age 42. As of December 31, 2007, he owned directly or indirectly 85 Wendel shares and has owned 285 shares since the beginning of April 2008, as defined by regulations.



Grégoire Olivier,

Graduate of the *École polytechnique* and appointed as *Ingénieur en chef [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 is a knight of the National Order of Merit. Age 47. As of December 31, 2007, he owned directly, or indirectly, 100 Wendel shares as defined by regulations.



François de Wendel,

(His appointment is up for renewal at the Shareholders' Meeting at which shareholders approve the 2007 financial statements.)

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). Age 59. As of December 31, 2007 he owned directly, or indirectly, 207,950 Wendel shares as defined by regulations. There were ten members serving on the Board as of December 31, 2007. There will be an additional member if shareholders accept his appointment in their meeting to approve the 2007 financial statements:

Frédéric Lemoine,

(Candidature presented for approval by shareholders' at a vote in their general meeting). Graduate of HEC, the *Institut d'études politiques de Paris*, and the *École nationale d'administration* and has a law degree.

He began his career in the *Inspection des Finances*, then worked in the office of two ministers. He joined Capgemini in 1997 where he subsequently became Deputy CEO and Financial Director 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 has been Chairman of the Supervisory Board of Areva since March 2005.

He has also been a director of Groupama SA and Flamel Technologies since 2005. Since 2007, he has been a censor of the Supervisory Board of Générale de Santé, after being a member (2006-2007). In addition, he also undertakes consulting assignments, having created a company, LCE, of which he is the CEO. Since 2004 he has worked for McKinsey as a senior adviser. He is a knight of the National Order of Merit. Age 42.

He owns 100 Wendel shares.

1.2 – The operation of the Supervisory Board

The Supervisory Board meets regularly and at least four times per year. In 2007 and through March 2008, the Supervisory Board met 15 times (vs. eleven times in the previous year). Average attendance was 90% for Supervisory Board meetings and no member of the Board was absent more than three times. The average length of Supervisory Board meetings was more than two hours.

January 29, 2007 – Agenda:

- Situation of subsidiaries,
- Forecasts of 2006 income,
- Cash position,
- Net asset value and share price,
- 2007 budget,
- Development plans,
- Proposed simplification of shareholding structure,
- Audit Committee report,
- Governance Committee report,
- Shareholders as of December 31, 2006,
- Related-party agreements.

February 23, 2007 – Agenda:

- Bond issue.

March 28, 2007 – Agenda:

- 2006 financial statements, Audit Committee report and interview of Statutory Auditors,
- Net asset value,
- Setting of proposed dividend,
- Proposed simplification of shareholding structure,
- Governance Committee report,
- Review of draft resolutions,
- Reports of the Chairman to shareholders at their Annual Meeting,
- Projects.

April 26, 2007 – Agenda:

- Governance Committee report,
- Projects.

1st meeting of June 4, 2007 – Agenda:

- Situation of subsidiaries,
- Financial position,
- Net asset value and share price,
- Projects,
- Governance Committee report,
- Guarantees, pledges and collateral,
- Changes in capital and shareholders.

2nd meeting of June 4, 2007 – Agenda:

- Governance,
- Authorization for the Executive Board to increase capital.

July 18, 2007 – Agenda:

- Situation of subsidiaries, 2007 forecasts,
- Projects,
- Governance Committee report,
- Changes in capital.

August 30, 2007 – Agenda:

- First half financial statements, Audit Committee report and interview of Statutory Auditors,
- Financial position,
- Net asset value,
- Projects.

September 19, 2007 – Agenda:

- Change in the market situation.

October 4, 2007 – Agenda:

- Projects.

October 25, 2007 – Agenda:

- Projects.

December 5, 2007 – Agenda:

- Situation of subsidiaries,
- Financial position,
- Net asset value,
- Projects,
- Governance Committee report.

January 30, 2008 – Agenda:

- Situation of subsidiaries,
- Forecasts of 2007 income,
- Net asset value,
- 2008 budget,
- Projects,
- Audit Committee report,
- Shareholders as of December 31, 2007,
- Related-party agreements.

February 13, 2008 – Agenda:

- Projects.

March 13, 2008 – Agenda:

- Projects.

March 26, 2008 – Agenda:

- Company activity and projects,
- 2007 parent company and consolidated financial statements, Audit Committee Chairman's report, Statutory Auditors' opinion,
- Governance Committee Chairman's report,
- Draft resolutions for the June 9, 2008 Annual Shareholders' Meeting,
- Financial communication,
- Chairman's reports.

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

Once a year, the Board meeting includes a discussion of how the Supervisory Board's working sessions were prepared and organized.

1.2.1 – The Committees

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

1.2.1.1 – The Audit Committee

The Audit Committee was composed of four members:

Jean-Marc JANODET (Chairman)

Nicolas CELIER

Édouard de L'ESPÉE

Grégoire OLIVIER

Each member of the Audit Committee has 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. Grégoire Olivier is considered to be an independent Committee member.

Responsibilities of the Audit Committee

The Committee's responsibilities are as follows:

- ensure that the accounting policies chosen are appropriate and properly applied to the parent company and consolidated financial statements,
- verify the accounting treatment of any significant transactions conducted 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 the selection 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.

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 fulfill 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. In particular, the Audit Committee may interview the accounting staff as well as the Statutory Auditors and, if it so desires, independently 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 six times between January 2007 and March 2008 (vs. six times in 2006). Attendance was more than 95%, and meetings lasted on average three hours.

January 24, 2007 – Agenda:

- Selection of Statutory Auditors: review of responses to the call for tenders and candidate selection,
- Review of proposal to divest Solfur; report of Associés en Finance.

March 28, 2007 - Agenda:

- 2006 parent company and consolidated financial statements,
- Financial position,
- Net asset value,
- Financial communication,
- Review of draft corporate governance and internal control reports.

July 19, 2007 – Agenda:

- Situation of subsidiaries,
- Accounting matters,
- Indebtedness.

August 31, 2007 – Agenda:

- First half parent company financial statements and interview of Statutory Auditors,
- Net asset value and interview of Associés en Finance.

January 30, 2008 – Agenda:

- Forecasts of 2007 net income,
- Accounting matters,
- Indebtedness,
- Net asset value as of December 31, 2007 and interview of Associés en Finance,
- Preparation of the report on internal control.

March 20, 2008 - Agenda:

- Review of Chairman's reports on corporate governance and internal control,
- 2007 parent company and consolidated financial statements,
- Accounting matters,
- Statutory Auditors' report,
- Indebtedness of Wendel and its subsidiaries,
- Renewal of the appointment of an alternate Statutory Auditor,
- Interview of Associés en Finance.

1.2.1.2 – The Governance Committee

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

Guy de Wouters, Vice-Chairman of the Supervisory Board
 Didier Cherpitel
 François de Mitry
 François de Wendel
 Béatrice Dautresme

Guy de Wouters was the Committee's Chairman until April 17, 2007. Since then Didier Cherpitel has been the Chairman.

The Governance Committee includes two independent members, as defined by the AFEP-MEDEF reports, Béatrice Dautresme and Didier Cherpitel, its chairman since April 2007.

Responsibilities of the Governance Committee

- Propose candidates for Supervisory Board membership after reviewing all factors that must be taken into account. These include the desired balance of the Board's composition in function of the composition of and changes in the Company's shareholding, in particular the desired 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,
- 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 posed by the Supervisory Board.

Organization and procedures

The Committee met ten times from January 2007 to March 2008 (vs. six times in 2006). Attendance at the meetings was 80%. The meetings lasted on average two hours.

January 29, 2007 – Agenda:

- Review of proposal to divest Solfur,
- Comments on stock option grant policies.

March 28, 2007 - Agenda:

- Renewal of the terms of members of the Supervisory Board,
- Review of the draft report on corporate governance,
- Commitment of corporate officers to hold shares obtained through the exercise of stock options,
- Equity stakes of corporate officers and employees of the company.

April 17, 2007 - Agenda:

- Participation of management teams in value creation,
- Compensation of members of the Supervisory Board.

May 22, 2007 - Agenda:

- Governance Committee activity,
- Stock option grant policies,
- Co-investments.

July 18, 2007 – Agenda:

- Bonuses of members of the Executive Board,
- Update on the situation of co-investments.

December 6, 2007 – Agenda:

- 2008 compensation of the members of the Executive Board,
- Information on stock options,
- Information on co-investments.

February 13, 2008 – Agenda:

- Composition of the Supervisory Board,
- Criteria for the granting of bonuses to members of the Executive Board,

- Policy for the participation of the management team in value creation in 2008.

March 26, 2008 - Agenda:

- Review of the report on corporate governance,
- Review of the report on the compensation of corporate officers,
- Co-investments,
- Criteria for the granting of bonuses to members of the Executive Board,
- Stock option grant policies.

1.3 – Rules governing the members of the Supervisory Board

1.3.1 – Relations between members of the Board and the Company and independence

The Supervisory Board uses the Bouton 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."* As it did last year, the Supervisory Board examined the situation of each of its members to ensure that they:

- were not employees or corporate officers of the Company, its parent company or a consolidated company; either currently or during the last five years;
- did not act as the Company's investment or commercial banker;
- did not have family ties with a member of the Board;
- have not been a paid director of a Group subsidiary;
- have not been a member of the Board for more than 12 years.

At its March 26, 2008 meeting, the Supervisory Board examined the independent character of its members, as defined by the Bouton report, and considered that as of January 1, 2008 the following three members satisfied the criteria: Béatrice Dautresme, Didier Cherpitel and Grégoire Olivier and that Frédéric Lemoine, if appointed by shareholders' at their Annual Meeting, would also fall into this category. Under these conditions, the Supervisory Board will have a composition in accordance with the recommendations of the Bouton report. This report recommends that one third of the directors of the companies controlled should be independent, and Wendel would have four out of eleven independent directors. Conversely, the following members belong to the families descended from François de Wendel: Ernest-Antoine Seillière, Guy de Wouters,

Nicolas Celier, Édouard de l'Espée, François de Mitry and François de Wendel.

In addition, over the last five years, none of the members of the Supervisory Board has been convicted of fraud, has been party to a bankruptcy or court-ordered liquidation or has been prevented by law from exercising the functions of corporate officer.

1.3.2 – The Supervisory Board's Code of Conduct

The Code of Conduct 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.

1.3.3 – 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 within AFEP: henceforth, members of the Supervisory and Executive Boards must not trade any Wendel shares in the market during a period beginning 30 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 IPO of Bureau Veritas was considered as a blackout period. Similarly, the new rules forbid any hedging transaction of less than one year on Wendel shares.

The Supervisory Board has also decided to prohibit its members from holding shares in listed companies of which the Group is a shareholder. This prohibition also directed at any listed or unlisted company in which Wendel might be considering an investment. The same rule applies for Wendel employees by decision of the Executive Board, which has decided to impose, if necessary, restrictions or prohibitions on the exercise of stock options followed by sale of the shares, on the acquisition or sale of Wendel shares within the Company savings plan and the sale of bonus shares.

The Code of Conduct complies with the recommendation of the *Autorité des marchés financiers* (AMF) concerning the disclosure of transactions by corporate officers. It recommends that Board members hold their shares in nominative form and disclose all transactions they execute directly, that are executed by a family member or by a company they control.

Since January 1, 2005, pursuant to article L. 621-18-2 of the Financial and Monetary 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.

In 2007, corporate officers carried out the following 19 transactions: a schedule with details of them appears in pages 214-215 of this report.

1.3.4. – Apportionment of directors' fees

At the Shareholders' Meeting of May 29, 2006, the total annual amount of directors' fees was set at €700,000. The breakdown on an annual basis, which was modified 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

(€32,000 (previously) ;

Additional fee for committee membership: €15,000

(previously €10,000) ;

Fee paid to the Chairman of each committee: €60,000

(previously €48,000).

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 (previously €128,000). He also receives a payment equal to twice the basic director's fee (up to now it was the basic director's fee). Finally, members of the Board may be reimbursed for their travel expenses outside the Paris region. Directors' fees are not adjusted according to attendance.

The Company pays no director's fees to members of the Executive Board. Director's fees paid to them by the Group's subsidiaries are deducted from their annual compensation.

2 – The Executive Board

2.1 – Composition of the Executive Board

The Executive board is composed of two members: Jean-Bernard Lafonta and Bernard Gautier. Neither of them has family or business ties with the members of the Supervisory Board that might constitute a conflict of interest.



Jean-Bernard LAFONTA,

Graduate of the *École Polytechnique* and *Ingénieur en chef [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 has been Chairman of the Executive Board since 2005. Wendel Investissement became Wendel in 2006. He is Chairman of the Supervisory Board of Bureau Veritas (since 2005) and Editis Holding (since 2004), Director of Legrand (since 2002), Chairman of the Board of Directors of Winvest International SA (Luxembourg) and the Management Board of Winvest Conseil Sarl (Luxembourg) (since 2006), member of the Supervisory Board of Oranje-Nassau (the Netherlands) (since 2002), member of the Management Board of Materis Parent Sarl (Luxembourg) (since 2006) and the CEO of Granit SARL, JBMN (Luxembourg) and the private partnership company Hautmer (since 2007), Chairman of CDA (since 2007). He was previously a Director of Cap Gemini (2002-2003), Legrand France (2002-2006), Lumina Parent (2003-2006) and Valeo (2001-2006). He was also the SOFU permanent representative on the Bureau Veritas Board of Directors (2002-2005). He is a knight of the National Order of the Legion of Honor. Age 46.

As of December 31, 2007, he owned directly or indirectly 1,219,185 Wendel shares as defined by regulations.



Bernard GAUTIER,

Graduate of the *École supérieure d'électricité*.

He began his career by creating a business, AG Euromedia, in the media sector. 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 2004 and was appointed a member of the Executive Board in 2005.

He is Vice-Chairman of Editis Holding (since 2004), member of the Supervisory Board of Altineis (since 2004) and Legron BV (the Netherlands) (since 2006), Director of Communication Media Partner (since 2000), Stahl Holdings BV and Stahl Group BV (since 2006) and Winvest International SA (Luxembourg) (since 2006). He has also been CEO of BG Invest, BJPG Participations, BJPG Assets, SCI La République and Winvest Conseil Sarl (Luxembourg) (since 2006). He was previously Chairman of the Board of Lineis (2003-2005) and Director of Wheelabrator Allevard and TFM (2004-2006). Age 48.

As of December 31, 2007 he owned directly, or indirectly, 288,272 Wendel shares as defined by regulations.

2.2 – Operation of the Executive Board

The Executive Board met 25 times in 2007 (13 times in 2006) with an attendance rate of 100%. The meeting agendas were as follows:

January 29, 2007

- Q3 2006 business report,
- Net asset value and share price,
- Capital increase,
- Proposed simplification of shareholding structure,
- Projects,
- Related-party agreements.

February 5, 2007

- Approval of consolidated pro forma 2006 revenues,
- Group shareholdings.

February 21 and 23, 2007

- Bond issue

March 19, 2007

- Q4 2006 business report,
- Approval of the 2006 parent company financial statements,
- Approval of the 2006 consolidated financial statements,
- Preparation of 2006 management and supplementary reports,
- Determination of the date of the Shareholders' Meeting and of the agenda therefore,
- Preparation of the draft text of the resolutions,
- Proposed appropriation of earnings,
- Presentation of 2007 budget,
- Projects.

March 26, 2007

- NAV and share price,
- Proposed simplification of shareholding structure.

April 6, 2007

- Issue of a payment guarantee,
- Review of subsidiaries and other equity investments,
- Projects,
- Participation of management in Group performance.

May 2, 2007

- Approval of Q1 2007 revenues,
- Q1 2007 business report.

May 14, 2007

- Invitation to June 4, 2007 Shareholders' Meeting (ordinary and extraordinary),
- IFinancial communication,
- IBusiness ethics.

May 29, 2007

- Capital increase,
- Reduction of capital through the cancellation of treasury shares,
- Modification of section 6 of by-laws relating to share capital,
- Net asset value and share price,
- Financial communication,
- Bond issue,
- Review of subsidiaries and other equity investments,
- Projects,
- Guarantees, pledges and collateral.

June 4, 2007

- Collective performance bonuses,
- Company savings plan,
- Grant of subscription options,
- Bonus share issue,
- Bond issue.

July 16, 2007

- Capital increase,
- Approval of H1 2007 revenues,
- Projects,
- Bond issue,
- Business ethics.

August 27, 2007

- Group activity and H1 2007 financial statements,
- Q2 business report,
- Net asset value and share price,
- Financial communication,
- Capital increase,
- Projects,
- Syndicated credit line,
- Miscellaneous.

September 3, 2007

- Review of subsidiaries and other equity investments,
- Projects,
- Syndicated credit line,
- Review of labor relations issues.

September 13, 2007

- Projects.

October 5, 2007

- Planned IPO of Bureau Veritas.

October 23, 2007

- Decisions relating to the IPO of Bureau Veritas,
- Projects,
- Review of labor relations issues.

October 29, 2007

- Review of labor relations issues.

November 5, 2007

- Net asset value,
- Approval of consolidated revenues for the first nine months of 2007,
- Projects.

November 12, 2007

- Business ethics,
- Projects,
- Review of labor relations issues.

November 22, 2007

- Net asset value and share price,
- Projects.

December 10, 2007

- Preparation of the Investor Day,
- Review of subsidiaries and other equity investments,
- Projects,
- Review of labor relations issues.

January 28, 2008

- Q3 2007 business report,
- Net asset value and share price,
- Capital increase,
- Changes to the bylaws,
- Related-party agreements,
- Presentation of 2008 budget,
- Projects.

February 4, 2008

- Approval of consolidated proforma 2007 revenues.

March 17, 2008

- Related-party agreements,
- Q4 2007 business report,
- Approval of the 2007 consolidated and parent company financial statements,
- Preparation of 2007 management and supplementary reports,
- Determination of the date of the Shareholders' Meeting and of the agenda therefor,
- Drafts of resolutions to be submitted to the Supervisory Board on March 26, 2008,
- Proposed appropriation of earnings,
- Net asset value and share price,
- Financial communication.

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 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, 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 capability 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 a self-assessment questionnaire to the main subsidiaries, including Wendel itself.

The 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, 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 was 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.

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 will be continued and extended in 2008. The data gathered will enable 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; the Executive Board reports to the Supervisory Board at least quarterly on the Group's situation, that of its subsidiaries and on key indicators (debt, NAV per share, etc.); the annual budget and twice-yearly updates thereto are presented to the Supervisory Board; and the Audit Committee examines the quality and reliability of the financial statements. All of these procedures, whose general principles derive from legislation or the by-laws, are included in the Board's 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. Part of each meeting of the Audit Committee is 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 disposals.

3.2 – Internal dissemination of information

At Wendel, each person's responsibility for constituting and reporting information is clearly identified. When necessary, responsibilities are formalized by delegations of authority. The Group is finalizing the implementation of a system of annual performance reviews that will enable everyone to know precisely the objectives set for them and their strengths and weaknesses.

As far as information sharing is concerned, in addition to the weekly meetings mentioned above and internal meetings for each team, the Chairman of the Executive Board convenes a meeting with all the Company's employees whenever necessary and at least four times a year. An intranet was installed at Wendel in February 2008. Its purpose is to share useful information with all interested parties.

3.3 – Risk identification, analysis and management system

The chapter dealing with risk in the Annual Report lists the main risks encountered within the Group and the manner in which they are addressed. The organization of the Company and its Committees described in section 3.1, enables 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 HR risks 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 risk monitoring with each department and may decide to set up ad hoc Committees for certain risks.

As indicated above, the Executive Board presents to the Supervisory Board, whenever required and at least four times a year, the main risks that could significantly impact Wendel's net asset value.

Subsidiaries manage their own risks, in particular operational, and take the necessary measures to understand and monitor them. It is up to them, in particular, to decide if a mapping of these risks is necessary and to determine the action plans to put in place each year. Nevertheless, Wendel's presence in the governing bodies of its subsidiaries allows it to ensure an active monitoring of major risks (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 reporting,
- 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 two 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 corporate governance report details the activities of the Supervisory Board, its Committees, the Executive Board, both on an ongoing basis and during 2007, 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 chapter related to co-investments of subsidiary management in Group investments).

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 secured and in accordance with objectives.

- The CFO puts in place a system for monthly reporting of the cash position of the parent company and the consolidated holding companies.
- All cash transactions related to day-to-day operations require two signatures. The transactions specifically approved by the Supervisory Board are initiated solely by the Chairman of the Executive Board or under his direct authority.

- Issues of bonds or any other form of debt are presented to the Supervisory Board.
- 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:

Because of the Company's activities, employees may have access 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 recalls 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 list of permanent insiders, specifies the rules for refraining from stock exchange transactions during the 30 calendar days prior to the announcement of the semiannual 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.

- Prevention of fraud – in order to prevent as far as possible the risk of fraud the Company has introduced strict rules:
 - only the Corporate Accounting and Finance Department may issue checks or funds transfer orders,
 - 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, have been standardized
 - an Operations Committee member is responsible for systematically matching invoices to estimates,
 - supplier estimates must systematically be negotiated with verification by the Operations Committee member or members in charge.

Additionally, 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 to decide upon interventions to the systems and the protection or retention of data at regular intervals.

4 – PREPARATION OF WENDEL ACCOUNTING AND FINANCE INFORMATION

The internal control procedures designed to ensure that the annual and semiannual 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 meets with the CFO of each subsidiary 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 auditors of the Group's subsidiaries are harmonized to ensure better communication with the parent company's 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 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, checking 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). They also meet regularly with the Statutory Auditors to ensure with them the reasonableness of the parent company and consolidated financial statements. They also make certain of the consistency of, or any changes to, accounting policies.

Internal control procedures related to financial information

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

5 – 2008 ACTION PLANS AND OUTLOOK

The work undertaken in 2007 by Wendel and its subsidiaries will be continued in 2008 and will focus:

- on an 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;
- on a review of the internal control systems in relation to the production of accounting and financial information, using the AMF Accounting and Finance Application Guide as a basis.

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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT

Year ended December 31, 2007

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

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, 2007.

It is the Chairman's responsibility to describe in his report the preparation and organization of the Supervisory Board's work and the internal control procedures implemented by the Company. It is our responsibility to report to you on the information set out in the Chairman's report on internal control procedures relating to the preparation and processing of financial and accounting information.

We performed our procedures in accordance with the professional standard applicable in France. This standard requires 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 our work, we have no matters to report on the information given on internal control procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Supervisory Board's report, prepared in accordance with article L. 225-68 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, April 28, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Thibault

Ernst & Young Audit

Jean-Pierre Letartre

WENDEL

As Wendel is an investment company, it has no industrial activities and therefore no specific environmental protection policy. Nevertheless, Wendel takes into account the principles of sustainable development – a manner of growth that, according to the definition in the Brundtland report of the United Nations, “meets the needs of the current generation while protecting those of future generations” with regard to both human and environmental issues – when it makes investment decisions and when it monitors the activities of the Group’s subsidiaries.

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, inspection. 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.

We present below a summary of the environmental policies of the companies of which the Group is the majority shareholder and whose financial statements are therefore fully consolidated by Wendel.

BUREAU VERITAS

The Bureau Veritas environmental policy is an integral part of the new Health & Hygiene, Safety and the Environment (HSE) statement that has recently been reissued. It stipulates clearly 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 importance of the environmental impact in terms of sustainable development is key to the services offered by Bureau Veritas to its customers and forms an integral part of current projects managed by the QHSE (Quality, Hygiene & Health, Security and the Environment) group and of corporate culture.

The Bureau Veritas group has decided to set proactive and tangible objectives aiming to reduce its ecological footprint. With this aim, a certain number of initiatives have been developed at the national level, including:



- Management and elimination of waste generated by laboratory activities and non-destructive tests.
- Analysis of carbon emissions from activities, including travel with, in particular, the development of a carbon emissions monitoring tool specifically designed for Bureau Veritas sites.
- Reduction in the consumption of raw materials.
- Distribution of Group news bulletins electronically or on recycled paper or paper meeting FSC (Forestry Stewardship Council) standards, i.e. sourced from responsibly-managed forests.
- Initiatives aiming to produce reports electronically for customers and storing internal archives in digital format.

In 2007, the Bureau Veritas procurement department launched a pilot project in France, Spain, the United Kingdom, Italy, Hong Kong and Japan in order to analyze and increase the budget dedicated to ecological stationery items purchased from business suppliers.

At the end of 2007, about 28% of all stationery items purchased in these countries were considered to be ecological products by suppliers.

This pilot project will be used as a reference in order to develop an ecological procurement policy for all of Bureau Veritas.

Bureau Veritas UK and Bureau Veritas Brasil have launched the preparatory work for obtaining ISO 14001 certification by the end of 2008 (in the UK one site has already obtained ISO 14001 certification).

Bureau Veritas France has recently finalized a three-year environmental action plan that will result in ISO 14001 certification of all French sites between now and the end of 2010.

These initiatives will lead to certification throughout the world of more than 100 sites in accordance with recognized benchmarks of the HSE management system.

Following measures in relation to energy audits that have generated energy and paper savings in France, the Bureau Veritas group has launched a pilot project in 10 sites throughout the world in order to maximize the reduction in energy consumption and the volume of waste produced. This pilot project involves offices from China to the United States to Angola, and concerns around 5,700 employees. For 2008, the objectives consist of reducing energy consumption by at least 10% and paper consumption by at least 15%. Among the sites concerned is the new head office in Neuilly-sur-Seine that Bureau Veritas will move to in May 2008.

In partnership with Bureau Veritas UK, the group QHSE department has also sponsored the development of a tool to measure the "carbon footprint" that will enable Bureau Veritas sites to determine the extent of carbon emissions they generate as a result of their activities. This tool will be tested in the United Kingdom in 2008 before being made available to other sites in 2009.

In 2007 the Consumer Products division created a divisional Environmental Committee, which is currently paying particular attention to identifying opportunities for improvement of an ecological nature. The committee proposes to develop initiatives involving energy and waste for all sites during 2008.

(For more detail about Bureau Veritas' sustainable development policy, please refer to its 2007 annual report).

MATERIS



Respect for the environment and the health and safety of its employees is fundamental to the culture of the Materis group.

For the past 13 years these issues have been taken into account by the entire group through a global internal management system inspired by ISO standards.

At the same time a more and more significant number of group industrial sites are obtaining ISO 14001 certification.

"Development of our products, methods and equipment in line with health, safety and environmental requirements and respect for natural resources."

These management systems have led to advances on certain subjects, such as:

- 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);
- The manufacture and sale of products that are friendly to the environment and human health (Ecolabel or French environmental standards) such as:
 - water based paints (reduction in the production of solvent-based paints by 2010),
 - solvent-free glues and pastes,
 - dust-free coatings and mortars (implementation of a plan to substitute traditional coatings and mortars by the dust-free technology in the main producer countries),
 - biodegradable plant-based products,
 - optimization of the use of recycled aggregates,
 - formulations to reduce the levels of hexavalent chromium (Chromium (VI) in cement),
 - formol-free formulations for accelerators,
 - alumina cement enabling the utilization by refractory customers of a broader sample of raw materials.

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.
- Implementation of a return service policy for soiled packaging at Chryso.
- Selective sorting of waste.
- Processes to extract value from waste in the refractory industry.

Compliance with local laws, standards and regulations

Materis is constantly developing risk prevention and inspection programs, such as:

- Analysis of risks in a dynamic fashion.
- Safety and environmental audits followed by recommendations.
- Safety awareness sessions enabling the exchange of good practices.
- Safety visits with the objective of improving safety behavior in the workplace.

Reduction of air and water pollution

- Installation on site of industrial waste water treatment facilities.

Dialogue with internal and external partners

- Regular meetings with local government authorities.
- Systematic information meetings.
- Discussions of information bulletins on safety, the environment and energy savings.
- Dissemination of good practices on safety and environmental issues.
- Newly-hired employees and outside contractors are systematically made aware of risks
- Training.

The management of actions by:

- Stricter reporting
- Environmental and safety issues are coordinated directly by senior management and handled by a dedicated team. This team helps operational personnel adopt good practices at all levels in the company. It also helps implement local action plans and measures their effectiveness.

EDITIS



With its numerous publishing houses, brands and collections, Editis is one of the leading publishers in France and other French-speaking markets. The Group produces more than 100 million individual copies of its products per year. Consequently, to procure materials, it relies on highly specialized suppliers in the publishing value chain, i.e. paper manufacturers, printers and bookbinders.

Paper management policy

Every year, Editis buys more than 40,000 tonnes of paper from the world's largest paper manufacturers and is very sensitive to the impact this industry has on the environment.

Paper manufacturers that supply Editis only use paper pulp from forests managed with selection cutting methods, which enable them to grow and regenerate. The pulp obtained from wood processing is bleached with oxygen, virtually eliminating the use of chlorine-based products, whose effluents are harmful to the environment.

The paper industry has already solved a great number of environmental problems by using sustainable forest management policies in developed countries and many other parts of the world. It has strengthened its commitment by the promotion of international environmental standards encompassing the consumption of forestry resources, the development of eco-efficient production technologies – especially in water treatment and energy recovery, leading to a decline in consumption – as well as supporting compliance of production processes with ISO 14001 and Emas standards.

Editis uses paper manufactured with FSC (Forest Stewardship Council) certification. This is an independent certification that guarantees paper sourced from sound and reasonable management of forestry resources and also certifies the entire production chain. Certain Editis publishers also use 100% recycled paper sourced from the selective collection according to the APUR (French association of recycled paper and cardboard producers and users) label.

Management policy for printing



For printing, Editis calls upon specialized suppliers who are conscious of the impact their activities have on the environment. Several printers are certified Imprim'vert (environmental protection label conferred to printing trade businesses) and operate on a daily basis with eco-management platforms in order to promote sustainable development. Editis has requested and obtained FSC certification from its principal printers.

Recycling of printing waste and unsold goods

Through the organized collection of printing rejects and the destruction of worn copies and unsold inventory, the book publishing industry contributes recycled fibers that are used in the production of newsprint and cardboard packing materials.

Areas of improvement

Editis has achieved the following objectives, established in relation to its environmental approach:

- The certification of its principal printers,
- The use of certified or recycled paper, making Editis the only French publishing group owning FSC certified publishing houses.

During its 2007 campaign the publisher Bordas promoted the theme of planet protection through using exclusively recycled and FSC paper. Also, the book *Vive la Terre* was published by Solar on FSC paper, with an introduction from Nicolas Hulot, and printed by an FSC label printer. Finally, Michel Barnier's book *Atlas pour un Monde Durable* was published by Acropole on 100% recycled paper, and as part of a program to offset carbon emissions caused by paper production, printing and distribution of the book.

Environmental protection is fully integrated in the group's development focus with new objectives for improvement being currently targeted by Editis, and in particular:

- Examine the possibility of FSC and PEFC (Program for Endorsement of Forest Certification Schemes) certification of all publishing houses of the Group.
- Move towards the exclusive use of FSC and PEFC certified paper. This certification approach might, moreover, be extended to all suppliers.

DEUTSCH



Deutsch manages environmental issues through the Environmental Management Systems (EMS) implemented at the majority of its industrial sites. At each site, an environmental representative is responsible for:

- implementing, maintaining and improving the EMS,
- ensuring its compliance with the established environmental policy,
- demonstrate its effectiveness and seek its certification from an external body (ISO 14001 standard or customer benchmarks). Six industrial sites out of 10 are ISO 14001 certified.

In 2007 the main projects linked to the reduction of environmental impact were the following:

- Improve waste reprocessing networks.
- Implement hydrocarbon separators.
- Undertake a 10-year review of its operation in order to compare our environmental processes to best industry practices.
- Train 40 people in the management of accidental pollution incidents.

All measures taken by Deutsch have as objectives to manage resource consumption, limit the impact of businesses on the environment and improve waste management. Each year a regulatory audit is scheduled to ensure that the operational compliance of our sites with the environmental requirements of its industrial activities is maintained.

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 participates in the research, development and extraction of oil and gas, in partnership with other investors in Europe, Africa and the Middle East.

All activities in the energy sector are carried out on behalf of 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 such 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.

STALLERGÈNES

The allergens used to make Stallergènes products are made from raw materials of plant or animal origin. They are obtained by extraction in a saline solution and are then purified by filtration. This activity generates 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.

In these conditions, the environmental expenses of the group are restricted to the cost of the reprocessing of the waste, of around €100,000 per annum (€130,000 in 2007). All waste is processed by specialized companies accredited by FNADE (the French federation of waste management and environmental services). There are four types of waste: ordinary industrial waste (approximately 1,000 m³/year), chemical waste (approximately 2 m³/year), bacteriological waste (approximately 250 m³/year) and radioactive waste (approximately 0.5 m³/year). The radioactive waste results from the use of an antibody marked with iodine 125 as a reagent for laboratory assessment of the allergenic activity of the principal agents (RAST tests). Beginning in 2004, ÉLISA tests replaced 90% of RAST tests and enabled a dramatic decline in this type of waste. They were fully replaced by June 2007.

The annual consumption of water is 24,300 m³. Annual consumption of electricity is 6,000 MWh.

WENDEL

As it is an investment company, Wendel has a small workforce. Parent company headcount data for 2007 were as follows:

Employment

WORKFORCE AS OF DECEMBER 31, 2007

	Non-management employees	Management level	Total
Women	18	7	25
Men	7	27	34
Total	25	34	59

STAFF HIRED DURING FISCAL YEAR 2007

	Non-management employees	Management level	Total
Women	3	3*	6
Men	1	5	6
Total	4	8	12

* including one change in employment status.

DEPARTURES DURING FISCAL YEAR 2007

	Non-management employees	Management level	Total
Women	4*	1	5
Men		1	1
Total	4	2	6

* including one change in employment status.

TEMPORARY EMPLOYMENT DURING FISCAL YEAR 2007

The number of hours worked by temporary employees is equivalent to one full-time secretarial and accounting employee.

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 2007, i.e. 1,600 hours plus 7 hours for the national "solidarity day" and 116 hours of overtime. They benefited from days allotted through the worktime reduction program.

A total of 2,686 hours of overtime were paid during the year.

ABSENCES (in hours)

	Non-management employees	Management level	Total
Illness	2,266	62	2,328
Work-related accidents	0	0	0
Maternity leave	0	663	663
Other leave	273	429	702
Total	2,539	1,154	3,693

COMPENSATION IN 2007*

* Paid in France.

	Total
Payroll	7,833
Social welfare contributions	3,750

There was a general increase in salaries of 1.5% as of January 1, 2007.

Moreover, in 2006 the Company introduced a collective performance bonus that took effect in 2007: the amount of the bonus is linked to changes in the net asset value per share during the previous year. The bonus in this way allows all employees to participate in the creation of value in the Group.

Multiple employers

80% of management-level staff have multiple-employer contracts. They are compensated by Wendel and subsidiaries located in Luxembourg, London and Singapore. In accordance with legislation, they are subject to French social welfare contributions throughout the European Union and subject to tax locally.

Labor relations

There are four employee representatives:

- two representing management-level employees,
- two representing non-management-level employees.

Health and safety

Wendel employees work in a building that complies with health and safety standards.

Training in 2007

	Total
Number of people trained	39
Number of hours paid	654
Expenditure (in euros)*	175,741

*excluding payment to a collecting organization of €59,157.

Wendel spends more on training than it is legally required to. It makes every effort to develop training programs suited to the needs of its employees in order to constantly maintain and improve their skills.

Employees with disabilities

There are no employees with disabilities at Wendel. In 2007, the Group contributed a compulsory levy of €9,790 to AGE-FIPH, a private organization that promotes employment of people with disabilities.

Employee services

The Company paid €101,708 for employee services in 2007.

Subcontracting

Wendel uses subcontractor services, mainly for building operation and maintenance (security, office cleaning, receptionists, switchboard, etc.). The Company endeavors to maintain long-term, quality relationships with these service providers and takes care to ensure that their personnel are well received. The main providers have, in most cases, worked with Wendel for several years.

Non-discrimination

Wendel has made the promotion of equality and the fight against discrimination a strong line of its social policy. The Company has signed up to the Diversity Charter and is finalizing an internal Equality Charter in liaison with the Halde (French independent commission for equality and the fight against discrimination) with which it has regular dialogue, as do most of the companies in the portfolio. Wendel emphasizes the skill and the performance of its employees regardless of their origin, religion, private life, individual situation, opinions and age. The intranet put in place at the beginning of the year is a vehicle for communicating the equality policy. For example, the calendar of Group events notifies everyone of the festival days of the major religions. Similarly employee death and disability contracts put in place since 2007 have removed all references to marital status in relation to survivor benefits.

BUREAU VERITAS

Number and breakdown of employees around the world

As of 31 December 2007, the Group had 33,018 employees in 140 countries, vs. 26,207 employees as of December 31, 2006. Of this 26% increase in employee numbers, more than 15% related to the integration of employees of acquired companies (around 3,300 employees at ECA and 650 employees at CCI) and 11% due to growth of the group.

The global workforce is around two-thirds male and one-third female. Employees occupy operational functions (inspectors, auditors, experts, sales staff, etc.) and support functions (technical, finance, IT systems, human resources, etc.).

WORKFORCE NUMBERS AS OF DECEMBER 31, 2007

Total workforce	33,018
By geographic region	
Africa	987
North and South America	5,673
Asia, Pacific and the Middle East	10,547
Europe (excluding France)	8,639
France	7,172
By function	
Operational functions	22,889
Support functions	10,129

At the group level, employee turnover was around 15% for the 2007 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

At the global level Bureau Veritas actively encourages its network to seek ISO 14001 certification (environment management system) and OHSAS 18001 (health and safety management system).

In 2007, Bureau Veritas Colombia became the first country (5 sites) of Bureau Veritas to obtain OHSAS 18001 certification. Bureau Veritas France continues its initiatives aiming to obtain MASE (Enterprise Safety Improvement Manual) certification for all its sites. Bureau Veritas has committed to obtaining OHSAS certification in 2008.

Bureau Veritas has always measured safety performance in countries where it is legally required to do so. However, since the fourth quarter of 2006 Bureau Veritas has monitored all workplace accidents resulting in disability leave, whether local legislation requires it or not, as part of its continuous improvement initiatives.

In 2007 Safety statistics showed that the accident disability leave rate⁽¹⁾ was 0.89 with a degree of severity⁽²⁾ of 0.08. These figures represent a total of 239 work accidents with disability leave⁽³⁾ and 4,112 work days lost.

The data in relation to the parent company, Bureau Veritas SA, are as follows:

NUMBER AND BREAKDOWN OF EMPLOYEES

As of December 31, 2007 the company had 6,419 employees compared with 6,045 employees as of December 31, 2006, an increase of nearly 6.18% between 2006 and 2007. The workforce is comprised of around 4,100 men and 2,300 women.

The number of staff hired was 993 with 313 on fixed-term contracts and 680 on permanent contracts. The number of dismissals was 52. The rate of employee resignations was around 3.72%.

There were 5,787 hours of paid overtime in 2007.

The workforce external to the company numbered 120 employees.

ORGANIZATION OF WORKING TIME

The organization of working time is as follows:

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

ABSENCES

The ratio of the number of absences to the theoretical number of working days was 0.041 in 2007.

Absences for illness, paid or unpaid, totaled 34,373 days for 2007 and concerned 2,413 employees. 1,324 employees were absent for less than one week and 311 for more than one month.

There were 1,656 days of absence related to work or travel accidents, 11,524 related to maternity and adoption leave, 5,210 for approved leave (family events and special leave) and 2,073 attributable to other causes.

LABOR RELATIONS

The agreements signed in 2007 dealt with the Committee for Health and Safety at Work (CHSCT), the on-call scheme, the employee savings plan and the allocation of collective performance bonuses.

TRAINING

3,160 employees were trainees in 2007, for a total of 141,000 hours.

EMPLOYEES WITH DISABILITIES

The number of employees with disabilities as of December 31, 2007 was 101.

The number of employees disabled following a work accident on company premises as of December 31, 2007 was 22.

EMPLOYEE SERVICES

The payment by the company to the Works Council totaled €1,829,000 in 2007.

(1) Accident disability leave rate = (number of work accidents resulting in more than three days leave) x 200,000 / number of hours worked. This equals the number of accidents per 100 employees.

(2) Degree of severity = number of work days lost x 1,000 / number of hours worked. This is equivalent to the number of days lost during a six-month reference period.

(3) Work accident with disability leave = work accident resulting in an absence of more than three days.

MATERIS

Employment

WORKFORCE AS OF DECEMBER 31, 2007

Total	8,758
France	3,910
Europe (excluding France)	1,453
United States	465
Latin America	914
Asia	1,641
Australia	115
Africa	260

	Non-management employees	Management level	Total
Women	1,892	342	2,234
Permanent staff	1,663	331	1,994
Fixed-term contracts	229	11	240
Men	5,121	1,403	6,524
Permanent staff	4,639	1,398	6,036
Fixed-term contracts	482	5	487
Total	7,013	1,745	8,758
Permanent staff	6,302	1,729	8,031
Fixed-term contracts	711	16	727

STAFF HIRED DURING FISCAL YEAR 2007

	Fixed-term contracts	Permanent staff	Total
Women	222	272	494
Men	511	883	1,394
Total	733	1,155	1,888

DEPARTURES DURING FISCAL YEAR 2007

	Departure	Dismissal	Resignation	Retirement	Total
Women	166	194	23		383
Men	510	478	57		1,045
Total	676	672	80		1,428

TEMPORARY EMPLOYMENT DURING FISCAL YEAR 2007

745 temporary employees worked 881,272 hours.

Working time

(average / full time / week)

France	35
Europe (excluding France)	37.5 to 43.5
United States	40 to 48
Latin America	42 to 48
Asia	40 to 48
Australia	38
Africa	40

In 2007, the absence rate varied from 1.75% to 17.6%, depending on the country.

Compensation in 2007

In thousands of euros

Payroll	248,979
Social welfare contributions	95,604

The average increase of salaries was between 2% and 21% depending on the countries (figures take into account rates of inflation that may be significant).

Labor relations

The new agreements concluded in 2007 are:

- Agreements on collective performance bonuses and/or compensation: Materis DSI, Materis Corporate Services, subsidiaries of Materis Paints, Kerneos and subsidiaries of ParexGroup.
- Agreements on health cover and welfare cover: subsidiaries of Materis Paints, Kerneos and ParexGroup.

Health and safety

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

Between 1995 and 2007, the frequency rate for work accidents with disability leave decreased from 60 to 6.5. An increasing number of Materis industrial sites are OHSAS 18001 certified. The objective of Materis is to achieve OHSAS 18001 certification for all sites by 2012.

Training in 2007

The number of employees who received training was 7,103 and training expenses were €2,915,000.

Employees with disabilities

There are 89 employees with disabilities in the Materis Group.

EDITIS

Employment

WORKFORCE AS OF DECEMBER 31, 2007

	Non-management employees	Management level	Total
Women	826	887	1,713
Permanent staff	749	837	1,586
Fixed-term contracts	77	50	127
Men	372	556	928
Permanent staff	344	546	890
Fixed-term contracts	28	10	38
Total	1,198	1,443	2,641
Permanent staff	1,093	1,383	2,476
Fixed-term contracts	105	60	165

STAFF HIRED DURING FISCAL YEAR 2007

201 employees were hired on permanent contracts in 2007.

DEPARTURES DURING FISCAL YEAR 2007

There were 234 departures, including 117 at the employer's initiative and 117 retirements and other voluntary departures.

NUMBER OF OVERTIME HOURS WORKED DURING FISCAL YEAR 2007

14,564 hours.

TEMPORARY EMPLOYMENT DURING FISCAL YEAR 2007

281,792 hours.

Working time

The French companies in the Editis Group apply the worktime reduction program agreements in effect in France. The average workweek for full-time employees is 35 hours.

In general:

- non-management employees work a specified number of hours weekly and benefit from worktime reduction days on a yearly basis,
- management works according to an unrestricted worktime schedule and benefits from worktime reduction days on a yearly basis,
- members of executive management work an unrestricted number of hours and are excluded from worktime reduction agreements.

Absences totaled 36,551 days, of which 23,454 were for illness.

Compensation

In thousands of euros

Payroll	105,427
Social welfare contributions	44,887
Profit-sharing and collective performance bonuses	6,688

In 2007, salary increases (collective and individual) were set at 2% of payroll, at constant scope.

Labor relations

EMPLOYEE REPRESENTATIVES

There were 125 employee representatives (works councils and elected representatives).

COLLECTIVE BARGAINING AGREEMENTS SIGNED IN 2007

No significant collective bargaining agreement was signed in 2007.

Health and safety

Editis group employees work in premises that comply with health and safety rules. A large percentage of the employees of the group's publishing houses work either in new premises or in upgraded buildings.

Training

Training expenditures in 2006 totaled €1,101,000. 1,430 employees received training.

Employees with disabilities

There are 23 employees with disabilities in the Editis group.

Employee services

The Editis group allocated €1,361,000 to works councils in the period.

DEUTSCH

Employment

WORKFORCE AS OF DECEMBER 31, 2007

	Blue collar	Non-management employees	Management level	Total
Women	1,393	416	53	1,862
Permanent staff	1,225	401	53	1,679
Fixed-term contracts	14	4	—	18
Temporary employees	154	11	—	165
Men	1,028	700	275	2,003
Permanent staff	885	678	273	1,836
Fixed-term contracts	9	13	1	23
Temporary employees	134	9	1	144
Total	2,421	1,116	328	3,865
Permanent staff	2,110	1,079	326	3,515
Fixed-term contracts	23	17	1	41
Temporary employees	288	20	1	309

STAFF HIRED DURING FISCAL YEAR 2007

	Permanent staff	Fixed-term contracts	Total
Women	732	9	741
Men	807	7	814
Total	1,539	16	1,555

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 DURING FISCAL YEAR 2007:

	Departure	Dismissal	Resignation	Retirement	Total
Women	324	356	23		703
Men	360	386	15		761
Total	684	742	38		1,464

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 different 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 3%.

Compensation in 2007

The average salary increase was around 3.5% in 2007.

Labor relations

Meetings with employee representative bodies in French companies were held monthly (works council, employee representatives) or quarterly (Health, Safety and Working Conditions Commission). 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 Commission 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 49 people with disabilities, including 33 in France.

ORANJE-NASSAU

The group has a long-standing policy to maintain a small, pluridisciplinary workforce that is highly qualified and motivated. The group complies with all current labor regulations, as defined by the Dutch Labor Code.

Employment

WORKFORCE AS OF DECEMBER 31, 2007

	Non-management and management level employees	Executive level	Total
Women	10	—	10
Permanent staff	9	—	9
Fixed-term contracts	1	—	1

	Non-management and management level employees	Executive level	Total
Men	12	2	14
Permanent staff	12	2	14
Fixed-term contracts	–	–	–
Total	22	2	24
Permanent staff	21	2	23
Fixed-term contracts	1	–	1

TEMPORARY EMPLOYMENT DURING FISCAL YEAR 2007

Oranje-Nassau employed a part-time IT worker three days a week.

Working time

The workweek was 37.5 hours long and there were 88 days of absence for sick leave.

Compensation in 2007

	in thousands of euros
Payroll	3,460
Social welfare contributions	945

There was a general increase in salaries of 0.9% as of January 1, 2007.

Labor relations

There is no trade union representation or works council at Oranje-Nassau.

Health and safety

Oranje-Nassau employees work in a building that complies with health and safety standards.

Training in 2007

Expenses committed in 2007 totaled €17,000 with nine employees receiving training in 2007.

Employees with disabilities

There are no employees with disabilities at Oranje-Nassau.

STALLERGÈNES

Workforce

The Stallergènes group had 690 employees as of December 31, 2007 including 488 in France, with the workforce growing 12% over a year. Female employees remain in the majority with 456 women and 234 men, in line with the pharmaceutical industry as a whole. The workforce had 636 permanent employees and there were 54 employees on fixed-term contracts.

There were 614 full-time employees and 76 part-time employees.

Recruitment, working time, training

There were 106 employees hired on permanent contracts in 2007, a 5% increase on the previous year. There were 20 people dismissed during the year. The seasonality of the business explains the recourse to temporary work (average full-time equivalent in 2007: 30), overtime hours (0.55% of overtime hours) and fixed-term contracts, but this recourse was relatively limited. The absence rate remained stable (4.1% compared with 4.0% in 2006).

The continuous efforts to promote training, in addition to the required minimum, ensures rapid integration of new hires, ongoing adaptation by employees to the company's new businesses, and internal promotion for 50% of the job openings. In 2007, external employee training expenditures totaled €512,000.

Salary policy

There is broad consensus in the company on the compensation policy. For three years now, salary increases have been 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. Stallergènes' significant collective performance bonus plan acts as a supplement to the 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 20 years in the cohesion and the motivation of the company's employees.

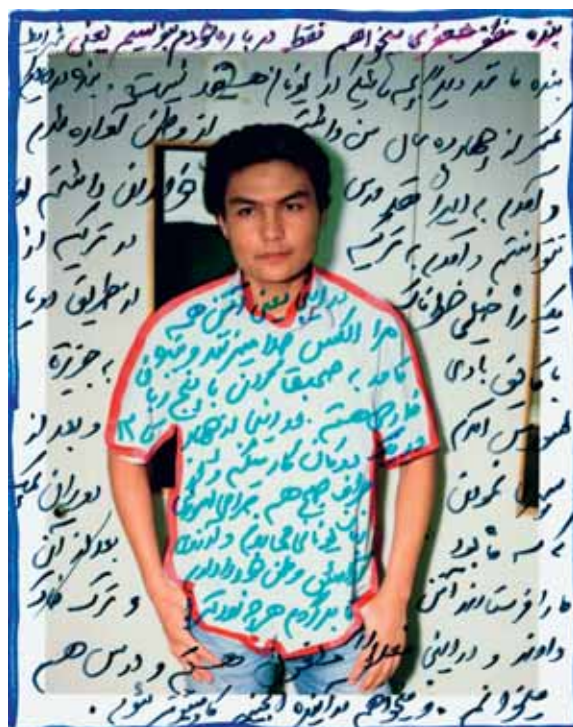
	in thousands of euros
Payroll & social welfare contributions	42,174
Profit-sharing and collective performance bonus	4,990

SUPPORT FOR THE HENRI CARTIER-BRESSON FOUNDATION

In cultural affairs, Wendel's patronage policy is to support medium- and long-term projects. Having been a partner in the renovation of the Gustave Moreau museum and its collections, in 2007 Wendel chose to provide multi-year support to the creation and promotion of contemporary photographic works.

In this regard, Wendel contributes its support to the HCB prize awarded by the Henri Cartier-Bresson Foundation. 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. An international jury awards the €30,000 prize every two years.

The winner of the 2007 HCB prize was announced on June 11, 2007. It was awarded to Jim Goldberg for his project "The New Europeans", a photo essay on migration flows to Europe. Jim Goldberg will use the prize money to travel to the countries of origin of the immigrant populations and show the roots of these migrations. Jim Goldberg has been a member of Magnum Photos since 2006. His work will be exhibited at the HCB Foundation for the 18 months following the award.



Grèce, 2003-2005 © Jim Goldberg / Magnum



Henri Cartier-Bresson

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

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THE WENDEL INTERNATIONAL CENTER FOR FAMILY-OWNED ENTERPRISES

The Wendel/Insead chair was transformed two years ago into the International Center for Family-Owned Enterprises. Today it has become one of the global centers of excellence for the study and research of family-owned enterprises. Its activities and reputation have considerably increased outside France. One of the principal developments of the Center these last two years has been the consolidation and the extension of activities in Asia.

The organization in February 2006 in Singapore of a round table intended for large family enterprises was a key event, with the participation of members of the Wendel family.

The "Family Enterprise Challenge" (a four-day program for family-owned enterprises) takes place every year in Singapore and attracts a large number of participants from Asia, Australia and the Middle East, and a few participants from Europe and North and South America. An optional MBA course now takes place in Singapore and receives high caliber participants. The Center is also playing an active role in the launch of South-East Asian section of the Family Business Network, takes part in events, conferences and training modules for executives in Singapore, Shanghai and Hong Kong.

Another significant development: the design of tailor-made programs for family-owned enterprises. After the success of a one-week training program developed for shareholders of a leading European family-owned enterprise at Fontainebleau in June 2006, the Center participated in the design of a major program for young managers of a large European family-owned enterprise, including several of its family shareholders. This program will run for several years and will comprise several modules.

During the summer of 2007, the Center designed and implemented an adaptation of the Family Enterprise Challenge for a family from a French-speaking country, in which members of three other significant family-owned enterprises, including Wendel, also participated.

The Center continues its mission to share its knowledge throughout Europe, as a result of conferences and seminars in countries such as Finland, Belgium, Germany, Spain, Portugal, Greece, the United Kingdom and, of course, France. Its presence in the Middle East is also growing. The "Family Enterprise Challenge Europe" program recently welcomed

participants from North and South America, the Middle East and Africa.

Outlook

The Center will pursue its geographical expansion to the Middle East. At the beginning of 2008 several events took place in coordination with Insead's Center in Abu Dhabi. The Center will explore the organization of events in North and South America, as part of a policy of an increased presence for Insead on these continents.

Tailor-made programs for family-owned enterprises will continue to be developed. The Center aims to become an authority for those who work in and around family-owned enterprises (academics, service providers, etc.), based on the special relationship it has created between family-owned enterprises and Insead. This is particularly important as family-owned enterprises represent the large majority of enterprises in the world.

The activities of Insead in the family-owned enterprise field, introduced with the backing of the Wendel Group, are expanding today with the additional support from other key people and family-owned enterprises. These include the Tetra Laval research fund for the large family-owned enterprise, the Berghmans/Lhoist chair in "Entrepreneurial Leadership" and the André and Rosalie Hoffmann research fund for family-owned enterprises.



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1 / ACCOUNTING PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, Editis, Deutsch, Oranje-Nassau and Stallergènes;
- 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);
- the earnings of divested subsidiaries (the Real Estate division of Oranje-Nassau), presented in accordance with IFRS, i.e. on a separate line of the income statement entitled "Net income for the year from discontinued operations and operations held for sale" for each year presented.

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	2007	2006
Net sales	5,472	4,273
Operating income	1,405	657
Net financial income (expense)	- 548	- 238
Income taxes	- 147	- 118
Net income (loss) from equity method investments	129	69
Net income from continuing operations	839	369
Net income (loss) from discontinued operations and operations held for sale	55	- 6
Net income	894	363
Net income (loss) - minority interests	15	- 2
Net income, Group share	879	365

CONSOLIDATED BALANCE SHEET

Assets	12.31.07	12.31.06	Liabilities and shareholders' equity	12.31.07	12.31.06
Goodwill	3,211	3,356	Shareholders' equity	2,332	1,830
Intangible assets and property, plant and equipment	2,515	2,664	Minority interests	248	97
Net financial assets	147	477	Provisions	383	423
Equity method investments	5,338	526	Net financial liabilities	8,189	4,489
Working capital requirements	385	302	Net deferred tax liabilities	444	486
	11,596	7,325		11,596	7,325

BREAKDOWN OF PRINCIPAL VARIATIONS

Goodwill as of December 31, 2006 Acquisitions by Bureau Veritas Acquisitions by Editis Acquisitions by Materis Changes in scope of consolidation: Bureau Veritas IPO Currency fluctuations and other Goodwill as of December 31, 2007	3,356 + 161 + 60 + 43 – 322 – 87 3,211
Intangible assets and property, plant and equipment as of December 31, 2006 Changes in scope of consolidation Capital expenditures Disposals Depreciation, amortization and provisions for the year Currency effects and other Intangible assets and property, plant and equipment as of December 31, 2007	2,664 + 138 + 215 – 124 – 301 – 77 2,515
Equity method investments as of December 31, 2006 Acquisition of Saint-Gobain Share in net income for the year Dividends paid Other Equity method investments as of December 31, 2007	526 + 4,805 + 129 – 41 – 79 5,338
Consolidated shareholders' equity as of December 31, 2006 Net income for the year Dividend paid by Wendel Legrand – repurchase of shares Liquidity guarantee on Bureau Veritas shares Gains and losses on assets available for sale Gains and losses on derivatives qualifying as hedges Earnings previously recognized in shareholders' equity taken to the income statement Translation reserves and other Consolidated shareholders' equity as of December 31, 2007	1,830 + 879 – 101 – 67 + 41 + 13 – 147 – 91 – 25 2,332
Provisions as of December 31, 2006 Cancellation of the provision for the commitment to guarantee the liquidity of Bureau Veritas shares following the IPO Other Provisions as of December 31, 2007	423 – 41 + 1 383
Net financial debt as of December 31, 2006 Cash flow for the year Acquisition of securities Acquisition of tangible and intangible non-current assets (net of disposals) Sales of securities Dividend paid by Wendel Other Net financial debt as of December 31, 2007	4,489 – 435 + 5,122 + 192 – 1,556 + 101 + 276 8,189
Net deferred taxes as of December 31, 2006 Impact of acquisitions and disposals Other Net deferred taxes as of December 31, 2007	486 – 2 – 40 444

2 / PRO FORMA FINANCIAL INFORMATION PRESENTED IN 2006

The pro forma income statement is intended to show the impact on fiscal year 2006 of the acquisition of Deutsch and Materis as if they had taken place on January 1, 2006. This pro forma analysis was presented in the 2006 Reference Document. This income statement is hypothetical and is presented for illustrative purposes only. In no way does it represent the actual results of the Group in 2006, nor does it represent what would actually have been recognized in the consolidated financial statements if the acquisitions had taken place on January 1, 2006.

Basis of preparation:

The pro forma financial information was prepared in accordance with the Wendel Group's accounting methods. They were prepared using Wendel's consolidated IFRS financial statements for the 12 months

ended December 31, 2006. Data provided by the management of the acquired companies, prepared in accordance with Wendel's accounting methods, and information based on the assumptions below, were used to calculate the pro forma adjustments, as follows:

- acquisitions were deemed to have taken place on January 1, 2006;
- goodwill was recognized as of January 1, 2006 on the basis of amounts determined on May 1, 2006 for Materis and on August 1, 2006 for Deutsch;
- goodwill was amortized from January 1, 2006;
- financing was put in place on January 1, 2006;
- related financial expense was calculated on the basis of average 3-month Libor and 3-month Euribor;
- a normative tax rate of 34.43% was used to represent taxation of the earnings of Deutsch and Materis.

PRO FORMA 2006 INCOME STATEMENT⁽¹⁾

(in millions of euros)

	Actual	Adjustments	Pro forma
Net sales	4,273	757	5,030
Other income from operations	59	- 2	57
Operating expenses	- 3,822	- 674 ⁽²⁾	- 4,496
Income from ordinary activities	510	81	591
Other operating income and expenses	147	- 2	145
Operating income	657	79	736
Income from cash and cash equivalents	23	- 8	15
Finance costs, gross	- 311	- 66 ⁽³⁾	- 377
Finance costs, net	- 288	- 74	- 362
Other financial income and expenses	50	-	50
Tax expense	- 118	24	- 94
Share of net income from equity method investments	69	-	69
Net income from continuing operations	369	29	398
Net income (loss) from discontinued operations and operations held for sale	- 6	-	- 6
Net income	363	29	392

⁽¹⁾ Cumulative, pro forma, unaudited figures. This information is drawn from the pro forma analysis presented on page 68 of the 2006 reference document. The Statutory Auditors issued a report on this pro forma information, which was presented on page 71 of the 2006 Reference Document.

⁽²⁾ Includes - €15 million in amortization of goodwill.

⁽³⁾ Includes - €66 million in interest expense

3 / ECONOMIC PRESENTATION OF THE CONSOLIDATED INCOME STATEMENT

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” is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Oranje-Nassau, Editis, Materis, Stallergènes and Deutsch) and Wendel's share in the net income of investments accounted for by the equity method (Legrand and Stahl) before non-recurring items and the impact of goodwill allocations.
- “Financing costs”, “Overheads” and “Taxes” consist of the overhead expenses of Wendel and the holding companies, the cost of servicing debt contracted by Wendel and the holding companies, and the tax expense and income related to these items. The amounts indicated are those recognized by Wendel and by all consolidated financial holding companies (excluding acquisition holding company and operating subsidiaries).
- “Non-recurring income” includes, for the entire scope of consolidation, the amounts (net of tax) of capital gains and losses on disposals of assets, changes in fair value, debt restructuring costs, operational restructuring costs, the impact of currency fluctuations on borrowings, items linked to goodwill allocations and other significant non-recurring items not related to the operating activities of the subsidiaries. The income and expenses related to shareholder loans granted to operating subsidiaries at the time of their acquisition are also considered non-recurring, in the sense that they are not linked to the operating activities of the Company.

CONSOLIDATED INCOME STATEMENT – ECONOMIC PRESENTATION

Wendel achieved a further increase in earnings in 2007. Net income from business sectors, which reflected the performance of Group companies, totaled €408 million, an increase of 13% compared with 2006. All companies in the Group posted good performances and contributed to the quality of the year's results. Bureau Veritas contributed €188 million to earnings. The 20%-increase compared with the previous year resulted from robust growth, amplified by improvement in the group's operating margin, which exceeded 15%. Legrand contributed €129 million, with an operating margin that widened 60 basis points to 17.7%, thereby offsetting the increase in the cost of raw materials. At €16 million, Stallergènes' earnings were up 11%. These favorable results were obtained amid a sharp increase in R&D costs and in sales and marketing expenses related to the program to offer immunotherapy in tablet form. Editis' earnings of €49 million represented an increase of 18%. The operating margin widened by 160 basis points, owing to the operating leverage generated by acquisitions and to further gains in productivity. Materis contributed €46 million, with an operating margin of 12.6%. Its operating income advanced by 10%, with solid growth in net sales and organic growth of 7%. Deutsch and Stahl contributed €10 million and €3 million, respectively. Programs to optimize costs were implemented in these companies in 2007, and they should have their full impact in 2008. Oranje-Nassau's earnings were €59 million and its operating cash flow remained high at €123 million. The Buzzard field entered production in early 2007 and led to an increase in oil production and in depreciation, depletion and amortization. Non-recurring earnings totaled €486 million in 2007. It reflected the capital gain realized on the Bureau Veritas shares sold at the time of the IPO and costs related to the investment in Saint-Gobain. In total, of net income, Group Share was €879 million.

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT – ECONOMIC PRESENTATION

(in millions of euros)

	2007	2006
Bureau Veritas	188	157
Legrand	129	121
Oranje-Nassau	59	70
Editis	49	42
Materis	46	37
Stallergènes	16	15
Deutsch	10	– 0
Stahl	3	4
Income from subsidiaries and affiliates	501	444
Wendel financing costs	– 76	– 70
Overheads	– 29	– 27
Taxes	12	16
Net income from business sectors	408	363
Bureau Veritas IPO and disposal of consolidated assets / Legrand	796	133
Capital gains on financial assets	151	62
Saint-Gobain	– 345	–
Editis and Legrand / debt restructuring costs	–	– 55
Impact of goodwill allocation	– 116	– 140
Non-recurring Income (loss)	486	0
Consolidated net income	894	363
Net income – minority interests	15	– 2
Net income, Group share	879	365

CONVERSION FROM ACCOUNTING PRESENTATION TO ECONOMIC PRESENTATION

The following table shows how the line items in the 2007 income statement in its accounting presentation are allocated to the various headings used in the economic presentation.

(millions of euros)	Income from equity investments	Holding company costs	Non-recurring income	Consolidated net income
Operating income	851	– 29	583	1,405
Finance costs, net	– 247	– 78	– 50	– 375
Other financial income and expenses	– 22	2	– 153	– 173
Income tax expense	– 215	12	56	– 147
Net income from equity method investments	133	–	– 4	129
Net income from operations held for sale	1	–	54	55
Consolidated net income	501	– 93	486	894
Net income – minority interests	48	–	– 33	15
Net income, Group share	453	– 93	519	879

Assets

(in millions of euros)

	Note	12.31.2007	12.31.2006
Goodwill, net	1	3,211.3	3,356.5
Intangible assets, net	2	1,530.5	1,560.3
Property, plant and equipment, net	3	983.8	985.3
Investment property	4	1.2	118.3
Non-current financial assets	5	620.0	610.8
Equity-method investments	6	5,337.5	525.9
Deferred tax assets	16	123.3	126.0
Total non-current assets		11,807.6	7,283.1
Assets and operations held for sale	26	52.8	7.7
Inventories	7	393.7	408.4
Trade receivables	8	1,253.4	1,036.3
Other current assets	9	193.5	192.3
Current income tax assets	16	66.4	57.0
Other current financial assets	5	72.4	153.2
Cash and cash equivalents	10	2,846.6	1,026.9
Total current assets		4,826.0	2,873.9
Total assets		16,686.5	10,164.7

Liabilities and shareholders' equity

(in millions of euros)

	Note	12.31.2007	12.31.2006
Share capital		201.3	222.0
Share premiums		244.8	228.6
Retained earnings and other reserves		1,006.8	1,014.2
Net income for the year		879.3	365.4
		2,332.1	1,830.3
Minority interests		248.4	97.1
Total shareholders' equity	11	2,580.5	1,927.3
Long-term provisions	12	355.8	394.3
Long-term borrowings and debt	13	10,691.1	5,300.6
Other non-current financial liabilities	5	116.4	188.4
Deferred tax liabilities	16	567.2	612.0
Total non-current liabilities		11,730.4	6,495.4
Liabilities of operations held for sale	26	29.4	3.1
Short-term provisions	12	27.5	28.6
Short-term borrowings and debt	13	344.2	215.0
Other current financial liabilities	5	428.9	98.3
Trade payables	14	691.6	618.1
Other current liabilities	15	734.8	647.7
Current income tax liabilities	16	119.2	131.2
Total current liabilities		2,346.2	1,738.9
Total liabilities and shareholders' equity		16,686.5	10,164.7

(in millions of euros)

	Note	2007	2006
Net sales	18	5,472.3	4,273.5
Other income from operations		76.0	58.6
Operating expenses	19	- 4,864.2	- 3,822.4
Income from ordinary activities	20	684.1	509.7
Other operating income and expenses	21	720.6	147.6
Operating income		1,404.6	657.4
Income from cash and cash equivalents		67.3	22.5
Finance costs, gross		- 442.0	- 311.0
Finance costs, net	22	- 374.8	- 288.5
Other financial income and expenses	23	- 172.7	50.1
Tax expense	24	- 146.7	- 118.2
Share of net income from equity method investments	25	128.6	68.5
Net income from continuing operations		839.1	369.3
Net income (loss) from discontinued operations and operations held for sale	26	54.9	- 6.4
Net income	27	893.9	362.9
Net income (loss) - minority interests		14.7	- 2.5
Net income, Group share	27	879.3	365.4

	Note	2007	2006
Basic earnings per share (in euros)	28	17.51	7.39
Diluted earnings per share (in euros)	28	17.42	7.25
Basic earnings per share from continuing operations (in euros)	28	16.42	7.52
Diluted earnings per share from continuing operations (in euros)	28	16.33	7.37
Basic earnings per share from discontinued operations (in euros)	28	1.09	- 0.13
Diluted earnings per share from discontinued operations (in euros)	28	1.09	- 0.13

STATEMENT OF RECOGNIZED INCOME AND EXPENSES

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Wendel has chosen to apply the amendment to IAS 19 from January 1, 2006, enabling actuarial differences relating to defined benefit plans to be recognized in shareholders' equity. The statement of recognized income and expenses is as follows:

(in millions of euros)	2007	2006
Translation reserves	- 71.4	- 13.0
Actuarial gains and losses	14.8	1.6
Gains and losses on assets available for sale	13.2	50.6
Gains and losses on derivatives qualifying as hedges ⁽¹⁾	- 145.8	10.6
Wendel-Participations securities and derivatives	-	- 7.4
Tax effects	17.4	- 5.4
Earnings previously recognized in shareholders' equity taken to the income statement ⁽¹⁾	- 91.0	-
Income and expenses directly accounted for in shareholders' equity (A)	- 262.8	36.9
Net income for the year (B)	893.9	362.9
Total income and expenses recognized for the year (A) + (B)	631.1	399.8
Attributable to:		
- Wendel shareholders	626.6	419.3
- Minority interests	4.6	- 19.4

(1) Changes to shareholders' equity are shown in note 11 (2).

CONSOLIDATED CASH FLOW STATEMENT

(in millions of euros)	Note	2007	2006
Cash flows from operating activities			
Net income		893.9	362.9
Share of net income from equity-method investments		– 128.6	– 68.5
Net income (loss) of discontinued operations and operations held for sale		– 54.9	–
Depreciation, amortization, provisions, and other non-cash items		302.7	398.8
Non-cash income and expense related to stock options and similar items		8.3	2.9
Expenses on investments and asset disposals		28.3	9.2
Gains/losses on disposal of assets		– 767.1	– 245.5
Financial income and expenses		547.4	231.4
Current and deferred taxes		146.7	118.2
Cash flow from consolidated companies before tax		976.9	809.4
Change in working capital requirements related to operating activities		– 43.1	– 14.9
Net cash flows from operating activities		933.8	794.4
Cash flows from investing activities			
Acquisitions of intangible assets and property, plant and equipment	29	– 209.1	– 196.2
Disposals of intangible assets and property, plant and equipment	30	17.2	49.9
Acquisitions of equity investments	31	– 5,122.4	– 800.3
Disposals of equity investments	32	1,556.2	258.8
Expenses on investments and asset disposals		– 46.5	– 9.2
Impact of changes in Group structure and operations held for sale		10.4	101.2
Changes in other assets and financial liabilities and other		– 316.3	– 89.7
Dividends received from equity-method and non-consolidated companies	33	69.2	49.4
Change in working capital requirements related to investing activities		36.1	27.2
Net cash flows from investing activities		– 4,005.2	– 608.9
Cash flows from financing activities			
Proceeds from issuance of shares		3.8	28.2
Contribution of minority shareholders		46.9	9.2
Share buybacks		– 5.9	– 8.2
Dividend paid by the parent company		– 100.5	– 98.6
Dividend paid to minority shareholders		– 5.0	– 4.1
New borrowings	34	6,016.8	1,568.3
Repayment of borrowings	34	– 590.6	– 1,324.3
Finance costs, net		– 358.9	– 255.4
Other financial expenses		19.1	19.6
Change in working capital requirement related to financing activities		64.9	38.3
Net cash flows from financing activities		5,090.7	– 27.0
Cash flows related to taxes			
Current tax		– 183.8	– 171.6
Change in tax assets and liabilities (excluding deferred taxes)		– 1.5	19.2
Net cash flows related to taxes		– 185.3	– 152.4
Effect of currency fluctuations		– 14.3	– 8.8
Net change in cash and cash equivalents		1,819.7	– 2.7
Cash and cash equivalents at the beginning of the year		1,026.9	1,029.6
Cash and cash equivalents at the end of the year		2,846.6	1,026.9

Wendel is a public limited company (*société anonyme*) governed by French law, registered in Paris under number 572 174 035. Its head office is at 89 Rue Taitbout in Paris, France. Its business consists in investing for the long term in industrial and service corporations to accelerate their growth and development.

The consolidated financial statements of Wendel cover the 12-month period from January 1, 2007 to December 31, 2007. All amounts are in millions of euros, unless otherwise specified.

A / ACCOUNTING PRINCIPLES

In accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council dated July 19, 2002 relating to the application of international accounting standards, the consolidated financial statements of the Wendel Group for the 2007 financial year have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union at December 31, 2007. These standards are available on the European Community website: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

IFRS 7 "Financial instruments: disclosures" was applied in 2007. The new information required by this standard is provided in the section on "Risk management", in note 5 "Financial assets and liabilities" and in note 23 "Other financial income and expenses".

Application of the other mandatory standards in 2007 did not have a material impact on the financial statements:

- "Amendment to IAS 1 presentation of financial statements – capital disclosures";
- IFRIC 7 "Applying the Restatement Approach to Financial Statements under IAS 29";
- IFRIC 8 "Scope of IFRS 2";
- IFRIC 9 "Reassessment of Embedded Derivatives";
- IFRIC 10 "Interim Financial Reporting and Impairment";

The following new standards, amendments to existing standards and interpretations have been published but are not mandatory in 2007 and have not been adopted in advance:

- Amendment to IAS 23 "Borrowing costs" mandatory adoption from January 1, 2009;
- IFRS 8 "Operating Segments" effective for financial periods beginning on or after January 1, 2009;
- IFRIC 11 "Group and Treasury Share Transactions" mandatory adoption for financial periods beginning or after March 1, 2007;
- IFRIC 12 "Service concession arrangements" mandatory adoption for financial periods beginning on or after January 1, 2008;

- IFRIC 13 "Customer Loyalty Programmes" mandatory adoption for financial periods beginning on or after July 1, 2008;
- IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction" mandatory adoption for financial periods beginning on or after January 1, 2008;
- IAS 1 revised "Presentation of Financial Statements" mandatory adoption from January 1, 2009.

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

B / SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF CONSOLIDATION

Companies that are controlled exclusively by Wendel are fully consolidated.

Oranje-Nassau Groep's jointly-controlled companies in the Energy sector are consolidated using the proportionate method.

Companies in which Wendel has significant influence are accounted for using the equity method.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Saint-Gobain has been consolidated using the equity method at December 31, 2007 (see the note on the investment in Saint-Gobain in the "changes in the scope of consolidation").

FINANCIAL STATEMENTS USED AS THE BASIS FOR THE CONSOLIDATION

The consolidated financial statements of Wendel have been prepared based on:

- the consolidated financial statements for the fiscal year ended on December 31, 2007 for Bureau Veritas, Materis (Materis Parent), Editis (Odyssee 1), Deutsch (Deutsch Group), Oranje-Nassau Groep, Stallergènes, Legrand, Stahl and Saint-Gobain;
- for other companies, their individual company financial statements for the 12-month period ending on December 31, 2007. Certain holding companies have financial periods of 12 months from July 1 to June 30; financial statements for the 12 months from January 1 to December 31 are prepared for the purposes of the consolidation.

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

INTERCOMPANY ASSET SALES AND TRANSFERS

Gains and losses on the sale or transfer of assets between consolidated companies are eliminated in the consolidated income statement and the assets concerned are stated at their initial value in the financial statements of the seller. However, an impairment loss is recognized when a sold or transferred asset is deemed to have suffered a prolonged impairment in value.

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN COMPANIES

The Wendel's functional currency is the euro.

Assets and liabilities of Group entities with a functional currency other than the euro are translated into euros at the exchange rate prevailing at the balance sheet date, and income and expense items are translated using the average exchange rate for the period. All resulting exchange differences are recognized as a separate component of equity under "Translation adjustments". When a non-euro entity is sold, the exchange differences that were recorded in shareholders' equity are recognized in the income statement as part of the gain or loss on sale.

The following exchange rates were used to translate the accounts of non-euro entities:

	Closing rate		Average rate	
	12.31.2007	12.31.2006	2007	2006
US dollar	1.4721	1.3170	1.3687	1.2546

IMPACT OF THE EXERCISE OF STOCK OPTIONS AND SHARE BUYBACKS AT SUBSIDIARIES LEADING TO CHANGES IN THE PERCENTAGE INTEREST IN SUBSIDIARIES WITHOUT GAIN OR LOSS OF CONTROL.

Transactions in respect of Group subsidiaries' capital that do not constitute an acquisition or divestment of a Wendel holding generally relate to the impact of the exercise of stock options or buybacks of treasury shares by subsidiaries. Wendel does not intervene in these transactions.

As these are transactions do not represent the acquisition of controlling interest, they do not fall within the scope of IFRS 3 "Business combinations" and are not dealt with by IAS 27, IAS 28 or IAS 31. In the absence of standards addressing this subject, Wendel has adopted the economic entity approach, which has been retained in connection with the Business combinations project – phase 2. According to this approach, transactions between minority shareholders should be analyzed as transactions between shareholders of the same economic entity.

No goodwill is therefore recognized in the event of an increase in the percentage interest, and there is no impact on the income statement in the event of a decrease in the percentage interest. All impacts are recognized in consolidated reserves.

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 the financial statements. These estimates and judgments are regularly evaluated on the basis of past experience of Group management and various other factors that are considered to be reasonable, such as market data and whether an independent expert is used. Actual results may differ significantly from the estimates and assumptions used.

The estimates and judgments used in order to prepare these financial statements primarily concern goodwill, impairment tests, provisions, provisions for employee benefits, deferred taxes, share-based payments (stock options), listed and unlisted securities, and derivatives.

MEASUREMENT RULES

GOODWILL

Goodwill represents the excess of the cost of acquiring the shares of consolidated companies, including transaction expenses, and the fair value of the Group's share of the net identifiable assets at the date of acquisition. Any adjustments to provisional values of the assets and liabilities of the acquired companies are made within 12 months of the acquisition date.

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

Goodwill is not amortized. Instead, it is tested for impairment at least annually at the year-end, or more frequently if there is any indication that it may be impaired. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU). Each of the Group's operating entities (Bureau Veritas, Materis, Editis, Deutsch, Oranje-Nassau Groep and Stallergènes) represents to a CGU. Goodwill impairment losses are recorded in the income statement under "Other operating income and expenses" and are not reversed.

When 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 position has been adopted so as to permit Wendel to recognize unrealized losses as soon as they appear, as they would inevitably

be recognized anyway in the event the subsidiary were to sell the cash generating unit showing such losses.

Goodwill relating to companies accounted for by the equity method is included in the book value of the shares of these companies and therefore is not presented separately (IAS 28.23). As a result, it is not subject to a separate impairment test; rather, the value of the shares accounted for by the equity method includes goodwill. In this way, in the event of an improvement in the value of these investments justifying a recovery of the loss of value, the total of the loss in value, including the part relating to goodwill, is recovered.

INTANGIBLE ASSETS

Editorial design costs of the Editis group

These costs include all expenses incurred during the initial design phase of a publication, including designing, creating and developing the layout to be used for the published work.

When these costs are significant, they may be classed as development expenses and recognized as an asset in the balance sheet.

The capitalization of these costs must meet the following criteria:

- the costs are connected to specific individual projects;
- these projects have genuine chances of technical success and commercial profitability;
- their cost can be clearly established.

Moreover, expenses are capitalized once the decision to complete the work is taken, and this decision is irreversible in nature and the amounts involved are material.

On the other hand, costs corresponding to budget and market studies are considered as expenses of the period concerned.

For all projects, a schedule of external costs has been established and these are allocated by project.

Design costs are amortized from the date of publication over the estimated life of the product according to the sales cycle. Internal and external costs are subject to the same amortization rules.

The depreciable lives vary in accordance with market segmentation.

An impairment test of capitalized expenses is performed annually and may lead to a write-down.

Bureau Veritas group, Deutsch group, Materis group and Editis group brands.

These brands are valued by the relief-from-royalty approach, which consists of discounting to perpetuity royalty cash flows determined at a theoretical rate based on sales generated by the brands. These brands are considered as having an indefinite useful life as there is no foreseeable time limit on their potential to generate cash flow. Therefore they are not amortized but instead are tested for impairment on an annual basis.

The brands of the Bureau Veritas group subsidiaries are amortized over ten years. Only the brands identified by Wendel when it acquired control of Bureau Veritas (Bureau Veritas, BIVAC and BVQI, which has subsequently become BV Certification) are considered to have an indefinite life.

Contracts and customer relationships of the Bureau Veritas, Materis, Deutsch and Editis group brands

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 customer relationships are therefore amortized over the period used for the calculation of each contract category (up to 30 years according to the contract and subsidiary) or over their useful life.

Other intangible assets

The costs of developing software intended for internal use and other development costs are capitalized when it is probable that the expenditure will generate future economic benefits. These costs are then amortized over the estimated useful life of the asset.

Stallergènes' development costs have not been capitalized, as the company's development projects do not meet the asset recognition criteria under IAS 38. In accordance with IAS 38 and standard practice in the pharmaceutical industry, development costs incurred prior to obtaining full market approval for the related drugs are not capitalized.

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 amortized using the straight-line method over a period corresponding to its estimated useful life. The amortization basis for property, plant and equipment is historical cost reduced by residual value, i.e. the value expected at the end of the asset's useful life after allowing for disposal costs.

The principal useful lives of property, plant and equipment are as follows:

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.

IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

In accordance with IAS 36 "Impairment of Assets", the value in use of property, plant and equipment and intangible assets is tested where there is an indication that the value of an asset may be impaired. Impairment tests are carried out at least once a year for assets with indefinite useful lives, which, for the Wendel Group, are limited to brands and goodwill. Any impairment losses are recorded under "Other operating income and expenses" in the income statement.

INVESTMENT PROPERTIES

Investment properties, which are primarily held by Oranje-Nassau Groep, are recognized at fair value in the balance sheet with changes in fair value being recorded in operating income. The management team of Oranje-Nassau Groep determines the fair value of these properties with the assistance of independent experts.

The Oranje-Nassau Real Estate division was sold in 2007.

MEASUREMENT OF OIL AND GAS ASSETS

Oranje-Nassau Groep's oil and gas investments are measured using the "successful efforts" method. Exploration costs are expensed until such time as a productive field is discovered. Amortization for each production unit is calculated on the basis of remaining 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, after deduction of future production expenses. An additional amortization charge is created up to any excess of the carrying amount over this present value.

Future dismantling and removal costs of oil and gas exploration and production equipment give rise to provisions for liabilities and charges, offset by fixed assets of the same amount. Amortization of these assets is calculated by production unit on the basis of remaining reserves. These provisions and assets are adjusted to reflect any

changes in the present value of the estimated future costs. The impact of the passage of time on these provisions is recorded in "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 and cash equivalents. Financial liabilities include borrowings, other forms of financing 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 investments whose characteristics do not correspond to those of cash equivalents. These assets are measured at fair value at the balance sheet date, and gains and losses arising from changes in fair value are recognized through the income statement.

Available-for-sale financial assets

In accordance with IAS 39.9, classifying a financial asset as available for sale does not necessarily signify that the Wendel Group actually intends to sell it. Therefore this category 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.

Available-for-sale financial assets are measured at fair value and gains or losses arising from changes in fair value are recognized in equity. Any prolonged decline in the fair value of these financial assets below their cost is considered as an indicator that the investment is impaired, and an impairment loss is recorded in the income statement. This impairment cannot be written back through the income statement except in the event of sale.

Held-to-maturity investments

Held-to-maturity investments are financial assets with fixed or determinable payments 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 the principal outstanding capital adjusted for any unamortized transaction costs, premiums or discounts. Loans and receivables are tested for impairment 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 recorded in the income statement.

Financial liabilities

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

Derivatives

Derivatives are valued at their fair value. Gains and losses arising on changes in the fair value of derivatives for 2006 are recorded in the income statement apart from certain exceptions set out below and the sale of call options on shares held by Wendel-Participations shares (see the paragraph relating to Wendel-Participations).

Derivatives may be designated as fair value hedges or cash flow hedges:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to fluctuations in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge the variability in cash flows associated with a present or future asset or liability. Wendel and its subsidiaries implement cash flow hedges to offset fluctuations in the foreign currency exchange rates, oil prices and raw material prices, and to hedge for asset acquisitions and sales.

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 inception and throughout its term.

Application 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 in the balance sheet. Changes in the fair value of the hedged item are recorded in the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized directly in shareholders' equity. The gain or loss relating to the ineffective portion is recognized in 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.

Derivative instruments are measured using mathematical models applied by Wendel, as well as by independent experts and/or the Group's counterparties in the related transactions.

Exchangeable bonds

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

INVENTORIES

Inventories are stated at the lower of cost or net realizable value. The cost of inventories comprises raw materials, direct labor and any overheads that can be reasonably associated with production.

ROYALTIES RECOGNIZED BY THE EDITIS GROUP

Royalties due and receivable are stated at their nominal amount. They are provisioned as follows:

- for published works: based on the amount not covered by royalties generated through sales estimated according to the age of the work;
- for unpublished works: impairment losses are subject to an estimation according to the identified risks, notably, of the work not being published, the royalties not being covered by revenues or late delivery of manuscripts by authors.

Royalties due correspond to amounts payable to authors after deducting any advances already paid.

CASH AND CASH EQUIVALENTS

Cash represents cash at banks.

According to IAS 7 and the announcement from the *Autorité des marchés financiers* of March 9, 2006, 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 changes in value. They are measured at fair value at the balance sheet date.

PROVISIONS

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognized 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 recognized 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 based on the estimated duration of the obligation. The impact of this discounting is recalculated at each balance sheet date and the related adjustment is recorded in the income statement under "Other financial income and expenses."

PROVISIONS FOR PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

Defined contribution plans: the contributions are recognized in 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 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 provision corresponds to the difference between the total obligation calculated as set out above and any assets invested with insurance companies in order to cover this obligation.

Actuarial gains and losses are recognized directly in equity (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 they can be offset against tax on future earnings, 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.

Concerning 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 where:

- 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 in the foreseeable future.

Deferred taxes are calculated by the balance sheet liability method, based on the tax rates in effect at the balance sheet date. At December 31, 2007 the rate used for French companies was 34.43%, for income subject to standard assessment.

TREASURY SHARES

Treasury shares are stated at cost as a deduction from shareholders' equity. Proceeds from sales of treasury shares are credited directly to shareholders' equity and any disposal gains or losses therefore have no impact on the income statement.

WENDEL-PARTICIPATIONS SHARES AND OPTIONS

Solfur, a company that held Wendel-Participations' assets and liabilities, was sold in 2007 (see the note on "Related parties").

NB: Wendel-Participation's sole asset was shares in Wendel.

ACCOUNTING PRINCIPLES ADOPTED IN PREVIOUS FINANCIAL PERIODS

The Wendel-Participations shares held by the Group, as well as the call options sold to Wendel's Executive Management, were recorded at fair value in Wendel's consolidated balance sheet.

Because the value of these two instruments is directly and exclusively related to the Wendel share price, period-on-period changes in their fair values were recorded in consolidated reserves, similarly to the IFRS treatment for treasury shares, which prohibits entities from recording gains or losses on such shares. The dividend received from Wendel-Participations was also eliminated in the consolidated income statement and was recognized directly in consolidated reserves.

COMMITMENT TO GUARANTEE THE LIQUIDITY OF BUREAU VERITAS SHARES

Wendel undertook to guarantee the liquidity of Bureau Veritas shares issued or to be issued in connection with employee stock option plans. This undertaking pre-dated the acquisition of Bureau Veritas (end of 2004).

This undertaking finished with Bureau Veritas' IPO in 2007 (see "Changes in the scope of consolidation").

While awaiting possible clarification from IFRIC, Wendel accounted for this undertaking as follows:

- Concerning the commitment to maintain liquidity on exercised stock options, the purchase from minority shareholders was recognized prior to its actual occurrence: the shares thus eligible to be exchanged for cash were reclassified from "Shareholders' equity – minority interests" to provisions (IAS 32.18-b). These provisions were adjusted to the likely redemption amount (IAS 32.23).
- As the liquidity commitment was considered a commitment to repurchase shares from minority shareholders, the impact (the difference between the amounts of reclassified minority interests and the amount of provisions (IAS 32.23), and variations in provisions) was recognized in "Shareholders' equity – Group share" (see "Changes in the percentage interest in subsidiaries without gain or loss of control").
- Similarly to the two previous points: for stock options that had yet to be exercised, the shares that would have been issued and would then have been subject to the liquidity commitment gave rise to a provision to cover the difference between the purchase price of the shares and the exercise price of the stock options, with the corresponding amount being deducted from consolidated reserves.

The provision was cancelled through shareholders' equity when the obligation was eliminated (€41.1 million) as was the change in the consolidation scope in relation to shares held by minority interests, which, up to then had been considered as held by the Group as a result of the repurchase commitment.

PARTICIPATION OF EXECUTIVE MANAGERS IN THE COMPANY'S INVESTMENTS (See note in this regard)

During an acquisition, the percentage interest taken into account for the consolidation of the new subsidiary corresponds to the ratio of the equity investment of Wendel and the total shareholders' equity (Wendel + other investors + Management).

The co-investment structures of management may lead to a dilution of Wendel's investment in a given subsidiary (see the note on the participation of Executive Managers in the company's investments). This potential dilution varies over time and according to the performance realized. It is not known in advance because it depends on future performance and therefore cannot be taken into account the investment is unwound. The impact of the dilution is therefore taken into account at the same time as the gain or loss on disposal. In addition, the consolidated book values of the subsidiaries concerned is not recognized in Wendel financial statements at market value and therefore does not reflect this performance.

ASSETS AND OPERATIONS HELD FOR SALE

An asset or group of assets (disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and when its sale is highly probable. Depreciation ceases when an asset has been classified as held for sale and a provision is recorded if the asset's residual carrying amount exceeds its probable realizable value.

A business is considered as being for sale when it meets the criteria of assets held for sale. Assets and liabilities of operations held for sale are presented on a separate line in the balance sheet, and net income for the year from discontinued operations and operations held for sale is presented on a separate line in the income statement for both 2007 and 2006. Net income for the year from discontinued operations and operations held for sale includes any disposal gains or losses or any impairment losses recorded for this business.

REVENUE RECOGNITION

Revenue from sales of goods is recognized when the substantial risks and rewards of ownership are transferred to the buyer.

In the Bureau Veritas group the majority of contracts are short term. For these contracts, Bureau Veritas recognizes the 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 in income during a given period insofar as the income from contracts can be determined in a reliable manner.

The percentage of completion is determined for each contract by reference to the costs incurred at the balance sheet date compared to the total of estimated costs. The increment of this percentage, applied to the total forecast income from the contract, represents the profit margin recognized in the financial period. In the event of a forecast negative margin, provisions are booked 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 other currencies are translated into euros at the closing exchange rate at the balance sheet date. Exchange differences resulting from the translation of transactions in currencies other than euros are recorded in the income statement under the heading "Other financial income and expenses".

SUBSCRIPTION AND PURCHASE-TYPE STOCK OPTION PLANS

In accordance with IFRS 2 "Share-based payments", the Group expenses employee stock options in an amount corresponding to the fair value of the options at the grant date. This expense is recognized in the income statement over the vesting period of the options. As the issuance of stock options has no impact on the Group's cash position and net assets at the grant date, the contra entry to this expense is recorded in consolidated shareholders' equity.

The Group uses the Black & Scholes model and the binomial model to determine the fair value of options granted.

BALANCE SHEET PRESENTATION

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

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

A liability is classified in current liabilities when it satisfies any of the following four criteria:

- or it is expected to be settled in the Group's normal operating cycle;
- or it is held primarily for the purpose of being traded;
- or it is due to be settled within 12 months after the balance sheet date;
- or 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" corresponds to profit for the year excluding financial income and expenses, income tax expense, share of net income from equity method investments and net income for the year from discontinued operations and operations held for sale.

"Other operating income and expenses" correspond to the impact of a limited number of events, which are unusual, abnormal or infrequent. These may include gains and losses on disposals of intangible assets or property, plant and equipment, impairment losses on intangible assets or property, plant and equipment, restructuring costs and additions to 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" which notably include gains and losses on disposals of financial assets, impairment losses on financial assets, dividends paid by non-consolidated companies, changes in the fair value of "Financial assets 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 income for the year attributable to the Group by the average number of shares outstanding during the year.
- by dividing net income for the year attributable to the Group by the average number of shares outstanding during the year, adjusted for the number of shares to be issued on the conversion into shares of dilutive instruments (subscription-type stock options and warrants). Dilutive instruments (subscription-type stock options) issued by the Group's subsidiaries are also taken into account in the calculation of net income for the year attributable to the Group.

On the face of the income statement, earnings per share are presented separately for continuing and discontinued operations.

CHANGES IN THE SCOPE OF CONSOLIDATION

FISCAL YEAR 2007

AT THE LEVEL OF WENDEL

Bureau Veritas IPO

In October 2007, Bureau Veritas was listed on the stock market (€37.75 per share). With this transaction Wendel's percentage holding decreased from 98% (after cancellation of the impact related to the liquidity commitment: see "Summary of significant accounting policies") to 63%.

After IPO expenses (net of tax), the gain on this transaction was €744.4 million, on total proceeds of €1,208 million (before expenses). This gain was comprised of:

- the dilution related to the co-investment mechanism for Bureau Veritas managers (around -4%), which resulted in an expense of €47.2 million,
- the sale of shares held by Wendel and the dilution related to the capital increase reserved for employees, which gave rise to a gain of €827 million,
- expenses net of taxes: €35.3 million.

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

Following discussions in the fourth quarter of 2007 between representatives of Wendel and Saint-Gobain, the Supervisory Board of Saint-Gobain agreed on March 20, 2008 to propose the appointment of two directors to its Board to be nominated by Wendel at the 2008 Annual Shareholders' Meeting with an additional director to be nominated by Wendel during the 2009 Annual Shareholders' Meeting. On March 26, 2008 Wendel announced that it held 20.6% of the share capital of Saint-Gobain. Under the governance agreement, Wendel can increase its stake up to 21.5%.

With a 21.5% investment in the share capital of Saint-Gobain, the net finance debt for Wendel will total €4.3 billion with maturities between 2010 and 2012, to which should be added €1.6 billion in equity capital raised by Wendel. This financing is without recourse to Wendel. Given that Wendel has acquired protection covering around 40% of the financing against a decline in the Saint-Gobain share price (see the note on “derivatives”) and that it raised €1.6 billion in equity capital, only €2.3 billion of the net debt is liable to margin calls. On the basis of share prices at the end of March 2008, when the financial statements were approved, and taking into account cash and listed share margin calls made at this date, the maximum level of residual margin calls totals €1.5 billion. Margin calls (collateral given to banks) are intended to offset the current decline in the value of Saint-Gobain shares. These margin calls do not result in a specific additional cost for Wendel who retain title of, and income from, the assets. They are returned when the Saint-Gobain share price rises again above the level at which they were triggered. The margin calls included in certain financings put in place by the Wendel Group for the acquisition of these shares may be realized in cash and shares of listed companies in which Wendel is a shareholder. Wendel has positioned itself so that it is able to react to any change in the Saint-Gobain share price and so as not to be subject to liquidity risk: at the end of March 2008 Wendel's balance sheet included €3.4 billion in unpledged listed shares (excluding Saint-Gobain), €1.3 billion in unpledged cash equivalent assets and an unused syndicated credit line of €1.25 billion.

As of December 31, 2007 Wendel held 66.8 million Saint-Gobain shares, representing 17.9% of its share capital and 17.0% of its voting rights. These shares were purchased for a total of €4.8 billion. This investment was realized as a result of raising equity capital and non-recourse net financing of €3.7 billion. The gross financing appearing in the note on “Borrowings”, totaling €4.4 billion, and the cash pledged totaling €0.7 billion (initial security corresponding to the investment in shareholders' equity and additional security in response to margin calls) is described in the note on “off-balance sheet commitments”.

In accordance with IAS 28, these Saint-Gobain shares have been accounted in “Equity method investments” as of December 31, 2007 for their acquisition cost (see the note on “Equity-method investments”). Wendel became Saint-Gobain's largest shareholder in the autumn of 2007. Together with its stake at the end of the year demonstrate the significant influence necessary for the application of this accounting method (IAS 28.2 and 28.6), especially as this stake has already given Wendel representation on Saint-Gobain's Board of Directors (IAS 28.7).

No earnings have been recognized for the period between the date at which Wendel gained significant influence (10% threshold exceeded at the end of October 2007 and 15% threshold exceeded in mid-November 2007) and December 31, 2007 - a period of around two months. There was no significant impact on the Wendel's earnings from not recognizing Saint-Gobain's earnings for this period (after deduction of the negative impacts related to the accounting treatment of the cost of acquisition).

For 2007, the Saint-Gobain investment generated €345 million in expenses related to its set up and financing. Of this amount, €296 million has been recognized under the line item “Other financial income and expenses” and €42 million under “Finance costs, net”, with the balance being recognized in operating income.

Wendel, as a long term investor, considers that the decline in Saint-Gobain's share price since autumn 2007 does not reflect a fall in the intrinsic value of its investment, and maintains its growth targets for the stock over the medium term. Nevertheless, in the current environment of declining financial markets and slowing construction markets, an impairment test was performed. This confirmed that no writedown needed to be recorded (see the note in relation to “equity method investments”).

As allowed under IFRS, the acquisition costs will be allocated in the 12 months following the date of consolidation.

Disposal of investment in Neuf Cegetel

In September 2007 Wendel sold its entire 2.4% holding in Neuf Cegetel for €148 million. These shares were classified in the category “Available-for-sale financial assets”. The gain realized was €81.6 million (including €72.1 million as change in value recognized in shareholders' equity in previous financial periods).

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 in relation to the liquidity contract increased 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 treasury shares, or 0.2% of share capital.

CHANGES IN THE SCOPE OF CONSOLIDATION AT THE LEVEL OF SUBSIDIARIES

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 financial periods).

The principal acquisitions were ECA (Spain), part of whose share capital was already held at the beginning of the period 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.

The total goodwill arising from these acquisitions was €161 million.

The contribution from subsidiaries acquired to net income was €2.3 million.

Acquisitions by the Editis group (publishing)

The acquisitions of the Editis group in 2007 were De Boeck, Gründ and Paraschool. All these acquisitions involved 100% of the share capital. The total investment for the period was €72 million.

The total goodwill arising from these acquisitions was €60 million.

The contribution from subsidiaries acquired to net income was not significant.

Acquisitions by the Materis group (specialty chemicals for the construction sector)

Acquisitions of the Materis group represented an investment of €44.3 million. Almost all of these acquisitions involved 100% of the share capital. The total goodwill arising from 2007 acquisitions of subsidiaries consolidated in 2007 was €42 million. In addition, goodwill of €14 million was recognized on subsidiaries acquired in 2006 and consolidated in 2007.

The contribution from subsidiaries acquired to net income was not significant.

Companies acquired in 2007 that were not consolidated at December 31, 2007 because of insufficient financial information have not been taken into account 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. The gain realized by the sale was €51.6 million. This gain was included in "Net income from businesses sold" with net income for the fiscal year.

Acquisitions of the Legrand group (specialized in electrical equipment)

The principal changes in the consolidation scope between 2006 and 2007 concerned the consolidation of Alpes Technologies, TCL Wuxi, Macse, Kontaktor, UStec and HPM Industries. The total investment (net of cash in the companies acquired) totaled €265 million.

FISCAL YEAR 2006

AT THE WENDEL LEVEL

To facilitate international expansion, manifested in 2006 by the acquisition of four new companies, including three outside France (Deutsch, Stahl and AVR), the Company decided to group all new investments in an unlisted entity. Accordingly, the companies acquired in 2006 by the Wendel Group are owned by Winvest International SA (a Luxembourg company), itself 99.5%-owned by Wendel.

Acquisition of the Materis group

At the end of April 30, Wendel 2006, acquired the Materis group, one of the global leaders in specialty chemicals for the construction sector. The 73.5% holding in Materis group has been fully consolidated since May 1, 2006.

- The financing of the acquisition (Materis Parent) broke down as follows:
 - Contributions from Wendel: €319 M
 - of which €122 million in the form of shares
 - of which €197 million in the form of shareholder loans
 - Customer relationships:
 - Contributions from Managers and other minority interests: €99 M
 - of which €45 million in the form of shares
 - of which €54 million in the form of shareholder loans
 - Bank borrowings: €1,680 M
 - Provisional residual goodwill:
 - acquisition of shares: €1,011 M
 - payment of acquisition-related expenses, capitalized as part of the cost of the acquisition (recognized as a reduction in goodwill) €11 M
 - payment of fees on new bank debt: €29 M
 - payment of other expenses: €15 M
 - refinancing of the Materis group debt: €1,032 M

Wendel's share of the equity investment was 73.5%, its share of the shareholder loans was 78% and its overall share of the investment was 76%.

The provision goodwill generated at the time of acquisition amounted to €913 million:

• Acquisition price (including acquisition costs):	– €1,022 M
• Net equity acquired*:	– € 372 M
• Identifiable brands and trademarks:	€414 M
• Identifiable customer relationships:	€236 M
• Revaluation of manufacturing sites:	€50 M
• Deferred tax liabilities on revaluations:	– €238 M
• Revaluation of inventories, net of deferred taxes:	€26 M
• Other:	– €7 M
• Provisional residual goodwill:	€913 M

* excluding allocation of goodwill realized by the Materis group before the acquisition by Wendel.

As allowed under IFRS standards, allocation of the cost of the acquisition was finalized in the 12 months subsequent to the acquisition.

Materis' eight-month contribution to consolidated net sales was €1,121 million, to income from ordinary activities €92 million (after including an impact related to the allocation of goodwill for €61 million) and a consolidated net loss of €42 million (including an impact related to goodwill allocation and the expenses related to shareholder loans).

Over a 12-month period Materis sales were estimated at €1,622 million for 2006. Income from ordinary activities (excluding the exceptional impact related to the acquisition and the impact of goodwill allocation) was estimated at €205 million for 2006. On a pro forma basis, Materis would have posted a net loss of €20 million if the acquisition had taken place at January 1, 2006. This did not correspond to Materis' actual bottom line, as it was purely illustrative and only dealt with a hypothetical situation. To determine it, the following assumptions were made: amortization of goodwill allocation at January 1, 2006, LBO financing implemented on January 1, 2006, finance charges were estimated for 12 months on the basis of an average 3M Euribor rate, standard income tax rate of 34.43%.

Acquisition of Deutsch group

At the end of June 2006, Wendel acquired Deutsch, one of the global leaders in high-performance connectors in the areas of aerospace, heavy vehicle and oil and gas production. Before the acquisition by Wendel, this group comprised several non-integrated entities, notably in the United States, France and the United Kingdom. The acquisition related to the shares of various companies of this group and assets of the US business.

The 89% holding in the Deutsch group has been fully consolidated since the beginning of August 2006.

• The financing of the acquisition structure (Matinvest 2) broke down as follows (exchange rate at the acquisition date: end of June 2006):	
– Contributions from Wendel:	€264 M
of which €155 million in the form of shares,	
of which €109 million in the form of shareholder loans;	
Contributions from Managers and other minorities:	€68 M
of which €18 million in the form of shares,	
of which €50 million in the form of shareholder loans;	
– Bank borrowings:	€523 M

Part of the shareholder loan granted by minority interests was taken over by Wendel in March 2007 (€35 million).

• These amounts were used for (exchange rate at the acquisition date: end of June 2006):	
– acquisition of shares:	€823 M
– payment of acquisition-related expenses, capitalized as part of the cost of the acquisition	
of shares (recognized as a reduction in goodwill)	€16 M
– payment of fees on the new bank debt	€16 M

Wendel's share of the equity investment was 89%, its share of shareholder loans was 90% (after taking over a share of the shareholder loan from minority interests in March 2007) and its overall share of the investment is 89.5%.

The provision goodwill generated at the time of acquisition amounted to €400 million:

• Acquisition price (including acquisition costs):	– €823 M
• Acquisition related-expenses, capitalized as part of the acquisition cost:	– €16M
• Net equity acquired:	€190 M
• Identifiable brands:	€34 M
• Identifiable customer relationships:	€155 M
• Revaluation of manufacturing sites:	€71 M
• Deferred tax liabilities on revaluations:	– €34 M
• Revaluation of inventories, net of deferred taxes:	€8 M
• Other:	€16 M
• Provisional residual goodwill:	€400 M

As allowed under IFRS standards, the final adjustments to the provisional accounting were completed.

Deutsch's five-month contribution to consolidated net sales was €182 million, its contribution to income from ordinary activities €12 million (including an impact related to the allocation of goodwill of €14 million) and a consolidated net income was a negative €20 million (including the impact related to the allocation of goodwill and the expenses related to shareholder loans).

Over a 12-month period Deutsch sales were estimated at €438 million for 2006. Income from ordinary activities (excluding the exceptional impact related to the acquisition and the impact of goodwill allocation) was estimated at €72 million for 2006. On a pro forma basis, Deutsch would have posted a net loss of €10 million if the acquisition had taken place at January 1, 2006. This did not correspond to Deutsch's actual bottom line, as it was purely illustrative and only dealt with a hypothetical situation. To determine it, the following assumptions were made: amortization of goodwill allocation at January 1, 2006, LBO financing implemented on January 1, 2006 finance charges estimated for 12 months on the basis of an average 3M Euribor rate and an average Libor 3M rate, standard income tax rate of 34.43%.

Acquisition of 49% of Stahl

Wendel acquired a 49% holding in the Stahl group at the end of June 2006. This group is the global leader in leather finishing products.

The investment of Wendel totaled €78 million (including €29 million in the form of shareholders' equity and €49 million in the form of a shareholder loan).

Wendel's share of the equity investment was 46%, its share of the shareholder loans was 50% and its overall share of the investment was 48.5%.

Wendel has accounted for its 46% holding in the Stahl group since the beginning of July 2006 by the equity method insofar as it exercises significant influence on the Stahl group.

Legrand stock exchange listing

At the beginning of April 2006, Legrand (a leader in electrical equipment) was listed on the stock exchange. Prior to this transaction the Group's holding in Legrand (owned by Lumina Parent) totaled 37.4% and was accounted for by the equity method.

From the time of its listing on the stock exchange and the related transactions (dilution related to capital increase, the management co-investment mechanism and sales) Legrand was accounted for by the equity method and totaled 29.9% at December 31, 2006. All transactions were accounted for together as a single transaction, that generated an accounting profit of €133 million and an inflow of €103 million in cash for Wendel.

BLRLux / Neuf Cegetel:

At the beginning of the 2006 fiscal year, BLRLux (58.96%-owned by Wendel) held 5.24% of the share capital of Neuf Cegetel. All shares owned by BLRLux were therefore shown as assets in the consolidated balance sheet, and minority interests were recognized for the proportionate interest of shareholders' equity not owned by the Group. After the listing of Neuf Cegetel and the sale of a portion of the shares, Wendel owned 2.53% of the shareholders' equity of Neuf Cegetel through its 100%-owned subsidiary Trief there were no longer any minority interests recognized for the Neuf Cegetel shares accounted for in the balance sheet. A €5 million profit was recognized on the sale.

Treasury shares

In 2006, the Company purchased 141,839 Wendel shares on the open market for an average price of €94.85, 39,000 shares were sold under a liquidity contract, and 122,839 shares were sold following the exercise of employee stock options. At December 31, 2006, Wendel held 5,315,562 treasury shares, or around 9.6% of the total capital, of which 26,789 shares were earmarked for unexercised employee stock options.

CHANGES IN THE SCOPE OF CONSOLIDATION AT THE SUBSIDIARY LEVEL

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

The acquisitions of the Bureau Veritas group in fiscal year 2006 represented an investment of €51 million. Almost all of these acquisitions involved 100% of the share capital.

The total goodwill arising from these acquisitions was €54 million.

The contribution from subsidiaries acquired to net income was €2.4 million in 2006.

Acquisitions by the Editis group (publishing)

At the end of the 2005 fiscal year, the Editis group held 25% of Editions XO; the shares were not consolidated and were recorded as a non-current financial asset. At the beginning of 2006, the Editis group purchased the since remaining shares; since then the 100% holding in Editions XO has been since fully consolidated.

At the beginning of July 2006, Editis acquired 100% of the distribution company DNL.

The total goodwill arising from these acquisitions was €56 million.

The contribution from these companies to net income was €1.5 million in 2006.

Acquisitions by the Materis group (specialty chemicals for the construction sector)

Since its acquisition by Wendel at the end of April 2006, acquisitions by the Materis group have represented €51 million (excluding possible additional payments to be paid later). Almost all of these acquisitions involve 100% of the share capital.

The total goodwill arising from these acquisitions was €35 million.

The contribution from subsidiaries acquired to net income was not significant in 2006.

Note that companies acquired in 2006 that were not consolidated at December 31, 2006 because insufficient financial information, were not taken into account in the preceding paragraph. They were shown for an amount of €19 million as non-current financial assets at December 31, 2006.

Acquisitions of the Legrand group (electrical equipment)

Legrand acquired several companies in 2006, including Shidean (China), Cemar (Brazil) and Vantage (United States).

Total investments (net of cash in the companies acquired) amounted to €86 million.

RELATED PARTIES

The related parties of the Wendel Group are:

- Legrand, which has been accounted for by the equity method since its listing on the stock exchange,
- Saint-Gobain, which has been accounted for by the equity method since December 31 2007,
- Stahl, which has been accounted for by the equity method since its acquisition at the end of June 2006,
- Members of the Supervisory Board and Executive Board,
- SLPS, which is Wendel control structure.

LEGRAND

The Wendel Group received a dividend of €39.9 million in 2007 from Legrand.

STAHL

The investment in Stahl was realized in part by way of a shareholder loan for €49 million (see "Changes in scope of consolidation"). This shareholder loan bears interest at 9%. It totaled €56.1 million at December 31, 2007 (excluding IFRS accounting restatements).

MEMBERS OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

At December 31, 2007, corporate officers held 5.9% of Wendel's capital.

The amount of compensation granted to corporate officers of Wendel totaled €4.6 million in 2007.

As of December 31, 2007, there were 610,190 unexercised stock options granted to members of the Supervisory and Executive Boards. The expense in relation to stock options – as defined by IFRS 2 - was €1.4 million in 2007.

Certain corporate officers are members of the pension plan introduced by Wendel (see note 12). The liability in regard to them totaled €19 million at the 2007 year-end. It is fully covered by assets entrusted to an insurance organization.

Finally, certain corporate officers are shareholders of co-investment companies described in the section "Participation of executive management in Group's investments" below.

DIVESTMENT OF SOLFUR

As part of a simplification of the Wendel group organizational control structure, Wendel sold Solfur in April 2007 (see the section "Participation of Executive Management in Group investments" below) to a company owned by the Executive Management of Wendel, including certain corporate officers, for a price of €79 million determined by an independent expert. This agreement was approved by members of the Supervisory Board in accordance with the procedure for related-party agreements and approved at the Shareholders' annual meeting of June 4, 2007. The sale price was equal to the value of Solfur in the consolidated balance sheet as of December 31, 2006. No gain or loss was recognized in accordance with the principle adopted by Wendel to not recognize gains or losses in Wendel-Participations (see "Summary of significant accounting policies").

SLPS

SLPS is owned by 900 individual shareholders who are members of the Wendel family. It owns around 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 brand licensing agreement (exclusive operating license for the Wendel brand).

PARTICIPATION OF MANAGEMENT IN THE GROUP'S INVESTMENTS

1. PARTICIPATION OF SUBSIDIARY MANAGEMENT TEAMS IN THE PERFORMANCE OF THEIR COMPANIES

Over time, Wendel has implemented a policy for its subsidiaries based on the following principles:

- executives are invited to participate in a co-investment system and personally invest significant amounts of their own funds, through special-purpose companies, alongside Wendel;
- stock options are granted to all other managers.

Investments made by executives generate gains only once Wendel has achieved a certain profitability threshold (between 10% and 15%).

These investments present a risk for the executives inasmuch as the amounts invested are lost if the return on investment is below these levels. In return for accepting this high level of risk, executives share in any performance beyond this threshold, in variable proportions.

This system applies to all unlisted companies in the portfolio. As of December 31, 2007, such arrangements were in place at Editis, Materis, Deutsch and Stahl. In general, they are settled when investment are partially or completely sold.

Accordingly, during 2007, the co-investment mechanism at Bureau Veritas was settled at the time of the company's IPO, on October 23, 2007. Following the transactions to simplify the corporate structure, the principal executives of the Bureau Veritas group had acquired 4.5% of the shares of Bureau Veritas (including treasury shares).

Once listed, the companies implement new systems to allow their executives to participate in the performance of the company. For listed subsidiaries (Bureau Veritas, Legrand, Stallergènes), please refer to each of their reference documents for a description of the terms and conditions under which the executives participate in the performance of the company.

2. PARTICIPATION OF WENDEL EXECUTIVES IN THE GROUP'S PERFORMANCE

In an effort to avoid conflicts of interest, the amounts invested by Wendel executives and the rules governing their investments are systematically submitted for approval to the Supervisory Board, after the Governance Committee, which has authority in corporate ethics, reviews and issues an opinion on them.

2.1. CO-INVESTMENT BY WENDEL EXECUTIVES UNTIL 2006

2.1.1. Investment in subsidiaries and affiliates

The executives of Wendel were invited to make personal investments of a significant amount in all newly acquired companies of the Group, thereby undertaking an economic risk on all of them, at terms similar to those proposed to the executives of those companies.

These investments present a risk for the executives of Wendel inasmuch as the amounts invested are lost if the return on investment is below a certain threshold. In return for accepting this high level of risk, executives share in any performance beyond this threshold, in variable proportions.

For investments made before 2006, such programs were implemented when Legrand and Editis were acquired, with mechanisms similar to those introduced for the executives of those subsidiaries.

For the last investments made by Wendel in 2006 (Materis, Deutsch, Stahl and AVR), which were grouped in the investment company Winvest International (see pages 182-84, 212-214 and 220), the co-investment was carried out in accordance with the principles described in paragraph 2.2.

2.1.2. Investment in the shares of Wendel-Participations

The call options Wendel executives purchased from Solfur on Wendel-Participations shares in 2004 were settled in 2007. This transaction was approved by shareholders at their June 4, 2007 Shareholders' Meeting. It boosted the ownership interest of employees and executives in the share capital of the Group. As of December 31, 2007, they held 4.9% of the shares of Wendel.

2.2. CHANGE IN THE SYSTEM THROUGH WHICH WENDEL EXECUTIVES PARTICIPATE IN THE GROUP'S PERFORMANCE

After the Wendel Group's holding structure was simplified in 2007, the system enabling Wendel executives to participate in the Group's performance was changed. For the next five years, i.e. until 2012, it will be based on:

- a stock option plan, with the annual grant limited to 2% of share capital per year (terms and conditions detailed on page 208); the new plan was applied for the first time on June 4, 2007;
- co-investment on the part of executives: in accordance with its entrepreneur / investor strategy, Wendel wants the members of its management team to be directly and personally linked to the Company's investments by sharing in the risks and benefits thereof.

- These two programs, (stock options and co-investment), align the interests of Wendel executives with those of shareholders and will lead to an equilibrium between Group performance and that of new investments. The potentially dilutive effect of stock options should be offset as Wendel repurchases its own shares and cancels them.

The principles of executive co-investment in all new Group investments that prompt the Group to assume an economic risk on various listed and unlisted companies have been defined as follows:

- the individuals in question will invest alongside the Company, in amounts not to exceed 0.5% of the amount of Wendel's investment;
- they will be responsible for financing their co-investment;
- 10% of the total capital gain will accrue to the co-investments, provided that Wendel has obtained a minimum return of 7% p.a. and a capital gain of 40% of its investment. Otherwise, if either of these two thresholds is not reached, the management team will lose the amounts they have invested;
- rights to co-investments will vest in tranches of 20% p.a. (20% at the investment date, then 20% at each anniversary date);
- 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.

Given that certain corporate officers might be affected, in the interest of transparency and good corporate governance, these co-investment principles were approved by the Supervisory Board at its meetings of December 6, 2006 and April 26, 2007, based on the opinion of the Governance Committee. They were mentioned in the Statutory Auditors' Special Report on Regulated Agreements and Commitments with third parties relative to the previous year. They were approved by shareholders on June 4, 2007.

On July 18, 2007, the Supervisory Board, on the recommendation of the Governance Committee, added two stipulations to the plan: (i) the 7% minimum profitability threshold shall be measured with respect to the original value and date of the investments, and (ii) concerning investments in listed companies, the 40%-threshold shall be applied at the end of a period of two and a half years from the investment. These stipulations were mentioned in the Statutory Auditors' Report on Regulated Agreements, which is included in the 2007 annual report.

With respect to 2007, in line with the principles approved by shareholders, Wendel executives co-invested alongside Wendel in the transactions on Compagnie de Saint-Gobain, according to the terms detailed above, after approval of the Supervisory Board on June 4, 2007, based in turn on the opinion of the Governance Committee on May 22, 2007.

In addition, pursuant to the same authorization, a co-investment was put in place according to the terms detailed above when Winvest International was formed. Winvest International is a venture capital firm that holds the investments in Materis, Deutsch, Stahl and AVR. The co-investment received prior approval from the Supervisory Board on December 6, 2006 and June 4, 2007, based in turn on the December 6, 2006 and May 22, 2007 opinions of the Governance Committee.

These transactions made it possible to include new members of the management team in the plan. Additional co-investment transactions will be undertaken in 2008 after approval by the Supervisory Board, based on the recommendations of the Governance Committee.

3. IMPACT OF THESE CO-INVESTMENT MECHANISMS ON WENDEL

The programs in place for existing investments could have a dilutive impact in Wendel's percentage interest in these companies of 10-15% over five years, assuming the business plans envisioned by Wendel at the time of the acquisitions are realized.

4. OTHER INVESTMENTS OF WENDEL'S MANAGEMENT IN THE GROUP'S SUBSIDIARIES

In accordance with the documents published with respect to Legrand's IPO (see paragraph 11.5 of the Legrand IPO prospectus), Wendel executives purchased call options on Legrand shares from a financial institution, via a new company. These options, exercisable at any time, had a maturity of five years and represented around 1% of the share capital of Legrand. These options were sold in 2007.

RISK MANAGEMENT

MANAGEMENT OF EQUITY RISKS

The assets of the Group are principally investments in which Wendel is the principal or controlling shareholder. These companies have solid fundamentals and potential for profitable growth. These assets are both listed (Saint-Gobain, Bureau Veritas, Legrand and Stallergènes) and non-listed (Editis, Materis, Deutsch, Oranje-Nassau and Stahl). The Group also holds investments as a minority shareholder but these are not material.

The assets are actively managed, by constant monitoring of the performance of each company over the medium term. The growth in the net asset value of Wendel depends on the capacity of its management to select, purchase, develop and then resell companies capable of establishing themselves as leaders in their sector. Operational and financial performance of the subsidiaries is monitored and analyzed at meetings, held at least once a month, with subsidiaries management. These in-depth discussions are complemented by regular forward-looking analyses. Through the sharing of information with the management of the subsidiary, genuine sectoral expertise is created, making this analysis possible. This regular review also makes it possible to anticipate developments in each subsidiary and associated company and to make appropriate decisions. Nevertheless, there is a risk that the economic results of the subsidiary will not be in line with Wendel's expectations.

This company-specific approach is supplemented by an overall analysis of the industry breakdown of investments, in an effort to ensure sufficient diversification of the Company's assets, not only among the various sectors in the economy but also from the point of view of competitive positioning and resistance to business cycles.

Moreover, in the hedging of its portfolio of assets, Wendel may put in place equity or index derivative instruments. Wendel may also use to derivative instruments with a view to organizing the sale of one of its assets or with a view to obtaining specific financial exposure.

The risks related to the equity markets concern:

- Listed securities classified as "Financial assets at fair value through profit or loss" and derivatives on listed securities (that do not qualify as a cash hedge) that are recognized at their market value in the balance sheet, the impact of a variation in their value being recognized in income: as an indication, at year-end, a variance of 5% of the benchmark price of these financial instruments would lead to an impact of around €10 million in the income statement.
- Financial instruments qualified for accounting as cash hedges, as defined by IAS 39, and intended to hedge the financial risk on listed securities. A variance of 5% in the underlying security would have

an impact of around €44 million to the consolidated equity reserves.

- Consolidated securities accounted for by the equity method whose value is estimated on the basis of the market benchmark (see the note on goodwill and equity method investment).

MANAGEMENT OF CREDIT RISK

Each operating subsidiary has implemented a monitoring policy for its customer credit risk, and the receivables for which a risk exists are subject to write-down. At the year-end there was no significant concentration of credit risk.

Derivative contracts are entered into with top-rated financial institutions and cash surpluses are invested with top-rated banks.

Therefore, no significant credit risk existed at December 31, 2007.

MANAGEMENT OF INTEREST RATE RISK

Details of borrowings contracted by subsidiaries and the interest rates are described in note 13, details of cash balances are described in note 10 and the details of interest rate hedges are described in note 5.

In 2006, the Wendel Group exposure to interest rates was minimal insofar as nearly 80% of net borrowings were at fixed or capped rates:

In billions of euros	Fixed rate	Capped rate	Variable rate
Gross notional debt	2.0		3.5
Cash and financial investments			– 1.0
Impacts of derivative instruments	0.1	1.8	– 1.3
Exposure to interest rates	2.1	1.8	1.1
	42%	36%	22%

In 2007, the Wendel Group exposure to interest rates was limited insofar as nearly all borrowings were at fixed or capped rates:

In billions of euros	Fixed rate	Capped rate	Variable rate
Gross debt	2.8		8.2
Cash and financial investments			– 2.9
Impacts of derivative instruments	4.2	1.7	– 4.5
Exposure to interest rates	7.0	1.7	0.8
	73%	18%	9%

A 100-basis point variation in interest rates, to which the Group's consolidated interest rate exposure is pegged, would have an impact in the range from a cost of about €11 million to a gain of about €15 million on financial income before tax. At the end of 2006 the impacts were in the range from a cost of €14 million to a gain of €21 million. (assumptions: exposure at the year end, interest rates recorded at the year end, impact on the following year by recognizing maturities of derivative instruments that hedge the interest rate risk).

Each subsidiary manages its interest rate exposure by taking into account the constraints imposed by its financing agreements (notably in the case of LBO-type finance without recourse to Wendel). Nevertheless, the overall position of the Group is monitored by Wendel, which may use derivatives to manage the Group's overall interest rate risk.

MANAGEMENT OF LIQUIDITY RISK

The maturities of Group borrowings and unused credit lines are described in note 13. The main debt covenants are the following:

BONDS ISSUED BY WENDEL

In 2007, Wendel launched two bond issues whose terms and conditions were broadly similar to those of previous issues. With the exception of the Cap Gemini exchangeable issue of 2003, bond issues have a change-of-control clause that allows bondholders to obtain, under certain conditions, reimbursement or repurchase of their securities 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 capital and voting rights of the issuer, where this change of control would lead to a rating downgrade of the issuer.

SYNDICATED CREDIT LINE OF WENDEL (UNDRAWN AT DECEMBER 31, 2007)

The syndicated credit line implemented in September 2006 (see note on "Borrowings"), and amended in September 2007, 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 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 Editis, Bureau Veritas, Materis, Deutsch, Legrand, Stallergènes, Stahl and Oranje-Nassau groups, as well as the debt related to the acquisition of Saint-Gobain shares, without recourse to Wendel, are calculated as deductions from to gross revalued assets.

The covenants are as follows:

- the net debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after deferred taxes (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 (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 unlisted available assets (not pledged or placed in escrow),
 should not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line.

The documentation of the syndicated credit line includes a change-of-control clause similar to that for bond issues.

FINANCING OF THE SAINT-GOBAIN INVESTMENT

See the note in relation to the Saint-Gobain investment in "Changes in the scope of consolidation".

BUREAU VERITAS SYNDICATED CREDIT LINE

Bureau Veritas bank borrowings provide for compliance with the following ratios:

- an interest cover ratio of above 5.5. This ratio, which corresponds to last-12-month (LTM) earnings before interest tax and depreciation and amortization (EBITDA), divided by net interest expenses, is calculated on a rolling 12-month basis;
- a net debt-EBITDA ratio in the last 12 months of less than 3 (corresponding to Bureau Veritas' consolidated net debt divided by LTM EBITDA).

These ratios are tested every six months. At December 31, 2007 all of the covenants were respected.

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 disposals, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to Wendel.

EDITIS SYNDICATED CREDIT LINE

This credit line requires compliance with the following ratios:

- a net debt-EBITDA ratio at December 31, 2007 of less than 3.75 (corresponding to Editis' consolidated net debt divided by LTM EBITDA). The maximum for the ratio decreases to 1.45 at December 31, 2012;
- an interest cover ratio of more than 3.75 at December 31, 2007. This ratio, which corresponds to last-12-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA), divided by net interest expenses, is calculated on a rolling 12-month basis. The maximum for this ratio increases to 5 at December 31, 2012.

These ratios are tested every six months. At December 31, 2007 all of the covenants were respected.

The credit agreements entered into by Editis contain standard restrictions relating to this type of cross-over loan. For example, certain transactions such as mergers, asset disposals, guarantees given, acquisitions, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to Wendel.

MATERIS BANK DEBT

Materis bank borrowings provide for compliance with the following ratios:

- a net debt-EBITDA ratio (excluding shareholders loan) at December 31, 2007 of less than 7.45 (corresponding to Materis' consolidated net debt divided by LTM EBITDA). The maximum for the ratio decreases to 3.5 at September 30, 2016;
- a 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 capital repayments). This ratio is calculated on a rolling 12-month basis.
- an interest cover ratio of more than 1.9 at December 31, 2007. This ratio, which corresponds to last-12-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA), divided by net interest expenses, is calculated on a rolling 12-month basis. The maximum for this ratio increases to 3.2 at December 31, 2015.
- capex must not exceed €82.6 million for 2007 (this amount increases each year, reaching €103.7 million in 2016).

These ratios are tested quarterly. At December 31, 2007 all of the covenants were respected.

The credit agreements entered into by Materis contain standard restrictions relating to this type of LBO credit line. For example, certain transactions such as mergers, the disbanding of the tax group, asset disposals, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to Wendel.

DEUTSCH BANK DEBT

Deutsch's bank borrowings provide for compliance with the following ratios:

- a net debt-EBITDA ratio over the last 12-months (excluding shareholders loan) at December 31, 2007 of less than 6.85 (corresponding to Deutsch's consolidated net debt divided by LTM EBITDA). The maximum for this ratio decreases to 3.5 at June 30, 2013;
- a 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 capital repayments). This ratio is calculated on a rolling 12-month basis.
- an interest cover ratio of more than 1.75 at December 31, 2007. This ratio, which corresponds to last-12-month (LTM) earnings before interest, tax, depreciation and amortization (EBITDA), divided by net interest expense, is calculated on a rolling 12-month basis. The minimum for this ratio increases to 3 at September 30, 2013.
- capex must not exceed 50.5 million US dollars for 2007.
- these ratios are tested quarterly. At December 31, 2007 all of the covenants were respected.

The credit agreements entered into by Deutsch contain standard restrictions relating to this type of LBO credit line. For example, certain transactions such as mergers, the disbanding of the tax group, asset disposals, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval from the banks concerned.

This debt is without recourse to Wendel.

MANAGEMENT OF CURRENCY RISK

The 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 Deutsch, at Bureau Veritas and to a lesser extent at Materis.

WENDEL

Wendel has entered into various US dollar futures contracts in order to reduce its exposure to fluctuations in the EUR/USD exchange rate. The open position at December 31, 2007 (see note 5) would generate a currency gain or loss of around €23 million for a 5% rise or fall of the US dollar gain or against the euro.

ORANJE-NASSAU

In its oil and gas business, Oranje-Nassau derives a large proportion of its net income in US dollars. Around 80% of oil and gas sales are made in US dollars, representing about €200 million for 2007. Operating costs denominated in US dollars are considered as immaterial. Therefore, a 5% fluctuation in the EUR/USD exchange rate would have an impact of around €10 million on operating income. The impact of a 5% fluctuation in the value of the US dollar on financial instruments denominated in US dollars would be immaterial to net income before taxes (being around €3 million in 2007 and less than €1 million in 2006) and to net equity (around €1 million in 2007 and not material in 2006).

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 2007, nearly half of its revenues were realized in currencies other than the euro including 17.7% in US dollars, 6.8% in sterling and 6.9% in Hong Kong dollars. No other currency individually accounts for more than 3.0% of Bureau Veritas' revenues. This change is as a result of the strong growth of Bureau Veritas businesses outside the euro zone and, notably, in US dollars in the United States or currencies closely tied to it. However, as a general rule, Bureau Veritas supplies services locally and incurs expenses locally in each country where it operates. As a result, Bureau Veritas has limited exposure to currency risk in relation to transactions in different currencies.

Therefore, a 5% fluctuation in the EUR/USD exchange rate would have had a 0.75% impact on Bureau Veritas' operating income in 2007 and a 5% fluctuation in the EUR/HKD exchange rate would have had a 0.55% impact on Bureau Veritas' operating income in 2007, being an overall impact of €3.5 million on operating income.

In addition, Bureau Veritas' financing is in multiple currencies enabling it to borrow in local currencies. Bureau Veritas, if it judges it necessary, can therefore secure hedging of certain commitments by pegging its financing costs to the operating revenues in the currencies concerned.

Finally, the impact of a 5% fluctuation in the EUR/USD exchange rate on the financial assets and liabilities denominated in US dollars and held by entities having a different functional currency is less than €1 million.

DEUTSCH

The Deutsch group is mainly based in the United States with around 60% of its business denominated in US dollars. The impact of a 5% fluctuation in the EUR/USD exchange rate would have an impact of around €2 million on 2007 income from ordinary activities (excluding entries related to the allocation of goodwill and expenses related to the introduction of the Group's new organizational structure). This exposure is nevertheless offset by the finance debt of Deutsch whose benchmark currencies are split in the same proportions as those of the operational business.

Moreover, Deutsch has a financial debt of around €100 million denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a 5% fluctuation in the EUR/USD exchange rate, an impact of €5 million would be recognized in net financial income.

MATERIS

The impact of the US dollar on the operating income of Materis is limited. It is related to the presence of the Materis group in the United States and the purchase of various raw materials. For 2007, a 5% fluctuation in the USD exchange rate would have had an impact of around €0.75 million on income from ordinary activities.

RISK MANAGEMENT RELATED TO OIL PRICES: ORANJE-NASSAU ENERGY DIVISION

Oranje-Nassau manages the risk related to movements in oil prices on sales in its Energy division by putting in place hedges using derivatives. Amounts hedged are not allowed to exceed the volume of expected sales. These derivative instruments are designated for accounting purposes as hedging instruments. Their 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.

NOTES TO THE CONSOLIDATED BALANCE SHEET

NOTE 1. GOODWILL

(in millions of euros)

	12.31.2007	12.31.2006
Gross goodwill		
Bureau Veritas	574.3	895.9
Deutsch	359.6	394.3
Oranje-Nassau Groep (excluding Energy)	30.6	30.6
Oranje-Nassau Energy	10.9	10.9
Stallergènes	0.9	0.9
Subsidiaries of Bureau Veritas	583.5	473.6
Subsidiaries of Editis	639.1	580.4
Subsidiaries of Materis	998.9	956.2
Subsidiaries of Stallergènes	28.2	28.2
Total	3,226.1	3,371.0

(in millions of euros)

	12.31.2007	12.31.2006
Impairment		
Subsidiaries of Bureau Veritas	14.1	13.8
Subsidiaries of Editis	0.7	0.7
Total	14.8	14.5

(in millions of euros)

	12.31.2007	12.31.2006
Net goodwill		
Bureau Veritas	560.2	882.0
Deutsch	359.6	394.3
Oranje-Nassau Groep (excluding Energy)	30.6	30.6
Oranje-Nassau Energy	10.9	10.9
Stallergènes	0.9	0.9
Subsidiaries of Bureau Veritas	583.5	473.6
Subsidiaries of Editis	638.4	579.7
Subsidiaries of Materis	998.9	956.2
Subsidiaries of Stallergènes	28.2	28.2
Total	3,211.3	3,356.5

The change in the net amount of goodwill broke down as follows:

(in millions of euros)	12.31.2007	12.31.2006
Net at beginning of year	3,356.5	1,935.0
Business combinations ⁽¹⁾	- 44.5	1,442.7
Divestments	-	- 2.9
Impacts of changes in currency translation adjustments and other	- 100.4	- 17.5
Impairment for the year	- 0.3	- 0.7
Net at end of year	3,211.3	3,356.5

(1) Business combinations in 2007 mainly concerned the acquisitions made by Bureau Veritas (€161.0 million), Editis (€59.7 million), Materis (€56.4 million), offset by the impact of the dilution resulting from the Bureau Veritas IPO (- €321.6 million). In 2006 these mainly concerned the impacts of the acquisitions of Materis (€913.2 million), Deutsch (€402.1 million), as well as the acquisitions realized by Bureau Veritas (€30.6 million), by Editis (€51.9 million) and Materis (€44.9 million).

GOODWILL IMPAIRMENT TESTS

(see "Summary of significant accounting policies" related to goodwill)

Goodwill is allocated to the operating subsidiaries, which each form a cash generating unit. For each subsidiary a goodwill impairment test is performed on an annual basis in the following way: the recoverable amount of each investment is compared to its carrying amount (see "Summary of significant accounting policy" related to goodwill). In accordance with IAS 36, the recoverable amount used is the higher of the "fair value" and the value in use, as defined in IAS 36.6. When one of the two values is higher than the carrying amount, the other value is not calculated.

The "fair values", as defined in IAS 36.6, correspond to the share prices for listed investments and are calculated by Wendel for unlisted companies based on stock market multiples for comparable companies. These values are also compared to valuations carried out regularly by external experts who apply methods based on future discounted cash flows and comparable stock market multiples.

The approach used as of December 31, 2007 to determine the recoverable value of investments is as follows:

- for **Materis**, **Editis** and **Deutsch** the recoverable value results from an approach based on stock market earnings multiples and corresponds to fair value as defined in IAS 36,
- for **Bureau Veritas** and **Stallergènes** the amount adopted is the "fair value" as defined in IAS 36,

- for **Oranje-Nassau Groep** the value adopted is value in use as defined by IAS 36. Oranje-Nassau mainly holds shares in oil and gas fields. To value its oil and gas assets, Oranje-Nassau has created a forecasting model. This analysis results in estimates of revenues and earnings in future years. The net present value of future cash flows indicates the valuation of the company's Energy businesses.

Stock market values (stock market prices or an approach using business sector multiples) used in the calculation of fair values as defined in IAS 36 correspond to a short term valuation that may be lower than the intrinsic value of an investment in the medium/long term. Additional analyses by Wendel may be realized (value in use as defined by IAS 36: NPV of future cash flows).

No impairment losses were recognized as a result of the impairment tests carried out at December 31, 2007. If these recoverable amounts (such as defined above) should fall by 5%, they would still be higher than the carrying values, and no write down would be necessary.

NOTE 2. INTANGIBLE ASSETS

(in millions of euros)	12.31.2006		
	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated			
Editorial design costs	52.3	43.3	9.1
Other intangible assets	1.6	0.5	1.0
	53.9	43.8	10.1
Acquired			
Concessions, patents and licenses	26.4	5.0	21.4
Customer relationships ⁽¹⁾	907.3	214.8	692.5
Software	83.2	64.9	18.4
Other intangible assets	15.8	2.0	13.8
	1,032.7	286.7	746.1
Assets with indefinite useful lives			
Acquired			
Brands ⁽²⁾	809.0	10.7	798.2
Other intangible assets of acquired businesses	5.9	–	5.9
	814.9	10.7	804.2
Total	1,901.6	341.2	1,560.3

(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 with 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

Analysis of movements in intangible assets:

(in millions of euros)

	2007	2006
Amount at beginning of year	1,560.3	609.9
Acquisitions	11.9	8.6
Internally generated assets ⁽³⁾	14.1	10.8
Disposals	- 0.8	- 3.7
Impact of business combinations ⁽⁴⁾	97.9	1,074.5
Impact of currency translation adjustments	- 17.7	- 9.3
Amortization and impairment for the year	- 135.3	- 130.5
Amount at end of year	1,530.5	1,560.3
<i>of which</i>		
<i>Wendel and holding companies</i>	-	-
<i>Bureau Veritas</i>	514.2	520.5
<i>Deutsch</i>	174.2	197.0
<i>Editis</i>	45.1	36.5
<i>Materis</i>	794.4	803.1
<i>Stallergènes</i>	2.6	3.2

(1) Customer relationships recognized at the time of the acquisitions of Materis (€236.0 million) and Deutsch (€153.7 million) in 2006, Editis (€28.8 million) in 2005 and Bureau Veritas (€436.0 million) when control was obtained in 2004.

(2) The net worth of brands at December 31, 2007 was €197.5 million for Bureau Veritas, €567.5 million for Materis, €30.6 million for Deutsch and €10.0 million for Editis.

(3) The internally generated fixed assets mainly related to the editorial design costs at Editis of €13.8 million in 2007 and €10.8 million in 2006.

(4) The results of business combinations in 2007 included the impact of the acquisitions realized by Bureau Veritas, Editis and Materis (€67.3 million, €17.5 million and €13.1 million respectively). The entries for 2006 included Materis (goodwill allocation of €650.0 million and €168.4 million excluding goodwill allocation) and Deutsch (goodwill allocation of €189.0 million and €16.9 million excluding goodwill allocation).

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

(in millions of euros)	12.31.2006		
	Gross amount	Depreciation, and provisions	Net amount
Land	83.8	4.7	79.1
Buildings	338.8	159.2	179.6
PPlant, equipment and tooling	670.2	393.7	276.5
Oil and gas assets	770.2	573.5	196.6
Other property, plant & equipment	473.3	276.8	196.5
Assets under construction	57.0	–	57.0
Total	2,393.2	1,407.9	985.3

(in millions of euros)	12.31.2007		
	Gross amount	Depreciation, 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 and gas assets	762.4	597.1	165.3
Other property, plant & equipment	489.9	290.4	199.5
Assets under construction	63.8	–	63.8
Total	2,486.9	1,503.0	983.8

Analysis of movements in property, plant and equipment:

(in millions of euros)	2007	2006
Amount at beginning of year	985.3	357.5
Acquisitions	183.2	158.1
Disposals	– 6.1	– 15.9
Changes related to operations held for sale or sold	– 15.8	–
Impact of business combinations	39.5	605.5
Impact of currency translation adjustments	– 36.3	– 1.6
Depreciation and provisions recognized during the year	– 165.9	– 118.3
Amount at end of year	983.8	985.3
<i>of which</i>		
Bureau Veritas	134.0	106.3
Deutsch	123.4	145.2
Editis	34.4	30.4
Materis	479.4	467.8
Oranje-Nassau Groep (excluding. Energy)	0.2	0.9
Oranje Nassau Energy	165.3	196.6
Stallergènes	40.4	32.3
Wendel and holding companies	6.7	5.8
Total	983.8	985.3

NOTE 4. INVESTMENT PROPERTIES

(in millions of euros)	12.31.2007	12.31.2006
	Net amount	Net amount
Oranje-Nassau Groep	0.3	117.3
Trief Corporation	1.0	1.0
Total	1.2	118.3

Analysis of movements in investment properties:

(in millions of euros)	2007	2006
Net at beginning of year	118.3	95.8
Acquisitions	–	21.3
Disposals ⁽¹⁾	– 117.0	–
Changes in fair value	–	1.3
Other changes	–	– 0.1
At end of year	1.2	118.3

(1) See note on the sale of the Real Estate division of Oranje-Nassau Groep in the “Changes in scope of consolidation”

(in millions of euros)	2007	2006
Rental income	0.2	9.7
Operating expenses generating rental income	–	– 1.2
Operating expenses not generating rental income	–	–
Total	0.2	8.6

NOTE 5. FINANCIAL ASSETS AND LIABILITIES

Financial assets break down as follows:

(in millions of euros)	12.31.2007	12.31.2006
Assets available for sale ⁽¹⁾	43.5	358.3
Financial assets at fair value through profit or loss ⁽¹⁾	44.2	135.2
Loans ⁽¹⁾	87.4	104.1
Deposits and guarantees ⁽¹⁾	22.7	21.0
Derivatives ⁽¹⁾	464.4	129.4
Other	30.2	16.0
Total	692.5	764.0
of which non-current financial assets	620.0	610.8
of which current financial assets	72.4	153.2

(1) Accounting method: see "Summary of significant accounting policies".

Financial liabilities broke down as follows:

(in millions of euros)	12.31.2007	12.31.2006
Derivatives	491.7	251.5
Other	53.6	35.3
Total	545.3	286.8
of which non-current financial liabilities	116.4	188.4
of which current financial liabilities	428.9	98.3

ASSETS AVAILABLE FOR SALE:

(in millions of euros)	12.31.2007	12.31.2006
Listed securities		
Listed securities in the euro zone	—	138.6 ⁽¹⁾
Unlisted securities		
Wendel-Participations	—	138.9
Other investment securities	43.5	80.8
Total	43.5	358.3
of which non-current financial assets	43.5	358.3

(1) Neuf Cegetel securities, see note on "Changes in the scope of consolidation".

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	12.31.2007	12.31.2006
Listed securities		
Listed securities in the euro zone	13.6	106.9
Listed securities in the United States	—	9.8
Other	30.6	18.5
Total	44.2	135.2
of which non-current financial assets	—	—
of which current financial assets	44.2	135.2

LOANS

(in millions of euros)

12.31.2007

12.31.2006

AVR shareholder loan	39.4	57.4
Stahl shareholder loan	56.1	51.3
Adjustment to Stahl ⁽¹⁾	- 12.4	- 12.0
Other loans	4.3	7.3
Total	87.4	104.1

(1) see note 6 (1).

DERIVATIVES

(in millions of euros)

12.31.2007

12.31.2006

	Assets	Liabilities	Assets	Liabilities
Ownership interest acquired in Saint-Gobain ⁽¹⁾	348.8	359.2		
Derivatives on securities – not qualifying for hedge accounting ⁽²⁾	68.1	68.1	102.6	232.4
Commodity derivatives – hedges of cash flows ⁽³⁾	1.0	52.9	0.9	13.6
Commodity derivatives – not qualifying for hedge accounting	0.1	–	0.8	0.3
Interest rate swaps – hedges of cash flows ⁽⁴⁾	6.3	1.5	1.5	–
Interest rate swaps – not qualifying for hedge accounting ⁽⁴⁾	29.0	9.7	17.0	5.2
Forward sales – hedges of cash flows	–	0.4	–	0.1
Forward sales – not qualifying for hedge accounting ⁽⁵⁾	11.0	–	6.6	–
Total	464.4	491.7	129.4	251.5
Including non-current portion of:				
Ownership interest acquired in Saint-Gobain	348.8	5.4	–	–
Derivatives on securities – not qualifying for hedge accounting	67.5	68.1	98.1	171.4
Commodity derivatives – hedges of cash flows	1.0	29.2	0.2	11.7
Commodity derivatives – not qualifying for hedge accounting	–	–	–	–
Interest rate swaps – hedges of cash flows	5.1	–	1.5	–
Interest rate swaps – not qualifying for hedge accounting	25.7	9.6	13.1	5.0
Forward sales – hedges of cash flows	–	0.1	–	–
Forward sales – not qualifying for hedge accounting	–	–	–	–
Non-current portion of derivatives	448.1	112.4	112.9	188.2
Current portion of derivatives	16.4	379.4	16.5	63.3

(1) As from September 2007, Wendel progressively acquired shares in Saint-Gobain, see the note "Changes in the scope of consolidation" in relation to the investment in Saint-Gobain. This line item includes:

- Assets: €348.8 million of protection on Saint-Gobain (not qualifying for hedge accounting). On March 27, 2008 Wendel indicated that, as at that date, the protection in place covered around 40% of its investment in Saint-Gobain up to maturities in 2011-2012. At this date the market value exposed to a fall totaled €2.3 billion. A +/- 5% fluctuation in the Saint-Gobain share price would have resulted in a fluctuation in the market value of the protection of around +/- €35 million in net income.
- Liabilities: – €193.5 million in financial instruments (synthetic financing of securities) which, for accounting purposes (IAS 39), are considered as a hedge of cash flows on the financial risk of Saint-Gobain shares. The balance of this line item is made up of financial instruments not qualifying for hedge accounting. As of December 31, 2007, a +/- 5% fluctuation in the Saint-Gobain share price would have resulted in a variation in the market value of these instruments of around +/- €44 million in equity reserves and around +/- €25 million in net income.

(2) As of December 31, 2007, this line item relates to 7,000,000 Capgemini options embedded in bonds exchangeable into Capgemini shares on the liabilities side (exercise price of €39.86 and expiration date of June 2009) and 6,939,658 options on Capgemini shares purchased to hedge the options embedded in the exchangeable bonds (same characteristics) on the assets side.

(3) This line item corresponds mainly to the Energy division of Oranje-Nassau Groep, which has set up various hedges in relation to its future oil and gas output. These contracts involve 2,120,000 barrels and 3,960,000 barrels with expiration dates of December 2008 and December 2011 respectively.

(4) See the schedule of swap details below.

(5) USD futures contracts. Wendel has entered into US dollar forward rate agreements in order protect itself against fluctuations in the US dollar. These have a maturity of December 2008 involving USD 677.1 million at an average exchange rate of USD 1.4315 = EUR 1.

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INTEREST RATE SWAPS:

Nominal amount		Maturity	12.31.2007 ⁽¹⁾	12.31.2006 ⁽¹⁾
Hedging of bonds carried by Wendel				
€100 M	Pay 3.98% against 4.21%	05-2016	1.6	5.6
€100 M	Pay Euribor (3.42% floor and 4.02% cap) against 4.06%	02-2011	- 0.2	-
€400M	Pay CMS 7 years (3.43% floor and 3.85% cap) against 3.89%	02-2011	- 0.7	0.4
€95.7 M	Pay 3.20% against 3.89%	02-2011	2.0	0.2
€300M	Pay 12-M. Euribor +0.93% betw. 1.70% and 2.60%, 3.40% if < 1.70% and 3.53% if > 2.60% against 3.49%	08-2017	- 2.0	- 1.6
Hedging of subsidiaries' debt				
€3,300 M	Pay 4.26% against Euribor	08-2011	19.1	-
\$50 M	Pay 4% against USD Libor	12-2009	- 0.2	1.1
\$150 M	3.18%-4.62% interest rate collar on Libor	10-2008	0.2	1.1
€50 M	Pay 3.74% against Euribor	05-2011	1.1	0.6
€50 M	Pay 4.58% against Euribor	06-2010	- 0.3	-
€100 M	4.50%-4.97% interest rate collar on Euribor	12-2012	- 1.1	-
€62.9 M	Pay CMS residual -0.35% (2% floor and 3.5% cap) against Euribor	09-2007	-	0.2
€62.5 M	Pay 3.72% against Euribor	09-2010	1.1	0.5
€50 M	3.50% cap on Euribor	03-2009	0.6	0.6
€50 M	Pay 3.46% against Euribor	06-2008	0.3	0.4
€50 M	Pay 6 M. Euribor (3.00% floor and 4.25% cap)	06-2009	0.4	0.4
€62.5 M	Pay 3.90% against Euribor	12-2009	0.7	0.5
€200 M	Pay 4.51% against Euribor (active in 2008)	06-2008	- 0.1	-
€11.3 M	Pay 5.03% against Euribor	06-2008	-	- 0.2
€10 M	Pay 3.27% against Euribor	09-2015	-	0.6
€9.8 M	Pay 4.75% against Euribor	05-2009	-	-
€9.1 M	Pay 5.57% against Euribor	10-2007	-	- 0.1
€10 M	Pay 3.63% against Euribor	02-2014	-	0.3
€10 M	Pay 4.00% against Euribor	04-2016	-	0.1
\$90 M	Pay 5.47% against Libor	02-2011	- 2.9	1.2
\$300 M	Pay 5.45% against Libor	11-2009	- 6.1	- 2.8
€50 M	Pay 3.69% against Euribor	06-2009	0.6	- 0.4
\$50 M	5.1%-5.75% interest rate collar on Libor	07-2009	- 0.7	0.3
€260 M	1.82%-3.66% interest rate collar on Euribor	12-2007	-	-
\$31 M	3.40% cap on Libor	01-2007	-	-
€525 M	1.08%-4.34% interest rate collar on Euribor	05-2009	5.3	2.7
€380 M	Pay 3.84% against Euribor	04-2009	4.4	1.6
€100 M	Pay 3.40% against Euribor	01-2007	-	-
€500 M	Pay 4.25% against Euribor	03-2009	0.7	-
\$50 M	Pay 4.28% against Libor	01-2009	- 0.1	-
€9M	Pay 3.49% against Euribor	12-2009	0.1	-
€4.9 M	4.50% cap on Euribor	01-2013	0.1	-
Total			24.1	13.3

(1) Sign convention. (+) assets, (-) liabilities.

NOTE 6. EQUITY METHOD INVESTMENTS

(in millions of euros)

	12.31.2007	12.31.2006
Saint-Gobain ⁽¹⁾	4,804.7	–
Legrand	498.5	488.1
Stahl	29.0	32.5
Bureau Veritas Investments	2.2	2.1
Editis Investments	0.1	–
Materis Investments	3.0	2.9
Lumina Parent	0.1	0.2
Total	5,337.5	525.9

(1) see the note «Changes in the scope of consolidation» in relation to the investment in Saint-Gobain.

Changes in equity method investments were as follows:

(in millions of euros)

	2007	2006
Amount at beginning of year	525.9	436.5
Dividends during the year	– 41.4	– 36.2
Increases		
Acquisition of Saint-Gobain	4,804.7	–
Acquisition of Stahl	–	28.5
Disposals or dilutions		
Legrand	– 67.0 ⁽²⁾	–
Adjustment to Stahl ⁽¹⁾	–	11.4
Impact of changes in the scope of consolidation	–	36.2
Impact of business combinations	1.4	2.7
Impacts of changes in currency translation adjustments	– 14.8	– 21.6
Changes due to operations sold	–	– 0.1
Share in net income of equity-method investments (see notes 25 and 27)	128.6	68.5
Amount at end of year	5,337.5	525.9

(1) In the financial statements of Stahl (46%-held equity method investment), the value of the shareholder loan that appears in the balance sheet as a liability has been restated, in accordance with IAS 39.43, to take account of the yield spread between this loan and the borrowings of the company. The initial adjustment was recognized as an offset to consolidated reserves. This adjustment is reduced each year until it reaches nil on maturity of the loan. The reduction is recognized in net financial income as additional interest. As Wendel holds 50% of the total value of this loan, a matching adjustment has been recognized, which is accounted for in the consolidated balance sheet (see note 5).

(2) Purchase of treasury shares.

For each company accounted for by the equity method, when there is an indication of a loss in value, an impairment test is performed as follows: the recoverable amount of each investment is compared to its value in the consolidated balance sheet (see “Accounting policies” related to goodwill). In accordance with IAS 36, the recoverable amount used is the higher of the “fair value” and the value in use, as defined in IAS 36.6. When one of the two values is higher than carrying amount, the other value is not calculated.

The fair values, as defined in IAS 36.6, correspond to the share prices for listed investments and are calculated by Wendel on the basis of stock market multiples for comparable companies for unlisted companies. These amounts are also compared to valuations carried out regularly by an independent expert that apply methods based on future discounted cash flows and comparable stock market multiples.

The approach adopted as of December 31, 2007 is as follows:

a) For Saint-Gobain: the value adopted is the value in use as defined in IAS 36. Wendel, as a long term investor, considers that the decline in Saint-Gobain's share price since the autumn of 2007 does not reflect a fall in the intrinsic value of its investment and maintains its growth targets for the stock over the medium term. Nevertheless, with the current decline on financial markets and the slowdown on construction markets, an impairment test was performed (IAS 28.33). In application of IAS 36, the recoverable value was determined by adopting the higher of the "fair value" (as defined by § 6 of this standard), which is the closing share price, and the "value in use" (as defined by § 6 of this standard), which is the valuation of future cash flows. This valuation using discounted flows was performed internally by Wendel. The business plan used for the calculation of the "value in use" was prepared by Wendel from publicly available information (notably industry research notes), internal analyses by Wendel and studies conducted by Wendel and its advisors (several hundred contacts with professionals in the sector). The business assumptions that underlie this plan (underlying market trends, pricing policies, etc.) reflect the operational position of Saint-Gobain by taking into account, notably, the slowdown in the construction markets. In accordance with IAS 36, these assumptions do not include the potential impact related to the involvement of Wendel in the governance of Saint-Gobain, nor do they anticipate any strategic acquisitions. The discount rate is based on market metrics (risk free rate, market premium, beta) observed during the test; an external expert validates this calculation. The "value in use" determined in this way is higher than the carrying value of the Saint-Gobain shares; in addition this conclusion was corroborated

by an analysis of the valuation of Saint-Gobain performed by an independent expert. The calculation of the "value in use" therefore confirms that no writedown should be recorded for this investment; sensitivity analysis on the discount rate (+0.5%) or on the long term growth assumptions (– 0.5%) shows that even in the event of a deterioration in the environment forming the basis for these assumptions there would be no need for a writedown to be recorded.

b) For the other equity method investments, an impairment test was realized in spite of the absence of an indicator of a loss of value.

- For Legrand, a listed investment, the recoverable value corresponds to the "fair value" as defined by IAS 36.
- For Stahl, an unlisted investment, the recoverable value results from an approach based on stock market earnings multiples and corresponds to the "fair value" as defined by IAS 36.

It should be noted that stock market values (stock market prices or an approach using business sector multiples) used in the calculation of fair values as defined in IAS 36 correspond to a short term valuation that may be lower than the intrinsic value of an investment in the medium/long term. Additional analyses undertaken by Wendel may be realized ("Value in use" as defined by IAS 36: NPV of future cash flows).

No impairment losses were recognized as a result of the impairment tests carried out at December 31, 2007. If these recoverable amounts (such as defined above) fell by 5%, they would remain higher than the carrying values, and no write down would be necessary.

ADDITIONAL INFORMATION ON SAINT-GOBAIN:

(in millions of euros)

	2007	2006
Total assets	41,138	41,676
Minority interests	290	322
Total liabilities	25,871	27,189
Net sales	43,421	41,596
Operating income	3,156	3,322
Net income, Group share	1,487	1,637

ADDITIONAL INFORMATION ON LEGRAND

(in millions of euros)

	2007	2006
Total assets	5,587.3	5,410.0
Minority interests	2.8	8.8
Total liabilities	3,978.5	3,767.5
Net sales	4,128.8	3,736.8
Operating income	661.5	529.6
Net income, Group share	421.0	252.0

ADDITIONAL INFORMATION ON STAHL

(in millions of euros)

	2007	2006 (6 months)
Total assets	634.9	673.8
Shareholder loans	85.3	76.5
Total liabilities	485.8	526.5
Net sales	311.2	154.8
Operating income	15.4	- 8.4
Net income, Group share	- 4.9	- 16.0

NOTE 7. INVENTORIES

(in millions of euros)

	12.31.2007		12.31.2006	
	Gross	Provisions	Net	Net
At:				
Bureau Veritas	—	—	—	47.0
Deutsch	103.1	17.0	86.1	96.3
Editis	106.8	38.0	68.9	56.7
Materis	233.3	13.4	219.8	192.3
Oranje-Nassau Energy	2.8	—	2.8	1.5
Stallergènes	16.8	0.6	16.2	14.5
Total	462.8	69.0	393.7	408.4

NOTE 8. TRADE RECEIVABLES

(in millions of euros)	12.31.2007			12.31.2006
	Gross	Provisions	Net	Net
At:				
Bureau Veritas	670.4	43.6	626.8	430.1
Deutsch	78.5	1.6	76.8	84.0
Editis	140.8	6.6	134.2	140.8
Materis	384.3	21.0	363.4	342.0
Oranje-Nassau Groep (excluding Energy)	0.1	–	0.1	0.1
Oranje-Nassau Energy	28.3	–	28.3	18.3
Stallergènes	21.9	0.6	21.3	20.8
Wendel and holding companies	2.5	–	2.5	0.3
Total	1,326.8	73.4	1,253.4	1,036.3

NOTE 9. OTHER CURRENT ASSETS

(in millions of euros)	12.31.2007			12.31.2006
	Gross	Provisions	Net	Net
Other current assets				
Bureau Veritas	36.7	0.7	36.0	29.3
Deutsch	8.6	–	8.6	9.6
Editis ⁽¹⁾	184.9	137.6	47.3	54.5
Materis	59.7	0.3	59.3	50.4
Oranje-Nassau Groep (excluding Energy)	0.1	–	0.1	2.5
Stallergènes	4.0	–	4.0	2.9
Wendel and holding companies	5.0	–	5.0	16.2
	299.1	138.7	160.4	165.4
Prepaid expenses				
Bureau Veritas	23.9	–	23.9	18.1
Deutsch	1.1	–	1.1	2.8
Editis	4.8	–	4.8	3.9
Oranje-Nassau Groep (excluding Energy)	0.1	–	0.1	0.2
Oranje-Nassau Energy	0.8	–	0.8	0.6
Stallergènes	0.8	–	0.8	1.0
Wendel and holding companies	1.7	–	1.7	0.2
	33.2	–	33.2	26.9
Total	332.2	138.7	193.5	192.3

(1) Including in 2007, €172.6 million in relation to royalty advances to authors written down by €137.0 million. At December 31, 2006, advances of royalties amounted to €159.5 million, and were written down by €129.1 million.

NOTE 10. CASH AND CASH EQUIVALENTS

(in millions of euros)	12.31.2007	12.31.2006
	Net	Net
Cash equivalents		
Bureau Veritas	20.6	12.5
Deutsch	—	0.5
Editis	123.4	38.6
Materis	2.8	3.6
Oranje-Nassau Groep (excluding Energy)	—	—
Eufor group (investment structure within Saint-Gobain) ⁽¹⁾	482.9	0.5
Wendel and holding companies	1,650.7	593.9
	2,280.5	649.5
Cash		
Bureau Veritas	122.3	94.4
Deutsch	22.3	12.5
Editis	5.4	49.5
Materis	48.1	75.0
Oranje-Nassau Groep (excluding Energy)	4.5	2.5
Oranje-Nassau Energy	95.0	118.6
Stallergènes	9.0	13.7
Eufor group (investment structure within Saint-Gobain) ⁽¹⁾	249.6	0.5
Wendel and holding companies	9.9	10.6
	566.1	377.3
Total	2,846.6	1,026.9

(1) See details of cash pledges in note 17.

NOTE 11. SHAREHOLDERS' EQUITY

Changes in shareholders' equity

(in millions of euros)	Number of shares	Share capital	Share premium	Treasury shares	Retained earnings and other reserves	Translation adjustments	Group share	Minority interests	Total shareholders' equity
Balance at December 31, 2005⁽¹⁾	49,377,978	218.9	203.6	- 313.8	1,401.7	- 7.5	1,502.8	114.6	1,617.4
Income and expenses accounted for directly in shareholders' equity (A) ⁽²⁾	-	-	-	-	64.3	- 10.4	53.9	- 17.0	36.9
Net income for the year (B)	-	-	-	-	365.4	-	365.4	- 2.5	362.9
Total income and expenses recognized during the year (A)+(B)	-	-	-	-	429.7	- 10.4	419.3	- 19.4	399.8
Dividends paid ⁽³⁾	-	-	-	-	- 98.6	-	- 98.6	- 4.3	- 102.9
Treasury shares	20,000	-	-	- 6.0	0.8	-	- 5.2	-	- 5.2
Capital increase									
exercise of stock options	773,551	3.1	23.6	-	-	-	26.7	-	26.7
employee stock ownership plan	20,070	0.1	1.4	-	-	-	1.5	-	1.5
other	-	-	-	-	-	-	-	11.6	11.6
Share-based payment: stock options (incl. equity method investments)	-	-	-	-	3.9	-	3.9	0.5	4.4
Change in the liquidity commitment on Bureau Veritas shares ⁽⁴⁾	-	-	-	-	- 9.6	-	- 9.6	- 1.1	- 10.7
Changes in the scope of consolidation	-	-	-	-	- 7.4	-	- 7.4	- 4.3	- 11.7
Other	-	-	-	-	- 3.0	-	- 3.0	- 0.6	- 3.6
Balance at December 31, 2006⁽¹⁾	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 accounted for directly in shareholders' equity (A) ⁽²⁾	-	-	-	-	- 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 period (A)+(B)	-	-	-	-	685.7	- 59.2	626.6	4.6	631.1
Dividends paid ⁽³⁾	-	-	-	-	- 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 options	50,212	0.2	1.6	-	-	-	1.8	-	1.8
employee stock ownership plan	18,800	0.1	1.9	-	-	-	2.0	-	2.0
other	-	-	-	-	-	-	-	-	-
Share-based payment: stock options (incl. equity method investments)	-	-	-	-	10.9	-	10.9	2.9	13.8
Change in the liquidity commitment on Bureau Veritas shares ⁽⁴⁾	-	-	-	-	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 ⁽⁵⁾	-	-	-	-	- 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

(1)	Par value	Total number of shares	Treasury shares
At 12.31.2005	€4	54,713,540	5,335,562
At 12.31.2006	€4	55,507,161	5,315,562
At 12.31.2007	€4	50,318,400	99,990

(2) See the statement of "Recognized income and expenses". The main elements are detailed below:

	Wendel Participations securities and derivatives (see "Accounting policies")	Assets available for sale	Derivatives qualifying for hedge accounting	Deferred taxes	Total Group share	Minority interests	Total shareholders' equity
At 12.31.2005	66.7	36.3	- 23.6	11.9	91.3	15.1	106.4
• Changes in fair value during the year	- 7.4	74.3	- 1.2	0.8	66.5	22.6	89.2
• Amount recognized in the income statement	-	- 6.5	11.2	- 5.6	- 0.9	-	- 0.9
• Other	-	- 2.1	-	- 0.1	- 2.1	- 37.5	- 39.5
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

(a) Impact relating to financial instruments recognized for accounting purposes (IAS 39) as cash flow hedges. These are principally derivatives considered for accounting purposes as hedges of the financial risk on Saint-Gobain shares (- €102.1 million), and financial instruments hedging changes in the oil price for sales of Oranje-Nassau's Energy division (- €47.2 million). (See note on "Financial instruments")

(b) Including - €72.1 million related to the change in Neuf Cegetel's fair value recognized in income.

(3) Net dividend paid in 2007: €2.00 per share.
Net dividend paid in 2006: €2.00 per share.

(4) See "Summary of significant accounting policies".

(5) Includes share buybacks carried out by Legrand - see note 6.

Changes in minority interests

(in millions of euros)	Bureau Veritas group	Deutsch group	Editis group	Materis group	Stallergènes group	Wheelabrator group	BLR lux	Other	Total
Minority interests at 12.31.2005	17.0	–	3.7	–	21.1	5.1	67.7	–	114.6
Issuance of shares	–	0.1	–	6.6	0.9	–	–	4.0	11.6
Changes in the scope of consolidation	1.1	17.3	–	36.9	–	– 5.1	– 54.5	–	– 4.3
Share buybacks	– 0.2	–	–	–	–	–	–	–	– 0.2
Dividends paid	– 2.0	–	–	– 0.2	– 2.1	–	–	–	– 4.3
Translation adjustments	– 0.2	– 0.7	–	– 1.7	–	–	–	–	– 2.6
Other changes	– 3.9	0.1	–	1.0	0.7	–	– 13.2	–	– 15.3
Net income (loss) for 2006	3.2	– 2.1	0.2	– 10.9	7.2	–	–	–	– 2.5
Minority interests at 12.31.2006		14.6	3.9	31.8	27.7	–	–	4.0	97.1
Issuance of shares	–	–	–	–	0.5	–	–	–	0.5
Changes in the 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		8.1	4.0	30.1	35.1	–	–	4.0	248.4

(1) Includes the impact related to the Bureau Veritas IPO – see “Changes in the scope of consolidation”.

NOTE 12. PROVISIONS

(in millions of euros)	12.31.2007	12.31.2006
Provisions for liabilities and charges	249.2	274.4
Employee benefits	134.0	148.6
Total	383.3	422.9
Of which current	27.5	28.6
Of which non-current	355.8	394.3

PROVISIONS FOR LIABILITIES AND CHARGES

(in millions of euros)	12.31.2005	Additions	Reversals - used provisions	Reversals - unused provisions	Impact of discounting	Business combinations	Translation adjustments, reclassifications	12.31.2006
Wendel and holding companies								
Commitment to guarantee the liquidity of Bureau Veritas shares ⁽¹⁾	30.4	–	–	–	–	–	10.7	41.1
Other ⁽²⁾	19.0	–	–	–	–	–	–	19.0
Bureau Veritas								
Claims and litigation ⁽³⁾	59.3	3.4	– 5.2	– 0.8	0.8	–	0.3	57.8
Other	10.6	7.6	– 5.6	– 1.1	–	–	0.4	11.9
Deutsch								
Other	–	2.1	– 1.4	– 0.5	–	6.7	– 1.8	5.1
Editis								
Restructuring	10.3	1.6	– 4.1	–	–	–	– 0.4	7.3
Other	6.3	2.1	– 2.7	–	–	–	0.8	6.5
Materis								
Restructuring	–	1.7	– 1.0	–	–	1.9	–	2.6
Claims and litigation	–	1.9	– 1.1	– 0.1	–	7.1	–	7.7
Other	–	0.5	– 1.0	– 0.1	–	8.8	– 0.3	8.0
Oranje-Nassau Energy								
Dismantling of oil installations ⁽⁴⁾	92.9	–	– 0.2	–	4.1	–	5.8	102.5
Other	2.5	–	–	–	–	–	–	2.5
Stallergènes								
Other	2.2	0.4	– 0.3	–	–	–	–	2.2
Total	233.5	21.3	– 22.7	– 2.5	4.8	24.4	15.5	274.4
<i>of which current</i>	<i>18.4</i>							<i>28.6</i>

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(in millions of euros)	12.31.2006	Additions	Reversals - used provisions	Reversals - unused provi- sions	Impact of discoun- ting	Business combinations	Translation adjustments, reclassifications	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 Energy								
Dismantling of oil installation ⁽⁴⁾	102.5	– 0.1	–	–	5.4	–	3.1	110.8
Other	2.5	–	–	–	–	–	–	2.5
Stallergènes								
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
of which current	28.6							27.5

(1) See "Summary of significant accounting policies": "Commitment to guarantee the liquidity of Bureau Veritas shares".

(2) This line item includes a provision for an environmental dispute: pollution discovered on a site near Rouen is 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 Area, alleging an ownership link between HFR and Sofiservice, 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.

(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 for which the large part are subject to insurance covers specific to each business. The disbursement schedule for future years is uncertain because it depends on the evolution of legal cases underway including appeals exercised following first judgments. Bureau Veritas estimates that the major part of the amounts to be paid out will be paid more than one year hence.

(4) See "Summary of significant accounting policies": "Measurement of oil and gas assets".

EMPLOYEE BENEFITS

Defined benefit schemes	12.31.2005	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Past service cost	Curtailments and settlements	Business combinations	Translation adjustments	Other	12.31.2006
Commitments											
Wendel and holding companies	35.5	0.1	–	–1.7	1.1	–	–	–	–	–	34.9
Bureau Veritas	24.9	3.9	–0.6	–2.0	2.8	–	–0.6	–	–	28.0	56.3
Deutsch	–	0.2	–1.1	–0.4	0.8	–	–	36.1	0.5	0.4	36.5
Oranje-Nassau Groep (excl. Energy)	31.6	0.8	–0.7	–1.0	1.3	–	–	–	–	–0.3	31.8
Stollergènes	0.7	0.1	–0.1	–	–	–	–	–	–	–	0.7
	92.7	5.1	–2.5	–5.1	6.0	–	–0.6	36.1	0.5	28.2	160.2
Partially funded plan assets	12.31.2005	Return on plan assets	Contributions	Amounts used	Actuarial gains and losses			Business combinations	Translation adjustments	Other	12.31.2006
Wendel and holding companies	–33.6	–1.1	–	1.7	–	–	–	–	–	–	–33.0
Bureau Veritas	–	–1.5	–1.6	–	–	–	–	–	–	–20.7	–23.9
Deutsch	–	–0.9	–0.2	0.4	–	–	–	–24.6	–	–0.5	–25.9
Oranje-Nassau Groep (excl. Energy)	–22.6	–1.0	–1.5	1.0	0.5	–	–	–	–	0.1	–23.5
Stollergènes	–56.2	–4.6	–3.3	3.1	0.5	–	–	–24.6	–	–21.1	–106.3
Net commitments	36.4										53.9
Retirement bonuses	12.31.2005	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Past service cost	Curtailments and settlements	Business combinations	Translation adjustments	Other	12.31.2006
Commitments											
Wendel and holding companies	0.4	–	–	–	–	–	–	–	–	–	0.4
Bureau Veritas	33.6	3.6	6.5	–2.5	1.3	–	–0.3	–	–0.3	0.2	42.0
Deutsch	–	–	–	–	–	–	–	0.3	–	–	0.3
Editis	12.0	0.6	–0.1	–	0.4	–	–	–	–	0.2	13.1
Materis	–	1.6	–3.0	–0.9	1.2	–	–	42.6	–0.1	–	41.3
Stollergènes	2.1	0.3	0.5	–	0.1	–	–	–	–	–	2.9
	48.0	6.0	3.7	–3.5	3.0	–	–0.3	42.9	–0.4	0.4	99.9
Partially funded plan assets	12.31.2005	Return on plan assets	Employer contributions	Amounts used				Business combinations	Translation adjustments	Other	12.31.2006
Materis	–	–0.8	–0.5	0.3	–	–	–	–22.4	–	–	–23.4
Stollergènes	–1.1	–0.1	–1.0	–	–	–	–	–	–	–	–2.0
	–1.1	–0.9	–1.4	0.4	–	–	–	–22.4	–	–	–25.4
Net commitments	47.0										74.5
Other	12.31.2005	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Past service cost	Curtailments and settlements	Business combinations	Translation adjustments	Other	12.31.2006
Bureau Veritas	12.5	1.0	–3.4	–0.7	0.4	–	–0.1	–	–0.1	1.1	10.7
Editis	1.1	0.1	–	–	–	–	–	–	–	–	1.1
Materis	–	0.3	0.1	–0.5	0.3	–0.1	–0.1	14.3	0.1	–	14.4
Stollergènes	–	–	–	–	–	–	–	–	–	–	–
	13.6	1.4	–3.3	–1.2	0.7	–0.1	–0.2	14.3	–	1.0	26.2
Partially funded plan assets	12.31.2005	Return on plan assets	Employer contributions	Amounts used				Business combinations	Translation adjustments	Other	12.31.2006
Materis	–	–0.2	–	–	–	–	–	–5.9	–	–	–6.1
	–	–0.2	–	–	–	–	–	–5.9	–	–	–6.1
Net commitments	13.6										20.1
Provision for employee benefits	97.0										148.6

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Defined benefit schemes	12.31.2006	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Past service cost	Curtailments and settlements	Business combinations	Translation adjustments	Other	12.31.2007
Commitments											
Wendel and holding companies	34.9	—	—	—2.3	1.6	—	—	—	—	—2.8	31.4
Bureau Veritas	56.3	2.5	—10.4	—2.7	3.3	—	—0.1	0.1	—1.2	18.1	66.0
Deutsch	36.5	0.6	0.2	—1.2	0.3	—	—	—	—2.1	—2.4	32.0
Oranje-Nassau Groep (excl. Energy)	31.8	0.8	—2.5	—1.2	1.4	—	—0.8	—	—	—	29.5
Stallergènes	0.7	—	—	—	—	—	—	—	—	—0.7	—
	160.2	3.9	—12.7	—7.3	6.6	—	—0.8	0.1	—3.3	12.2	159.0
	12.31.2006	Return on plan assets	Contributions	Amounts used	Actuarial gains and losses			Business combinations	Translation adjustments	Other	12.31.2007
Partially funded plan assets											
Wendel et holdings	—33.0	—1.5	—	2.3	—			—	—	1.1	—31.2
Bureau Veritas	—23.9	—1.8	—2.3	—	7.2			—	0.8	—9.7	—29.6
Deutsch	—25.9	—	—	—	—			—	2.1	1.6	—22.2
Oranje-Nassau Groep (hors Énergie)	—23.5	—1.1	—	1.2	—0.1			—	—	0.1	—23.5
	—106.3	—4.5	—2.3	3.4	7.1			—	2.9	—6.8	—106.5
Net commitments	53.9										52.5
	12.31.2006	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Past service cost	Curtailments and settlements	Business combinations	Translation adjustments	Other	12.31.2007
Retirement bonuses											
Commitments											
Wendel and holding companies	0.4	—	—	—	0.2	—	—	—	—	—	0.4
Bureau Veritas	42.0	4.9	—4.1	—5.0	1.3	—	—0.6	0.8	—0.3	—7.9	31.0
Deutsch	0.3	0.1	—	—	—	—	—	—	—	0.1	0.4
Editis	13.1	0.6	—0.8	—	0.5	—	—	0.6	—	0.5	14.4
Materis	41.3	1.7	—1.9	—0.9	2.0	—0.1	—2.7	0.2	—0.4	—	39.1
Stallergènes	2.9	0.5	—0.3	—0.1	0.1	—	—	—	—	0.7	3.8
	99.9	7.6	—6.9	—6.1	4.0	—0.1	—3.4	1.5	—0.7	—6.6	89.0
	12.31.2006	Return on plan assets	Employer contributions	Amounts used				Business combinations	Translation adjustments	Other	12.31.2007
Partially funded plan assets											
Materis	—23.4	—1.3	—	2.4				—	—	—	—22.3
Stallergènes	—2.0	—0.1	—0.8	0.1				—	—	—	—2.8
	—25.4	—1.4	—0.8	2.5				—	—	—	—25.0
Net commitments	74.5										64.0
	12.31.2006	Service cost	Actuarial gains and losses	Benefits paid	Interest cost	Past service cost	Curtailments and settlements	Business combinations	Translation adjustments	Other	12.31.2007
Other											
Bureau Veritas	10.7	0.8	—	—0.5	0.4	—	—1.6	—	1.1	—0.3	10.6
Deutsch	—	0.1	—	—	—	—	—	—	—	0.2	0.3
Editis	1.1	—	—	—	—	—	—	—	—	—	1.2
Materis	14.4	0.8	0.1	—2.3	0.1	—	—	—0.1	—	—2.4	10.5
Stallergènes	—	—	—	—	—	—	—	—	—	—	—
	26.2	1.7	0.1	—2.8	0.5	—	—1.6	—0.1	1.1	—2.5	22.6
	12.31.2006	Return on plan assets	Employer contributions	Amounts used				Business combinations	Translation adjustments	Other	12.31.2007
Partially funded plan assets											
Materis	—6.1	—0.2	—	0.6				—	—	0.7	—5.0
	—6.1	—0.2	—	0.6				—	—	0.7	—5.0
Net commitments	20.1	—	—	—				—	—	—	17.6
Provision for employee benefits	148.6										134.0

Obligations in relation to defined benefits were as follows:

(in millions of euros)	12.31.2007	12.31.2006
Unfunded obligations	143.5	136.8
Partially or fully funded obligations	127.1	149.6

At December 31, 2007 the breakdown of defined benefit plan assets was as follows:

	12.31.2007
Funds of insurance companies	65%
Equity instruments	8%
Debt instruments	20%
Cash and other	7%

Until December 31, 2005 actuarial differences were recognized in income or expenses or in revenue. As of January 1, 2006 the Wendel Group chose to apply the option allowed by IAS19.93A and recognize actuarial differences in shareholders' equity (see "Summary of significant accounting policies").

(in millions of euros)	2007	2006
Expenses recognized in respect of defined benefit plans		
Service cost	13.2	12.5
Interest cost	11.0	9.7
Expected return on plan assets	- 6.1	- 5.6
Past service cost	-	- 0.1
Impact of plan curtailments or settlements	- 5.8	- 1.1
Total	12.3	15.4
Expenses recognized in respect of defined benefit plans⁽¹⁾	47.3	39.8

(1) Primarily concerning Bureau Veritas.

WENDEL

The retirement plan set up in 1947 by "Les petits-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. The main actuarial assumptions used are a discount rate of 4.5% and an employee turnover rate of 0%.

ORANJE-NASSAU GROEP

The calculation of obligations relating to supplementary retirement benefits is determined based on the following assumptions: a discount rate of 5.30%, a 4.75% return on plan assets, a salary increase rate of 5% and a 1.9% inflation rate.

BUREAU VERITAS

Defined benefit plans: Bureau Veritas' defined benefit plans primarily relate to the payment of pensions in France and Germany. These plans are now closed to current employees.

The Company's provision for retirement bonuses essentially concerns France. The bonuses are paid when the employee retires and are calculated 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 the calculation of these commitments are a discount rate of 5.43%, a 3.00% rate for salary increase rate, a staff turnover rate of 3.50% and an inflation rate of 2.16%.

EDITIS

Most of this Group's employees are entitled to retirement bonuses in accordance with the collective bargaining agreement applicable to the publishing sector. The main actuarial assumptions used are a discount rate of 4.60% and an inflation rate of 2.40%.

MATERIS

Retirement bonuses: the calculation of these bonuses depends mainly on the length of service of the employee at the date of retirement. These plans concern France, the United States, Belgium, Portugal, Italy, Brazil and Australia. The actuarial assumptions are established in each country. The main actuarial assumptions used are a discount rate between 5.00% and 10.77%, an inflation rate between 2% and 5%, a staff salary increase rate between 2% and 7.63% and a return on plan assets between 4.50% and 13.42%.

DEUTSCH

Deutsch has defined benefit plans that pay a supplementary pension to certain employees in France, the United Kingdom and Germany.

The main actuarial assumptions used are a discount rate of between 5.00% and 5.70%, a rate of salary increase of between 2.5% and 3%, an inflation rate between 2% and 3.1% and an employee turnover rate of 0% (3.30% in the United Kingdom).

NOTE 13. BORROWINGS

							12.31.2007	12.31.2006
(In millions of euros)	Currency	Coupon rate	Effective interest rate	Maturity	Repayment	Overall amount	Amounts drawn down	
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%	4.9%	11-2014	at maturity		400.0	400.0
2015 bonds	EUR	4.8750%	4.91%	09-2015	at maturity		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	
Syndicated credit line	EUR	Euribor+margin		09-2012 ⁽¹⁾	revolving credit	EUR1,250 M	–	–
Deferred issuance costs							– 0.9	– 0.5
Amortized cost of bonds							– 61.6	– 30.1
Other borrowings and accrued interest	EUR						53.5	29.4
							2,770.0	1,977.8
Eufor – Saint-Gobain investment financing								
Bank borrowings	EUR	Euribor+margin		07/11-2012	revolving credit		1,000.0	–
Bank borrowings	EUR	Euribor+margin		12-2010 / 03-2012	at maturity		2,095.2	–
Bank borrowings	EUR	Euribor+margin		12-2012	at maturity		543.6	–
Bank borrowings	EUR	Euribor+margin		06-2011	at maturity		800.0	–
Other borrowings	EUR						6.1	–
Accrued interest							37.8	–
							4,482.7	–
Matéris Investor								
Shareholder loan							13.3	11.9
							13.3	11.9
Bureau Veritas								
Bank borrowings	USD	Libor+margin		05-2013	installments		306.2	382.5
Bank borrowings	EUR	Euribor+margin		05-2013	installments		23.7	28.9
Bank borrowings	EUR	Euribor+margin		05-2011	revolving credit	EUR550 M	249.4	10.0
Bank borrowings	GBP	Libor+margin		05-2011	revolving credit		46.4	50.6
Bank borrowings	EUR			10-2012	at maturity		150.0	–
Deferred issuance costs							– 3.9	– 3.0
Other borrowings and accrued interest							38.4	25.3
							810.2	494.4
Deutsch								
Bank borrowings (mezzanine)	EUR	Euribor+margin		06-2016	at maturity		29.0	27.7
Bank borrowings (mezzanine)	USD	Libor+margin		06-2016	at maturity		28.4	30.4
Bank borrowings (second lien)	USD	Libor+margin		12-2015	at maturity		40.8	45.6
Bank borrowings (revolving credit)	EUR	Euribor+margin		06-2013	revolving credit	USD40 M	8.8	8.4
Bank borrowings (revolving credit)	USD	Libor+margin		06-2013	revolving credit		6.5	3.0
Bank borrowings (senior)	EUR	Euribor+margin		06-2014	at maturity		43.6	43.6
Bank borrowings (senior)	USD	Libor+margin		06-2014	at maturity		117.9	131.7
Bank borrowings (senior)	GBP	Libor+margin		06-2014	at maturity		28.9	31.5

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						12.31.2007	12.31.2006
(in millions of euros)	Currency	Coupon rate	Effective interest rate	Maturity	Repayment	Overall amount	Amounts drawn down
Bank borrowings (senior)	EUR	Euribor+margin		06-2015	at maturity		43.6
Bank borrowings (senior)	USD	Libor+margin		06-2015	at maturity		137.6
Bank borrowings (acquisition)	USD	Libor+margin		06-2013	installments	USD100 M	—
Deferred issuance costs							— 13.8
Shareholder loans							18.9
Other borrowings and accrued interest							9.6
							499.6
Editis							573.2
Bank borrowings	EUR	Euribor+margin		04-2013	installments		450.0
Bank borrowings	EUR	Euribor+margin		04-2013	revolving credit	EUR100 M	—
Bank borrowings (acquisition)	EUR	Euribor+margin		04-2013	installments	EUR150 M	62.0
Deferred issuance costs							— 3.0
Other borrowings and accrued interest	EUR						5.0
							513.9
Materis							468.8
Bank borrowings (mezzanine)	EUR	Euribor+margin		04-2016	at maturity		271.9
Bank borrowings (second lien)	EUR	Euribor+margin		11-2015	at maturity		140.0
Bank borrowings (senior)	EUR	Euribor+margin		04-2013	installments		269.1
Bank borrowings (senior)	EUR	Euribor+margin		04-2014	at maturity		397.9
Bank borrowings (senior)	EUR	Euribor+margin		04-2015	at maturity		423.7
Bank borrowings	EUR	Euribor+margin		04-2013	at maturity		121.0
Bank borrowings (revolving credit)	EUR	Euribor+margin		04-2013	revolving credit	EUR125 M	2.0
Bank borrowings (acquisition)	EUR	Euribor+margin		04-2013	installments	EUR150 M	123.1
Deferred issuance costs							— 23.1
Shareholder loans							54.2
Other borrowings and accrued interest							67.8
							1,847.6
Oranje-Nassau Groep	EUR						78.5
	USD						—
							78.5
Stallergènes	EUR						19.4
							25.8
							11,035.3
							5,515.6

(1) May be renewed option until September 2014.

(in millions of euros)

12.31.2007

12.31.2006

Breakdown by maturity		
Long- term borrowings		
Due beyond 5 years	6,487.6	3,692.5
Due in 1 to 5 years	4,203.6	1,610.3
Short- term borrowings		
Due within 1 year and accrued interest	344.2	212.8
Breakdown by currency		
Euro and other European Union currencies	10,374.5	4,746.6
Other currencies	660.8	769.0
Breakdown by type of interest rate ⁽¹⁾		
Fixed rate	26%	36%
Variable rate	74%	64%

(1) Before taking into account the impact of interest rate swaps (see note 5 and Management of interest rate risk).

(in millions of euros)

12.31.2007

12.31.2006

Amount of undrawn credit lines by maturity		
Due within 1 year and accrued interest	133.3	171.9
Due in 1 to 5 years	1,654.2	1,597.1
Due beyond 5 years	337.8	552.2

In 2007 Wendel issued €800 million in bonds:

- in March 2007, Wendel issued bonds maturing in September 2015 with a coupon of 4.875% for a total of €400 million. They were issued at 99.992% of their par value,
- in June 2007, Wendel increased its bonds on issue with a €400 million issue maturing in August 2017, bringing the total of this 2017 issue to €700 million, with a coupon of 4.375% and the additional bonds being issued for 90.034% of their par value.

In September 2007, Wendel's syndicated credit line was amended so as to allow:

- two new banks to join the syndication, taking the total number of banks in this syndicated credit line from eight to ten;
- an increase in the size of the credit line from €1,000 million to €1,250 million;
- an extension of its maturity to September 2012 with two options for one-year extensions. Previously the maturity was September 2011 with the possibility of extension to September 2012 and September 2013,
- The extension of financial covenants (see the note "Management of liquidity risk").

FINANCING OF THE SAINT-GOBAIN INVESTMENT

See the note "Changes in the scope of consolidation" in relation to the investment in Saint-Gobain.

BUREAU VERITAS

In October 2007, a new 5-year €150 million loan was put in place with the capital to be reimbursed in full at maturity.

Additional information

12.31.2007
Market value

2009 – 2.00% bonds exchangeable for Capgemini shares	339.6 ⁽¹⁾
2011 – 5.00% bonds	591.7
2014 – 4.875% bonds	385.2
2015 – 4.875% bonds	376.4
2016 – 4.875% bonds	369.4
2017 – 4.375% bonds	606.7

(1) Including the option component.

NOTE 14. TRADE PAYABLES

(in millions of euros)

	12.31.2007	12.31.2006
Breakdown by company:		
Bureau Veritas	163.8	109.3
Deutsch	38.0	32.8
Editis	154.2	177.6
Materis	277.5	247.9
Oranje-Nassau Groep (excluding Energy)	—	1.6
Oranje Nassau Energy	22.5	21.0
Stallergènes	23.0	25.9
Wendel and holding companies	12.7	2.0
Total	691.6	618.1

NOTE 15. OTHER CURRENT LIABILITIES

(in millions of euros)

	12.31.2007	12.31.2006
Other payables		
Bureau Veritas	303.6	255.4
Deutsch	28.4	31.9
Editis ⁽¹⁾	126.5	115.8
Materis	149.9	135.3
Oranje-Nassau Groep (excluding Energy)	6.9	8.3
Oranje Nassau Energy	—	—
Stallergènes	15.6	13.1
Wendel and holding companies	20.8	20.5
	651.7	580.2
Deferred revenue		
Bureau Veritas	69.6	59.9
Deutsch	—	0.8
Editis	9.8	4.3
Oranje-Nassau Groep (excluding Energy)	3.6	1.7
Oranje Nassau Energy	—	0.8
Stallergènes	—	—
	83.0	67.5
Total	734.8	647.7

⁽¹⁾ Including €57.7 million in 2007 and €53.9 million in 2006 for author royalties, and €55.8 million in 2007 and €54.3 million in 2006 in relation to tax and social welfare liabilities.

NOTE 16. CURRENT AND DEFERRED TAXES

(in millions of euros)

	12.31.2007	12.31.2006
Current taxes		
Current tax assets		
Bureau Veritas	56.7	48.2
Deutsch	0.2	0.8
Editis	3.5	3.5
Oranje-Nassau Groep	4.3	–
Stallergènes	0.2	2.9
Wendel and holding companies	1.4	1.6
	66.4	57.0
Current tax liabilities		
Bureau Veritas	85.7	81.6
Deutsch	1.1	0.9
Editis	–	3.8
Materis	10.8	12.4
Oranje-Nassau Groep (excluding Energy)	20.1	32.1
Stallergènes	1.2	0.4
Wendel and holding companies	0.3	–
	119.2	131.2

(in millions of euros)	12.31.2006	Changes recorded in the income statement	Changes recorded in shareholders' equity	Translation adjustments	Business combinations	Other	12.31.2007
Deferred tax assets							
Bureau Veritas ⁽¹⁾	51.4	12.5	–2.6	–1.0	–	1.5	61.8
Deutsch	9.1	0.8	–	–0.4	–	–8.6	0.9
Editis	12.3	–4.1	–	–	5.3	–	13.5
Materis	37.6	2.8	–0.6	–0.6	–	–0.6	38.5
Oranje-Nassau Groep	12.7	–9.4	18.8	–	–	–15.9	6.2
Stallergènes	3.0	–0.5	–0.1	–	–	–	2.5
	126.0	2.2	15.6	–2.0	5.3	–23.7	123.3
Of which movements due to changes in income tax rates		–0.2	–				
Deferred tax liabilities							
Bureau Veritas ⁽²⁾	184.8	–23.8	–	–1.3	–	18.6	178.3
Deutsch ⁽²⁾	43.5	–2.7	0.6	–2.1	–	–16.5	23.0
Editis ⁽²⁾	10.5	–7.0	–	–	9.6	–	13.1
Materis ⁽²⁾	349.5	–1.4	–	1.2	–	–3.2	346.2
Oranje-Nassau Groep ⁽²⁾	22.5	2.6	–1.7	–	–	–18.3	5.1
Stallergènes	1.1	0.3	–	–	–	–	1.5
	612.0	–31.9	–1.0	–2.2	9.6	–19.3	567.2
Of which movements due to changes in income tax rates		–0.3	–				

(1) including retirement provisions of €22.3 million in 2007 and €20.0 million in 2006.

(2) These are mainly deferred taxes relating to differences in asset valuations. These were €139.5 million in 2007 (€161.8 million in 2006) regarding Bureau Veritas, €26.9 million in 2007 (€30.7 million in 2006) at Deutsch, €5.7 million in 2007 (€9.4 million in 2006) for Editis, €324.8 million in 2007 (€329.9 million in 2006) for Materis and zero (€20.5 million in 2006) for Oranje-Nassau Groep following the sale of the Real Estate division.

NOTE 17. OFF- BALANCE SHEET COMMITMENTS

(in millions of euros)

	12.31.2007	12.31.2006
Bid bonds	50.6	25.4
Outstanding sold receivables	–	–
Pledges, mortgages and collateral	8,663.4	2,788.8
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	468.0
• pledge by Materis Parent (Materis group) of shares in 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	1,776.9	1,731.9
• 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	489.3	507.9
• pledge of listed shares in connection with the Saint – Gobain investment structure for the initial shareholders' equity investment and margin calls (market value) ⁽¹⁾	4,801.9	–
• pledge of protection purchased in connection with the Saint – Gobain investment structure (see note entitled "Financial instruments")	348.8	–
• pledge of cash in connection with the Saint – Gobain investment structure for the initial shareholders' equity investment and margin calls	729.7	–
• property mortgaged by Oranje – Nassau Groep	–	72.8
• other	4.8	8.3
Other guarantees and endorsements given	374.9	42.8
• guarantees given in connection with securities derivative transactions	337.5	–
• other	37.4	42.8
Other commitments given and received	25.5	18.5

⁽¹⁾ including 66 million Saint-Gobain shares.

At December 31, 2007 there were no commitments that could have a material impact on Wendel's financial position other than those disclosed above.

NOTE 18. NET SALES

(in millions of euros)

	2007	2006
Sales of goods		
Deutsch	438.3	182.1
Editis	731.4	726.8
Materis	1,816.5	1,121.1
Oranje-Nassau Energy	243.0	231.9
Stallergènes	147.1	126.6
	3,376.2	2,388.5
Sales of services		
Bureau Veritas	2,066.9	1,846.2
Editis	4.4	4.5
Oranje-Nassau Groep (excluding Energy)	–	9.7
	2,071.4	1,860.4
Royalties		
Editis	24.4	23.6
Oranje-Nassau Groep (excluding Energy)	0.3	1.0
	24.7	24.6
Total net sales	5,472.3	4,273.5

NOTE 19. OPERATING EXPENSES

(in millions of euros)

	2007	2006
Purchases and external charges	2,665.3	2,028.5
Personnel costs	1,721.1	1,346.0
Taxes other than on income	88.6	127.0
Other operating expenses	67.6	60.8
Depreciation and amortization	301.1	242.4
Net additions to provisions	20.6	17.7
Total	4,864.2	3,822.4

(in millions of euros)

	2007	2006
Research and development costs and editorial design costs recorded as expenses by:		
Deutsch	–	0.8
Editis (editorial design costs).	126.6	120.8
Materis	22.6	14.8
Stallergènes	29.5	20.8

(in millions of euros)

2007

2006

Breakdown of average number of employees of consolidated companies:

Bureau Veritas	33,018	26,207
Deutsch	3,539	3,508
Editis	2,670	2,368
Materis	8,971	8,228
Oranje-Nassau Groep	25	31
Stallergènes	661	588
Wendel and holding companies	59	62

NOTE 20. INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities breaks down as follows:

(in millions of euros)

2007

2006

Bureau Veritas	236.3	186.5
Deutsch	31.7	11.7
Editis	79.2	65.2
Materis	207.0	92.3
Oranje-Nassau Groep	138.5	154.0
Stallergènes	25.3	23.1
Wendel and holding companies	- 33.9	- 23.1
Total	684.1	509.7

The impact of goodwill allocations included in income from ordinary activities was as follows:

(in millions of euros)

2007

2006

Bureau Veritas	- 74.1	- 78.1
Deutsch	- 22.9	- 14.0
Editis	- 12.6	- 14.0
Materis	- 18.4	- 61.2
Oranje-Nassau Groep	-	-
Stallergènes	-	-
Wendel and holding companies	-	-
Total	- 128.1	- 167.2

Accordingly, income from ordinary activities before the impact of goodwill allocations break down as follows:

(in millions of euros)	2007	2006
Bureau Veritas	310.5	264.6
Deutsch	54.6	25.7
Editis	91.8	79.2
Materis	225.4	153.4
Oranje-Nassau Groep	138.5	154.0
Stallergènes	25.3	23.1
Wendel and holding companies	- 33.9	- 23.1
Total	812.2	676.9

NOTE 21. OTHER OPERATING INCOME AND EXPENSES

(in millions of euros)	2007	2006
Net gains on disposal of intangible assets and property, plant and equipment	0.2	25.8
Net gain on sale of consolidated investments ⁽¹⁾	733.2	130.8
Restructuring costs, net	- 9.9	- 5.3
Asset impairment	- 0.3	- 4.3
Other income and expenses	- 2.7	0.6
Total	720.6	147.6

⁽¹⁾ Including in 2007, a capital gain realized from the Bureau Veritas IPO, see note on "Changes in the scope of consolidation". In 2006 includes the dilution gain of €132.9 million on Legrand, see note "Changes in the scope of consolidation".

NOTE 22. FINANCE COSTS, NET

(in millions of euros)	2007	2006
Income from cash and cash equivalents		
Interest generated by cash and cash equivalents	71.8	23.0
Changes in the fair value of marketable securities	- 4.5	- 0.5
	67.3	22.5
Finance costs, gross		
Interest expense ⁽¹⁾	- 414.4	- 274.4
Interest expense on the minorities portion of shareholder loans	- 11.8	- 4.8
Deferral of debt issuance costs and premiums (calculated according to the effective interest method)	- 15.9	- 31.8
	- 442.0	- 311.0
Total	- 374.8	- 288.5

⁽¹⁾ Includes €42 million in interest expense related to the investment in Saint-Gobain, out of a total of €345 million (see note in relation to the investment in Saint-Gobain in the "Changes in the scope of consolidation"). The balance is recognized under the line item "Other financial income and expenses" (€296 million) and in operating income.

NOTE 23. OTHER FINANCIAL INCOME AND EXPENSES

(in millions of euros)

	2007	2006
Gains and losses on disposals of assets available for sale ⁽¹⁾	107.9	5.2
Dividend income from non-consolidated companies	4.3	5.0
Income loss on interest rate, currency and equity derivatives ⁽²⁾	-169.5	5.4
Interest on other financial assets	9.3	25.2
Net currency exchange gains (losses)	-26.2	9.9
Impact of discounting	-9.9	0.0
Other ⁽²⁾	-88.5	-0.6
Other financial income and expenses	-172.7	50.1

⁽¹⁾ including the €81.6 million gain from the sale of shares in Neuf Cegetel; see note on "Changes in the scope of consolidation".

⁽²⁾ includes €296 million in Structuring and financial costs related to the investment in Saint-Gobain, out of a total of €345 million (see note in relation to the investment in Saint-Gobain in "Changes in the scope of consolidation"). The balance is recognized under the heading "Finance costs, net" (€42 million) and in operating income.

NOTE 24. INCOME TAX

(in millions of euros)

	2007	2006
Current income tax	-183.8	-171.2
Deferred tax	37.1	53.0
Total	-146.7	-118.2

The difference between the Group's effective income tax rate and the standard income tax rate applicable in France can be analyzed as follows:

	2007
Standard corporate income tax rate in France	34.43%
Impact of:	
transactions subject to reduced tax rates or foreign tax rates	-35.20%
use of existing, uncaptured tax losses and uncaptured tax losses generated in the current year	17.41%
Other	0.47%
Effective tax rate⁽¹⁾	17.12%

⁽¹⁾ The effective income tax rate represents the ratio between the income tax expense recorded in the income statement, and operating income after net finance costs and other financial income and expenses.

NOTE 25. NET INCOME FROM EQUITY-METHOD INVESTMENTS

(in millions of euros)

	2007	2006
Legrand	130.5	76.5
Stahl	- 2.3	- 8.3
Other companies	0.3	0.4
Total	128.6	68.5

The 2007 net income does not include any income from Saint-Gobain (see note on “Changes in the scope of consolidation” in relation to Saint-Gobain).

NOTE 26. NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS

Oranje-Nassau Groep sold its real estate division in October 2007. The income for the period for this business is presented in “discontinued operations”. The presentation of the 2006 income statement has not been restated given that this activity was not material in relation to the financial statements of the Group.

(in millions of euros)

	2007	2006
Gain or loss on divestments		
Oranje Nassau Groep – real estate division	51.6	–
	51.6	–
Share of income for the year from discontinued operations		
Bureau Veritas companies	0.6	–
Editis companies	- 1.3	- 6.4
Materis companies	1.0	–
Oranje Nassau Groep – Real Estate division	3.0	–
	3.3	- 6.4
Total	54.9	- 6.4

NOTE 27. NET INCOME

(In millions of euros)

	2007	2006
Consolidated companies:		
Wendel and financial holding companies	536.2	174.5
Oranje-Nassau Groep (excluding Energy)	67.6	6.3
Oranje Nassau Energy	62.2	83.4
Bureau Veritas	121.1	106.4
Deutsch	-56.2	-20.5
Editis	24.8	-27.0
Materis	-6.4	-42.4
Stallergènes	16.0	13.6
	765.4	294.4
Share in income of equity method investments (see note 25)	128.6	68.5
	893.9	362.9
Minority interests (see note 11)	14.7	-2.5
Net income, Group share	879.3	365.4

NOTE 28. EARNINGS PER SHARE

(In euros and millions of euros)

	2007	2006
Net income, Group share	879.3	365.4
Impact of dilutive instruments on subsidiaries	-1.7	-0.9
Diluted net income for the year	877.5	364.4
Average number of shares	50,210,351	49,461,401
Potential dilution due to Wendel stock option allocations	174,172	826,829
Diluted number of shares	50,384,523	50,288,230
Basic earnings per share (in euros)	17.51	7.39
Diluted earnings per share (in euros)	17.42	7.25
Basic earnings per share from continuing operations (in euros)	16.42	7.52
Diluted earnings per share from continuing operations (in euros)	16.33	7.37
Basic earnings per share from discontinued operations (in euros)	1.09	-0.13
Diluted earnings per share from discontinued operations (in euros)	1.09	-0.13

NOTE 29. ACQUISITIONS OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

(in millions of euros)

	2007	2006
By Bureau Veritas	50.3	47.4
By Deutsch	22.2	9.1
By Editis	21.5	18.0
By Materis	73.2	52.7
By Oranje Nassau Energy	28.1	31.4
By Oranje-Nassau Groep (excluding Energy)	—	21.5
By Stallergènes	11.8	14.9
By Wendel and holding companies	1.9	1.1
Total	209.1	196.2

NOTE 30. DISPOSALS OF INTANGIBLE ASSETS AND PROPERTY, PLANT & EQUIPMENT

(in millions of euros)

	2007	2006
By Bureau Veritas	1.5	6.1
By Deutsch	0.5	—
By Editis	9.3	15.7
By Materis	4.1	6.5
By Oranje-Nassau Groep	0.8	21.0
By Stallergènes	—	—
By Wendel	1.1	0.5
Total	17.2	49.9

NOTE 31. ACQUISITIONS OF NON-CURRENT FINANCIAL ASSETS

(in millions of euros)

	2007	2006
Saint-Gobain	4,730.6	—
Materis ⁽¹⁾	—	320.0
Deutsch ⁽¹⁾	35.8	263.8
Stahl	—	28.5
Held by Bureau Veritas	210.9	4.5
Held by Materis	63.5	—
Held by Editis (Odyssee 1)	72.3	—
Other	9.2	183.4
Total	5,122.4	800.3

⁽¹⁾ Includes shareholder loans.

NOTE 32. DIVESTMENT OF NON-CURRENT FINANCIAL ASSETS (AT SALE PRICE)

(in millions of euros)

	2007	2006
Bureau Veritas IPO	1,208.3	–
Neuf Cegetel	148.1	–
Oranje Nassau Groep – real estate division	77.1	–
Lumina Parent Legrand	–	102.9
Other ⁽¹⁾	122.8	155.8
Total	1,556.2	258.8

(1) Including in 2007, €78.7 million in relation to the divestment of Solfur – see note on “Related parties”.

NOTE 33. DIVIDENDS RECEIVED FROM EQUITY METHOD INVESTMENTS AND NON-CONSOLIDATED COMPANIES

In 2007 this line item mainly includes €39.9 million in dividends received from Legrand and €24.9 million in income received from investment funds held by the Oranje-Nassau Groep.

NOTE 34. NET CHANGE IN BORROWINGS AND OTHER FINANCIAL LIABILITIES

(in millions of euros)

	2007	2006
New borrowings obtained/debt issued by:		
Wendel – 4.875% bond issue 2015	400.0	396.4
Wendel – 4.375% bond issue 2017	360.1	–
Eufor group (structure for Saint-Gobain investment)	4,317.2	–
Bureau Veritas	691.2	505.8
Deutsch	18.4	9.4
Editis	44.4	465.8
Materis	67.6	72.0
Oranje-Nassau Groep	118.0	114.5
Stallergènes	–	4.4
	6,016.8	1,568.3
Borrowings repaid/redeemed by:		
Winvest 5	–	300.0
Bureau Veritas	370.6	431.5
Deutsch	23.7	8.8
Editis	20.0	432.5
Materis	62.1	69.8
Oranje-Nassau Groep (excluding Energy)	107.9	79.2
Stallergènes	6.3	2.5
	590.6	1,324.3
Total	5,426.2	244.0

NOTE 35. 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).

In 2002, Stallergènes sold one of its buildings to a specialist finance lease company for a gross amount of €7.4 million and signed a 12- year lease with the company on the same date. The rental payments under this lease were calculated based on repayment of a €7.4 million loan in equal annual installments of principal and interest over the life of the lease. The company has an option to purchase the building for one euro, exercisable at the end of the lease. At December 31, 2007 the outstanding debt under this lease stood at €4.7 million. Transaction costs totaling €0.2 million are being amortized on a straight-line basis over the life of the lease. At the balance sheet date the building was valued at €5.5 million.

Finance leases entered into by Editis represented €2.5 million at December 31, 2007 and primarily related to IT equipment.

Finance leases entered into by Deutsch represented €3.0 million at December 31, 2007 and relate to buildings.

Finance leases entered into by Materis totaled €0.4 million at December 31, 2007 and relate to buildings as well as production lines and dyeing machines.

(in millions of euros)	2007	2006
Due within 1 year	1.8	2.3
Due in 1 to 5 years	5.1	6.0
Due beyond 5 years	1.4	2.2
Total	8.3	10.5

Operating leases (Contracts in which the Group does not assume the substantial risks and rewards of the leased asset)

At Editis operating leases are mainly made up of vehicles for the sales force and will result in future payments of €2.8 million.

Operating leases at Bureau Veritas will entail future payments totaling €123.2 million and are mainly for property leases and IT equipment.

At Deutsch operating leases, relating to buildings and factories, will entail future payments of €10.0 million.

At Materis operating leases will entail future payments of €98.6 million. They relate to administrative premises and the networks of sales outlets for Zolpan and Couleurs de Tollens.

Obligations under operating leases

(in millions of euros)	2007	2006
Due within 1 year	61.8	90.3
Due in 1 to 5 years	129.5	112.6
Due beyond 5 years	43.4	10.5
Total	234.7	213.4

NOTE 36. STOCK OPTIONS

The stock option expense was €4.9 million in 2007 compared with €4.4 million in 2006. In addition an expense of €4.9 million was recognized in 2007 in relation to payments in Bureau Veritas shares.

(in millions of euros)	2007
Stock options at Wendel	2.7
Stock options at Bureau Veritas	0.8
Subscriptions to shares under preferential terms at Bureau Veritas	2.1
Grant of bonus shares at Bureau Veritas	1.2
Stock appreciation rights at Bureau Veritas	1.6
Odyssee Holding (Editis)	0.1
Deutsch	0.4
Stallergènes	1.0
Total	9.8

New stock option plans set up in 2007 were as follows:

WENDEL

In June 2007, Wendel granted 877,500 stock options. Their characteristics were as follows:

- the exercise price is €132.96,
- they have a life of ten years,
- they vest in tranches of 20% each year over five years,
- they can only be exercised after five years,

- their final number will depend on the performance of net asset Value (NAV) per share (€127 per share when granted):
 - if this performance (including dividends paid to shareholders during the period) is less than 30% at the end of five years, the number of options allocated is divided by four.
 - if this performance (including dividends paid to shareholders during the period) is more than 120% at the end of five years, the full number of options allocated will be maintained.

They were valued with the aid of a binomial model and the principal calculation assumptions are as follows: a risk free rate of 4.5%, volatility of 19%, the rate of staff turnover is considered to be zero and the illiquid nature of stock options has been taken into account in this model that is usually applicable to options that can be freely traded on a market. The value of the options granted is assessed at €8.79 per option. The expense is averaged out according to the maturity schedule of the vesting rights (see above).

BUREAU VERITAS

On January 31, 2007 Bureau Veritas granted 678,500 stock options with an exercise price of €17.30 (after a ten-for-one split in the par value) and a life of ten years. Their value was assessed with a Black & Scholes model using the following assumptions: volatility of 20%, risk-free rate of 4%, estimated life of option of five years.

On December 13, 2007 Bureau Veritas made a grant to an company savings plan in which employees subscribed for 1,143,905 shares reserved for them and issued as part of a capital increase for a cash consideration at a subscription price determined by application of a 20% discount to the IPO price.

Bureau Veritas granted 238,890 bonus shares subject to certain attendance and performance conditions. The weighted average fair value of the bonus shares granted in 2007 was €33.83 per share.

Finally, Bureau Veritas granted 78,311 stock appreciation rights to certain employees. The exercise price is €30.2. These rights have no purchase obligation attached to them. The fair value was determined with the aid of an option pricing model. This gave a value of €18 per right. In 2007, the debt in relation to stock appreciation rights recognized by Bureau Veritas totaled €1.6 million.

EDITIS

Editis granted 91,000 stock options in 2007 with an expiry date in 2016, a four-year vesting period and an exercise price of €16.4. The estimated value was €5 per stock option (a Black & Scholes-type model was used).

DEUTSCH

Deutsch granted 322,234 stock options in 2007 according to the same terms and conditions as those granted in 2006. The unit value used is the same as for allocations made in 2006 (€0.73 per stock option).

STALLERGÈNES

There were 50,000 stock options granted in 2007 for different plans already in place with exercise prices of €53.96 and €57.06. The value of the options granted is assessed at €18.12 per option.

	Number of options outstanding 12.31.2006	Options granted in 2007	Options cancelled in 2007	Options exercised in 2007	Adjustment	Number of options outstanding 12.31.2007	Number of exercisable options	Exercise price (€)	Average exercise price (€)	Average residual life
Wendel										
Purchase-type options ⁽¹⁾	26,789			– 16,388		10,401	10,401	33.75	33.75	3.5 years
Subscription-type options	322,760			– 50,172		272,588	272,588	24.59 to 90.14	53.69	6 years
Subscription options indexed to NAV/ share		877,500				877,500	–	132.96	132.96	9.5 years
Bureau Veritas ⁽²⁾	4,413,460	700,000	– 212,010	1,348,350		3,553,100	1,191,600	4.08 to 17.30	13.39	6 years
Editis	314,000	91,000	– 24,000		37,388	418,388	–	13.93 to 16.40	14.47	7.5 years
Stallergènes	719,529	50,000	– 15,000	– 75,063		679,466	231,633	4.4 to 57.06	21.47	7 years
Deutsch	2,486,763	322,234	– 201,458			2,607,539	2,285,305	1.00	1.00	7 years

(1) Wendel holds the shares necessary to cover the exercise of stock options granted.

(2) after a ten-for-one split of the par value.

NOTE 37. SEGMENT INFORMATION

As Wendel's business segments are represented by those of its subsidiaries, the Group publishes segment information as follows:

- Bureau Veritas (Certification, Quality Control)
- Editis (Publishing)
- Stallergènes (Immunotherapy)
- Oranje-Nassau Énergie (Energy)
- Deutsch (Connectors)

- Materis (Specialty chemicals for the construction sector)

- Holding companies

Wendel divides its activities geographically into three regions: France, Rest of Europe and Rest of world.

ANALYSIS BY BUSINESS SEGMENT

The Group's balance sheet and income statement items are broken down by business segment in the notes to the balance sheet and income statement, except for those set out below:

At December 31, 2007:

(in millions of euros)	Total	Wendel & Holding cos.	Bureau Veritas	Deutsch	Editis	Materis	Oranje-Nassau Energy	Oranje-Nassau Groep (excluding Energy)	Stallergènes	Eliminations (cash flows)
Total assets	16,687	8,303	2,819	882	1,134	3,045	300	72	132	
Total liabilities	14,106	7,737	1,808	634	878	2,676	221	88	64	
Income from ordinary activities ⁽¹⁾	684	- 34	236	32	79	207	142	- 3	25	
Cash flows from (used in) operating activities	934	- 34	312	79	94	270	186	- 2	30	-
Cash flows from (used in) investing activities	- 4,005	- 3,103	- 265	- 20	- 67	- 140	- 28	- 26	- 16	- 341
Cash flows from (used in) financing activities	5,091	4,894	66	- 44	49	- 127	- 23	- 54	- 12	341
Cash flows related to taxes	- 185	31	- 74	- 4	- 36	- 29	- 68	1	- 6	-

(1) After taking into account entries relating to goodwill allocation.

At December 31, 2006:

(in millions of euros)	Total	Wendel & Holding cos.	Bureau Veritas	Deutsch	Editis	Materis	Oranje-Nassau Energy	Oranje-Nassau Groep (excluding Energy)	Stallergènes	Eliminations (cash flows)
Total assets	10,165	1,758	2,786	957	1,026	2,961	347	207	124	
Total liabilities	8,237	2,309	1,353	703	834	2,612	211	146	70	
Income from ordinary activities ⁽¹⁾	510	- 8	187	12	65	77	149	5	23	
Cash flows from (used in) operating activities	794	- 9	267	29	85	197	192	8	26	-
Cash flows from (used in) investing activities	- 609	- 268	- 109	5	- 42	- 37	- 29	34	- 10	- 153
Cash flows from (used in) financing activities	- 27	74	- 102	- 16	- 3	- 60	- 31	- 41	- 1	153
Cash flows related to taxes	- 152	60	- 64	- 5	- 16	- 20	- 96	- 3	- 8	-

(1) After taking into account entries relating to goodwill allocation.

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Book value of companies at December 31, 2007:

(in millions of euros)	Net consolidated value	Shareholder loans ⁽¹⁾	Market value
Fully consolidated companies			
Oranje-Nassau Groep (excluding Stallergènes and Lumina Parent)	62.8	—	
Stallergènes	32.2	—	281.0
Odyssée 1 (Editis)	215.5	—	
Bureau Veritas	839.0	—	2,725.4
Matinvest 2 (Deutsch)	66.4	171.7 ⁽¹⁾	
Materis Parent (Materis)	80.0	242.8 ⁽¹⁾	
Companies accounted for by the equity method			
Saint-Gobain	4,804.7	—	4,310.7
Legrand	498.5	—	1,881.6
Stahl	29.0	43.7	

⁽¹⁾ Shareholder loans held by Wendel or its holding companies eliminated on consolidation.

ANALYSIS BY GEOGRAPHIC REGION

At December 31, 2007:

(in millions of euros)	France	Rest of Europe	Rest of world	Total
Net sales	2,225.8	1,555.2	1,691.3	5,472.3
Assets by region	3,496.5	2,212.9	1,910.9	7,620.3
Acquisition of assets	88.8	59.4	61.1	209.2

NOTE 38. UNAVAILABLE ASSETS

(in millions of euros)	12.31.2007		
	Consolidated value of unavailable assets	Total for balance sheet line item	as a % of balance sheet line item
Stallergènes	5.5	—	—
Property, plant and equipment	5.5	983.8	0.6%
Eufor Group (structure for Saint-Gobain investment)	348.8	—	—
Bureau Veritas	8.0	—	—
Editis	0.5	—	—
Non-current financial assets	357.3	620.0	57.6%
Equity method investments ⁽¹⁾⁽²⁾	4,886.6	5,337.5	91.6%
Current financial assets⁽¹⁾⁽³⁾	729.7	4,826.0	15.1%
Total non-current assets	5,979.1	16,686.5	35.83%

(1) the date that the unavailability of these assets expires corresponds to the maturity of the Eufor group financing.

(2) consolidated value.

(3) cash equivalents.

Certain other assets eliminated on consolidation - such as shares in consolidated companies and inter - company receivables - have been pledged as collateral for banks as follows:

- certain shares of the Editis group, with a value of €512.1 million, have been pledged as a guarantee for the repayment of debt due by the Editis group,
- certain shares of Materis group companies, with a value of €1,776.9 million, have been pledged in favor of banks as collateral for loans granted to finance this transaction,
- in the financing of the Deutsch group, put in place at the end of June 2006, the shares of the principal Deutsch group companies, with a value of €489.3 million, were pledged in favor of banks as collateral on loans (senior, second lien, mezzanine).

NOTE 39. SUBSEQUENT EVENTS

A resolution will be submitted to shareholders at the annual meeting, based on the proposal of the Executive Board, approved by the Supervisory Board, to pay a net dividend of €2.00 per share.

The movement in the investment in Saint-Gobain between the year end and the approval of the financial statements is described in the note on "Changes in the scope of consolidation" in relation to the investment in Saint-Gobain.

LIST OF PRINCIPAL COMPANIES CONSOLIDATED AT DECEMBER 31, 2007

SCOPE OF CONSOLIDATION

Consolidation method	% holding	Company	Country	Business segment
Full	100.00	Wendel	France	Investment management
Full	75.25	Cie de l'Odyssée	France	"
Full	100.00	Coba	France	"
Full	99.50	Compagnie de Butterfly	France	"
Full	100.00	Compagnie Financière de la Trinité	France	"
Full	100.00	Eufor	France	"
Full	100.00	Hirvest 1	France	"
Full	100.00	Hirvest 2	France	"
Full	100.00	Hirvest 3	France	"
Full	100.00	Hirvest 4 (formerly Financière de Dalaba)	France	"
Full	100.00	Hirvest 5 (formerly Compagnie d'Alberta)	France	"
Full	100.00	Lormetal	France	"
Full	82.93	Odyssée 3	France	"
Full	100.00	Odyssée Holding	France	"
Full	100.00	Simfor	France	"
Full	100.00	Sofe	France	"
Full	100.00	Sofiservice	France	"
Full	100.00	Winbond	France	"
Full	100.00	Winvest 10	France	"
Full	100.00	Winvest 11	France	"
Full	100.00	Winvest 12	France	"
Full	100.00	Winvest 14	France	"
Full	100.00	Winvest 15	France	"
Full	100.00	Xevest holding (formerly Compagnie du Sahara)	France	"
Full	99.50	2MWIN	Luxembourg	"
Full	100.00	Froeggen	Luxembourg	"
Full	100.00	Grauggen	Luxembourg	"
Full	100.00	Hourggen	Luxembourg	"
Full	100.00	Ireggen	Luxembourg	"
Full	100.00	Jeurggen	Luxembourg	"
Full	100.00	Legron Bv	Luxembourg	"
Equity	39.89	Lumina Parent	Luxembourg	"
PC	50.00	Lumina Participations	Luxembourg	"
PC	50.00	Lumina White	Luxembourg	"
PC	50.00	Lumina Management	Luxembourg	"
Full	99.50	Luxconnecting Parent	Luxembourg	"
Full	94.30	Materis Investor	Luxembourg	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

Consolidation method	% holding	Company	Country	Business segment
Full	100.00	Ofilux Finance	Luxembourg	"
Full	99.50	Stahl Lux 1 Sarl	Luxembourg	"
Full	100.00	Trief Corporation	Luxembourg	"
Full	100.00	Truth 2	Luxembourg	"
Full	100.00	Winvest Conseil	Luxembourg	"
Full	100.00	Winvest Part 1	Luxembourg	"
Full	100.00	Winvest Part 2	Luxembourg	"
Full	100.00	Winvest Part 3	Luxembourg	"
Full	100.00	Winvest Part 4	Luxembourg	"
Full	100.00	Winvest Part 5	Luxembourg	"
Full	100.00	Winvest Part 6	Luxembourg	"
Full	100.00	Winvest Part 7	Luxembourg	"
Full	99.50	Winvest International Sicar SA	Luxembourg	"
Full	100.00	Legron BV	Luxembourg	"
Full	100.00	Senelle BV	Netherlands	"
Full	100.00	SOFISAMC	Switzerland	"
Full	100.00	Oranje Nassau Groep BV	Netherlands	"
Full	100.00	Oranje Nassau Énergie BV	Netherlands	Energy
Full	100.00	Oranje Nassau Participaties BV	Netherlands	Investment
Full	47.10	Stallergènes SA	France	Immunotherapy
Full	47.10	SCI Stallergènes Antony	France	"
Full	47.10	Bergstrasse 20, Erste VV GmbH	Germany	"
Full	47.10	Stallergènes & Co. Kg	Germany	"
Full	47.10	Stallergènes V. GmbH	Germany	"
Full	47.10	Stallergènes Italia SpA	Italy	"
Full	47.10	Stallergènes Ibérica SA	Spain	"
Full	47.10	Stallergènes Belgium SA	Belgium	"
Full	47.10	Stallergènes CZ, sro	Czech Republic/ Slovakia	"
Full	24.02	Stallergènes BV	Netherlands	"
Full	47.10	Stallergènes Portugal – Produtos Farmaceuticos, LDA	Portugal	"
Full	62.77	Bureau Veritas	France	Quality control / Certification
Full	62.77	BV SA – Afrique du sud	South Africa	"
Full	62.77	BV South Africa	South Africa	"
Full	62.77	BV Algérie	Algeria	"
Full	62.77	BV SA – Allemagne	Germany	"
Full	62.77	BV Certification Germany	Germany	"
Full	62.77	PKB Hambourg	Germany	"
Full	62.77	IPM	Germany	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

SCOPE OF CONSOLIDATION

Consolidation method	% holding	Company	Country	Business segment
Full	62.77	BV German Holding GmbH	Germany	"
Full	62.77	Bureau Veritas Industry Services	Germany	"
Full	62.77	BVCPS Germany	Germany	"
Full	62.77	Bureau Veritas Rail	Germany	"
Full	42.06	One Tüv	Germany	"
Full	62.77	Innova	Germany	"
Full	62.77	ECA Andorra	Andorra	"
Full	62.77	Pirineu Payma	Andorra	"
Full	62.77	ECA OCT Andorra	Andorra	"
Full	62.77	BV Angola	Angola	"
Full	62.77	BV SA – Arabie Saoudite	Saudi Arabia	"
Full	37.66	BV SATS	Saudi Arabia	"
Full	62.77	BIVAC Argentina	Argentina	"
Full	62.77	BV Argentine	Argentina	"
Full	62.77	BVQI Argentine	Argentina	"
Full	62.77	BV SA – Australie	Australia	"
Full	62.77	Bureau Veritas Australia Pty Ltd	Australia	"
Full	62.77	Bureau Veritas HSE	Australia	"
Full	62.77	Bureau Veritas Asset Integrity & Reliability Services Australia	Australia	"
Full	62.77	IRC	Australia	"
Full	62.77	CCI Holdings	Australia	"
Full	62.77	Bureau Veritas International Trade	Australia	"
Full	62.77	Carbon Consulting International	Australia	"
Full	62.77	Bureau Veritas Asset Integrity & Reliability Services	Australia	"
Full	62.77	BV SA – Autriche	Austria	"
Full	62.77	BV Austria	Austria	"
Full	62.77	BVQI Autriche	Austria	"
Full	62.77	Zertifizierung Bau	Austria	"
Full	62.77	BV Azeri	Azerbaijan	"
Full	62.77	BV SA – Bahrein	Bahrain	"
Full	62.77	BIVAC Bangladesh	Bangladesh	"
Full	60.26	BVCPS Bangladesh	Bangladesh	"
Full	62.77	BV Bangladesh Private Ltd	Bangladesh	"
Full	62.77	BV Belarus Ltd	Belarus	"
Full	62.77	BV SA – Belgique	Belgium	"
Full	62.77	BV Marine Belgium & Luxembourg	Belgium	"
Full	62.77	BV Certification Belgium	Belgium	"
Full	62.77	AIBV	Belgium	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

Consolidation method	% holding	Company	Country	Business segment
Full	62.77	BV Bénin	Benin	"
Full	60.51	BV do Brasil	Brazil	"
Full	62.77	BVQI do Brasil	Brazil	"
Full	60.51	Tecnitas do Brasil	Brazil	"
Full	62.77	MTL Engenharia	Brazil	"
Full	62.77	BV SA – Brunei	Brunei	"
Full	62.77	BV Varna	Bulgaria	"
Full	62.77	BV Douala	Cameroon	"
Full	62.77	BV Canada	Canada	"
Full	62.77	ECA Vérification de Qualité	Canada	"
Full	62.77	AQSR Canada Inc	Canada	"
Full	62.77	BV Chile	Chile	"
Full	62.77	BVQI Chile	Chile	"
Full	62.77	BV Chile Capacitacion Ltda	Chile	"
Full	62.71	ECA Chile Formacion	Chile	"
Full	62.75	ECA Chile	Chile	"
Full	62.77	BV Consulting China	China	"
Full	62.77	BVCPS Hong Kong	China	"
Full	37.66	MTL Shanghai	China	"
Full	62.77	LCIE China	China	"
Full	62.77	BV SA – Hong Kong	China	"
Full	62.77	Falide International Quality Assessment	China	"
Full	62.77	BV Certification Hong Kong	China	"
Full	62.77	Tecnitas far East	China	"
Full	62.77	Bureau Veritas Hong Kong	China	"
Full	62.77	BV Colombia	Colombia	"
Full	62.77	BVQI Colombia	Colombia	"
Full	62.64	ECA Colombie	Colombia	"
Full	62.77	BV Congo	Congo	"
Full	62.77	Bivac Congo	Congo	"
Full	62.77	BV SA – Corée	South Korea	"
Full	62.77	BVQI Korea	South Korea	"
Full	62.77	BV Côte d'Ivoire	Ivory Coast	"
Full	62.77	Bivac Côte d'Ivoire	Ivory Coast	"
Full	62.76	Bivac Scan CI	Ivory Coast	"
Full	62.77	BV Croatia	Croatia	"
Full	62.77	BV SA – Cuba	Cuba	"
Full	62.77	BV SA – Danemark	Denmark	"
Full	62.77	BV Certification Denmark	Denmark	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

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Consolidation method	% holding	Company	Country	Business segment
Full	62.77	Trotters	Denmark	"
Full	62.77	Chemtox	Denmark	"
Full	62.77	BV SA – Égypte	Egypt	"
Full	56.49	BV Egypt	Egypt	"
Full	62.77	BV SA – Abu Dhabi	UAE	"
Full	62.77	BV SA – Dubai	UAE	"
Full	62.77	BV Ecuador	Ecuador	"
Full	62.77	BVQI Ecuador	Ecuador	"
Full	62.77	BV SA – Espagne	Spain	"
Full	62.77	IPM Espagne	Spain	"
Full	62.34	BV Espanol	Spain	"
Full	62.77	BV Certification Espagne	Spain	"
Full	62.77	Surveycan	Spain	"
Full	62.77	ECA Entidad Colaborada De La Administración, SAU	Spain	"
Full	62.77	ECA Cert, Certificación SAU	Spain	"
Full	62.77	ECA Preven SAU.	Spain	"
Full	62.77	Activa, Innovación Y Servicios, SAU	Spain	"
Full	62.77	Idt Docuteca, SA	Spain	"
Full	62.77	Servi Control SL	Spain	"
Full	62.77	Geopayma SAU	Spain	"
Full	31.07	Payject Xxi SA	Spain	"
Full	62.77	Payma Cotas SAU	Spain	"
Full	62.77	ECA Control Engineering International SA	Spain	"
Full	62.77	Instituto De La Calidad, SAU	Spain	"
Full	59.63	ECA Instituto De Tecnología Y Formación, SA	Spain	"
Full	34.52	ECA, Control Y Gestión De Servicios, SL	Spain	"
Full	40.80	Prevenout	Spain	"
Full	62.77	A77 Servicios Y Contratos, SL	Spain	"
Full	62.77	Aceplus, Servicios Integrales, SAU	Spain	"
Full	62.77	ECA Global'S Investments,Heritage And Assets,S.L.U	Spain	"
Full	62.77	Gimnot Innovación Y Servicios, SAU	Spain	"
Full	62.77	Inversiones Y Patrimonios De ECA Global, SA	Spain	"
Full	62.77	BV SA – Finlande	Finland	"
Full	62.77	BV SA – France	France	"
Full	62.77	BV International	France	"
Full	62.77	BV France	France	"
Full	62.77	BVCPS France (formerly ACTS France)	France	"
Full	62.77	Bivac International	France	"
Full	62.74	BV Monaco	France	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

Consolidation method	% holding	Company	Country	Business segment
Full	62.77	BV Certification France	France	"
Full	62.77	BV Certification Holding	France	"
Full	62.77	CEP Industrie	France	"
Full	62.77	Sedhyca	France	"
Full	62.77	Tecnitas SA	France	"
Full	62.77	LCIE France	France	"
Full	62.05	Qualité France SA	France	"
Full	62.77	Transcable	France	"
Full	62.77	BV SA Mayotte	France	"
Full	62.77	BV SA Antilles	France	"
Full	62.77	BV SA La Réunion	France	"
Full	62.77	SSICOOR	France	"
Full	62.77	ECS	France	"
Full	62.77	Hoztec	France	"
Full	62.77	Operendi	France	"
Full	31.59	Arcolia	France	"
Full	60.23	Aprob	France	"
Full	62.52	Coreste	France	"
Full	62.77	ECA Cert Certification	France	"
Full	62.77	Ecalis	France	"
Full	62.77	Bureau Veritas Laboratoires	France	"
Equity	31.33	ATSI – France	France	"
Equity	28.25	GIE Sécurité Aviation Civile – France	France	"
Full	62.77	BV Gabon	Gabon	"
Full	62.77	BIVAC Ghana	Ghana	"
Full	62.77	BV SA – Grèce	Greece	"
Full	62.77	BV Certification Hellas	Greece	"
Full	62.77	BVCPS Guatemala	Guatemala	"
Full	62.77	BV Guinée	Guinea	"
Full	62.77	BV Guinée Equatoriale	Equatorial Guinea	"
Full	62.77	BV Hongrie	Hungary	"
Full	62.77	BV SA – Inde	India	"
Full	60.82	BVIS – India	India	"
Full	62.77	BV Certification India	India	"
Full	62.77	BVCPS India Ltd	India	"
Full	62.77	Bureau Veritas India	India	"
Full	62.77	BV Indonésie	Indonesia	"
Full	53.35	BVCPS Indonésie	Indonesia	"
Full	62.77	BV SA – Irlande	Ireland	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

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Consolidation method	% holding	Company	Country	Business segment
Full	62.77	BV Ireland Ltd	Ireland	"
Full	62.77	BV SA – Iran	Iran	"
Full	62.77	BV Italia	Italy	"
Full	62.77	BVQI Italie	Italy	"
Full	37.66	ECA Certificazione	Italy	"
Full	37.66	PMI CERT	Italy	"
Full	62.77	BV SA – Japon	Japan	"
Full	62.77	BV Japan Compagny Ltd	Japan	"
Full	62.77	Nihon Testing	Japan	"
Full	62.77	Bureau Veritas Human Tech	Japan	"
Full	62.77	BVI Ltd Kazakhstan	Kazakhstan	"
Full	37.66	BV Kazakhstan Industrial Services LLP	Kazakhstan	"
Full	62.77	BV Kazakhstan	Kazakhstan	"
Full	62.71	BV Kenya	Kenya	"
Full	62.77	BV SA – Koweit	Kuwait	"
Full	62.77	BV Lebanon	Lebanon	"
Full	62.77	Bureau Veritas Latvia	Latvia	"
Full	62.77	Jadzis	Latvia	"
Full	62.77	BV Moravia	Latvia	"
Full	62.77	Bureau Veritas Lit	Lithuania	"
Full	62.77	Soprefira	Luxembourg	"
Full	62.77	BV Luxembourg	Luxembourg	"
Full	62.77	BV Madagascar	Madagascar	"
Full	62.77	BV Mali	Mali	"
Full	30.76	BV Malaysia	Malaysia	"
Full	62.77	BVQI Malaysia	Malaysia	"
Full	62.77	BV SA – Malte	Malta	"
Full	62.77	BV SA – Morocco	Morocco	"
Full	62.77	BV Certification Maroc	Morocco	"
Full	62.77	BV SA – Mauritania	Mauritania	"
Full	62.77	BV SA – Ile Mauritius	Mauritius	"
Full	62.77	BV Mexicana	Mexico	"
Full	62.77	BVCPS Mexico	Mexico	"
Full	62.77	BVQI Mexico	Mexico	"
Full	62.77	AQSR de R.L. de C.V.	Mexico	"
Full	62.68	ECA Mexico	Mexico	"
Full	62.77	BV SA – Mozambique	Mozambique	"
Full	37.66	BV Nigeria	Nigeria	"
Full	62.77	BV SA – Norway	Norway	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

Consolidation method	% holding	Company	Country	Business segment
Full	62.77	Chemtox – Norge AS	Norway	"
Full	62.77	BV SA – New Caledonia	New Caledonia	"
Full	62.77	BV New Zealand	New Zealand	"
Full	62.77	BV SA – Oman	Oman	"
Full	62.77	BV SA – Pakistan	Pakistan	"
Full	50.22	BVCPS Pakistan	Pakistan	"
Full	62.77	BV Pakistan	Pakistan	"
Full	62.77	BV Panama	Panama	"
Full	62.77	BIVAC Paraguay	Paraguay	"
Full	62.77	BV SA – Netherlands	Netherlands	"
Full	62.77	BIVAC Rotterdam	Netherlands	"
Full	62.77	BIVAC World market	Netherlands	"
Full	62.77	BV Certification Netherlands	Netherlands	"
Full	62.77	Bureau Veritas Metingen, Inspecties & Validities BV	Netherlands	"
Full	62.77	Nagtglas Versteeg Inspecties B.V.	Netherlands	"
Full	62.77	Risk Control BV	Netherlands	"
Full	62.77	DASS B.V.	Netherlands	"
Full	62.77	Inspecties Beheer B.V	Netherlands	"
Full	62.77	BV Marine Netherlands	Netherlands	"
Full	62.77	BV Peru	Peru	"
Full	62.77	BIVAC Peru	Peru	"
Full	62.77	BV SA – Philippines	Philippines	"
Full	62.77	BVCPS Philippines	Philippines	"
Full	62.77	BV Poland	Poland	"
Full	62.77	BV Certification Poland	Poland	"
Full	62.77	BV SA – Portugal	Portugal	"
Full	62.77	BV Certification Portugal	Portugal	"
Full	62.77	Rinave Registro Int'l Naval	Portugal	"
Full	62.77	Rinave Consultadorio y Servicios	Portugal	"
Full	62.77	Rinave Qualidade y Seguranca	Portugal	"
Full	56.49	Rinave Certificacao e Auditoria	Portugal	"
Full	37.66	ECA Totalinspe	Portugal	"
Full	62.66	ECA Certificacao	Portugal	"
Full	20.71	Infoloures	Portugal	"
Full	37.66	EIFC	Portugal	"
Full	62.77	BV SA – Qatar	Qatar	"
Full	62.77	BVCPS Dominican Republic	Dominican Republic	"
Full	62.77	BV Czech Republic	Czech Republic	"
Full	62.77	BV Certification Czech Republic	Czech Republic	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

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Consolidation method	% holding	Company	Country	Business segment
Full	62.77	Analab	Czech Republic	"
Full	62.77	BV Romania CTRL	Romania	"
Full	62.77	BV SA – United Kingdom	United Kingdom	"
Full	62.77	BV Certification LTD – United Kingdom	United Kingdom	"
Full	62.77	BV Certification Holding	United Kingdom	"
Full	31.39	TT Neptunus London	United Kingdom	"
Full	62.77	BV Inspection United Kingdom	United Kingdom	"
Full	62.77	BV UK Ltd	United Kingdom	"
Full	62.77	Weeks Technical Services	United Kingdom	"
Full	62.77	Bureau Veritas Consulting	United Kingdom	"
Full	62.77	Bureau Veritas Laboratories Limited	United Kingdom	"
Full	47.08	Pavement Technologies Limited	United Kingdom	"
Full	62.77	Bureau Veritas Consumer Products Services UK Ltd	United Kingdom	"
Full	62.77	Technicare	United Kingdom	"
Full	62.77	Tenpleth UK	United Kingdom	"
Full	62.77	Casella consulting Ltd	United Kingdom	"
Full	62.77	BV HS&E	United Kingdom	"
Full	62.77	BV B&I Ltd	United Kingdom	"
Full	62.77	Bureau Veritas Consumer Products Services Holding UK Ltd	United Kingdom	"
Full	62.77	BV UK Holding Ltd	United Kingdom	"
Equity	31.39	BV EM & I Ltd– United Kingdom	United Kingdom	"
Full	62.77	BV Rus	Russia	"
Full	62.77	Bureau Veritas Certification Rus	Russia	"
Full	62.77	BV – Senegal	Senegal	"
Full	62.77	Bureau Veritas DOO	Serbia	"
Full	62.77	BV SA – Singapore	Singapore	"
Full	62.77	BVCPS Singapore	Singapore	"
Full	62.77	BVQI Singapore	Singapore	"
Full	62.77	Tecnitas	Singapore	"
Full	62.77	BVCPS Lanka	Sri Lanka	"
Full	62.77	BV Lanka Ltd	Sri Lanka	"
Full	62.77	BV Slovakia	Slovakia	"
Full	62.77	BV Certification Slovakia	Slovakia	"
Full	62.77	BV SA – Slovenia	Slovenia	"
Full	62.77	Bureau Veritas DOO	Slovenia	"
Full	62.77	BV SA – Sweden	Sweden	"
Full	62.77	BV Certification Sverige	Sweden	"
Full	62.77	Chemtox Sverige	Sweden	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

Consolidation method	% holding	Company	Country	Business segment
Full	62.77	BV Bivac Switzerland	Switzerland	"
Full	62.77	BV Certification Switzerland	Switzerland	"
Full	62.77	BV SA – French Polynesia	French Polynesia	"
Full	62.77	BV SA – Taiwan	Taiwan	"
Full	62.77	BVQI Taiwan	Taiwan	"
Full	62.77	BV Taiwan	Taiwan	"
Full	62.21	Advance Data Technology	Taiwan	"
Full	62.77	AQSR Taiwan	Taiwan	"
Full	62.77	BV Chad	Chad	"
Full	30.76	BV Thailand	Thailand	"
Full	30.76	BV Certification Thailand	Thailand	"
Full	62.77	BVCPS Thailand	Thailand	"
Full	62.77	BV Togo	Togo	"
Full	62.77	BV SA – Tunisia	Tunisia	"
Full	62.77	BV SA – MST – Tunisia	Tunisia	"
Full	31.37	STCV – Tunisia	Tunisia	"
Full	62.77	BV Gozetim Hizmetleri	Turkey	"
Full	62.77	BVCPS Turkey	Turkey	"
Full	62.77	BVQI Turkey	Turkey	"
Full	62.77	BV Ukraine	Ukraine	"
Full	62.77	BV Certification Ukraine	Ukraine	"
Full	62.77	CCI Ukraine	Ukraine	"
Full	62.77	BV Venezuela	Venezuela	"
Full	62.77	BVQI Venezuela	Venezuela	"
Full	62.77	AQSR de Sudamerica	Venezuela	"
Full	62.77	BV Vietnam	Vietnam	"
Full	62.77	BVQI Vietnam	Vietnam	"
Full	62.77	BV Consumer Product Services Vietnam Ltd	Vietnam	"
Full	73.54	Materis Parent	Luxembourg	Specialty chemicals for construction
Full	73.54	Materis Aluminates	France	"
Full	73.54	Kerneos	France	"
Full	73.54	Kerneos Italia, SRL	Italy	"
Full	73.54	Kerneos di Ticaret SA	Turkey	"
Full	73.54	Lafarge Aluminates Asia Pacific SA	Singapore	"
Full	73.54	Kerneos Australia Pty Ltd	Australia	"
Full	73.54	Kerneos Benelux SA	Belgium	"
Full	73.54	Kerneos GmbH	Germany	"
Full	73.54	Kerneos Ltd	United Kingdom	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

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Consolidation method	% holding	Company	Country	Business segment
Full	73.54	Kerneos Nordiska AB	Sweden	"
Full	73.54	Kerneos Southern Africa Pty Ltd	South Africa	"
Full	73.54	Kerneos de Mexico SA + CV	Mexico	"
Full	73.54	Kerneos Ibérica SL	Spain	"
Full	73.54	Kerneos do Brazil Ltda	Brazil	"
Full	73.54	Kerneos Inc	United States	"
Full	73.54	Lafarge Aluminates China	China	"
Full	73.54	4145585 Canada Inc.	Canada	"
Full	73.54	Société de valorisation des minéraux industriels	France	"
Full	73.54	Kerneos Polska Spzoo	Poland	"
Full	73.54	Peramin AB	Sweden	"
Full	73.54	LLC Kerneos	Russia	"
Full	73.54	Yindu	China	"
Full	66.19	Greatwalls Zhengzhou Special cements	China	"
Full	73.54	Materis Adjuvants	France	"
Full	73.54	Chryso SAS	France	"
Full	48.98	Chryso Mascareigne SA	France	"
Full	73.54	Chryso Aditivos SA	Spain	"
Full	44.10	Chryso Aditivos SA Portugal	Portugal	"
Full	73.54	Chryso Chemie Sro	Czech Republic	"
Full	73.54	Chryso Southern Africa Ltd Cy	South Africa	"
Full	73.54	Chryso Brasil	Brazil	"
Full	73.54	Chryso UK	United Kingdom	"
Full	73.54	Chryso Polska	Poland	"
Full	73.54	Chryso Inc	United States	"
Full	73.54	Chryso Italia Spa	Italy	"
Full	73.54	Chryso Kat Katki Malzemelriban ve tic Ac	Turkey	"
Full	54.42	SWC	India	"
Full	73.54	Promix	United States	"
Full	73.54	Parex Group	France	"
Full	72.91	Lafarge Mortiers SA	France	"
Full	73.54	Materis Mortiers Belgium	Belgium	"
Full	73.54	SEIFERT	Belgium	"
Full	73.54	Materis Ibérica Morteros	Spain	"
Full	73.54	Texsa Morteros SA – Spain	Spain	"
Full	73.54	Texsa Morteros Portugal	Portugal	"
Full	73.54	Davco Construction Materials Pty Ltd	Australia	"
Full	73.54	Davco Building Materials Pte	Singapore	"
Equity	36.67	Materis Mortars Thailand	Thailand	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

Consolidation method	% holding	Company	Country	Business segment
Full	54.40	SODAP Thailand	Thailand	"
Full	73.54	Novabond	Malaysia	"
Full	73.54	Spinna Argentina Srl	Argentina	"
Full	73.54	Qualimat	Brazil	"
Full	73.54	Klaukol SA	Argentina	"
Full	73.54	Klaukol Chile	Chile	"
Full	73.54	Materis US Mortars Inc	United States	"
PC	29.42	CCC Parex	UAE	"
Full	73.54	Parex Ltd	United Kingdom	"
Full	73.54	La Habra Products Inc	United States	"
Full	73.54	Davcoa China Limited	China	"
Full	73.54	Davcoa Limited	Hong Kong	"
Full	40.44	Sodap Maroc	Morocco	"
Full	73.54	Geser	Turkey	"
Full	73.54	Tecroc	United Kingdom	"
Full	73.54	Revear	Argentina	"
Full	73.54	Materis Paints	France	"
Full	73.54	Materis Peintures	France	"
Full	73.54	Peintures Productions Ouest SAS	France	"
Full	73.54	Tollens Production Nord SAS	France	"
Full	73.54	Agora SA	France	"
Full	73.54	RM Distribution	France	"
Equity	27.58	SPE SA	France	"
Full	73.54	Tollens Holding BV	Netherlands	"
Full	73.53	Tollens Coatings SA	Belgium	"
Full	73.54	Prospa SAS	France	"
Full	73.54	Materis paints espana	Spain	"
Full	73.54	Robbialac SA	Portugal	"
Full	73.54	Lafarge Coatings Italia	Italy	"
Full	73.54	Materis Paints Italia	Italy	"
Full	73.54	Zolpan	France	"
Full	73.54	Cruyplants	Belgium	"
Full	63.98	Colorin	Argentina	"
Full	73.54	Claessens	Switzerland	"
Full	73.54	Materis Peintures Holding	France	"
Full	73.54	Société holding des Peintures du Maroc	Morocco	"
Full	73.54	Materis DSI (formerly GIE LMS services)	France	"
Full	73.54	LARIS	France	"
Full	73.54	Materis Corporate Services	France	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

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Consolidation method	% holding	Company	Country	Business segment
Full	73.54	Materis Luxembourg	Luxembourg	"
Full	73.54	Materis Holding Luxembourg	Luxembourg	"
Full	73.54	Materis SAS	France	"
Full	73.54	Materis Corporate	France	"
Full	73.54	Materis Trésorerie	France	"
Full	88.94	Deutsch Group	France	Connectors
Full	88.94	Carrier Kheops Bac	France	"
Full	88.94	Compagnie Deutsch Distribution SAS	France	"
Full	88.94	Compagnie Deutsch France	France	"
Full	88.94	Compagnie Deutsch Orleans SAS	France	"
Full	88.94	Compagnie Deutsch SAS	France	"
Full	88.94	Connecteurs Électriques Deutsch SAS	France	"
Full	88.94	Deutsch SAS (formerly-Bethany)	France	"
Full	88.94	Deutsch Finance (formerly-Catania)	France	"
Full	88.94	Compagnie Deutsch GmbH	Germany	"
Full	88.94	Deutsch India	India	"
Full	88.94	Deutsch Electronic Marketing Ltd (DECM)	Israel	"
Full	88.94	Deutsch Italy	Italy	"
Full	88.94	Nihon- Deutsch Ltd	Japan	"
Full	88.94	Deutsch GB	United Kingdom	"
Full	88.94	Deutsch Subco	United Kingdom	"
Full	88.94	Deutsch UK	United Kingdom	"
Full	44.47	Servo	United Kingdom	"
Full	88.94	Deutsch Corporate Inc.	United States	"
Full	88.94	Deutsch Engineered Connecting Devices (ECD)	United States	"
Full	88.94	Deutsch Relays Inc. (DRI)	United States	"
	88.94	US BondCo	United States	"
Full	100.00	Editis (Odyssee 1)	France	Publishing
Full	100.00	Editis Holding	France	"
Full	100.00	Editis SA	France	"
Full	99.99	Editis Financing	Luxembourg	"
Full	100.00	Antinea 1	France	"
Full	100.00	Antinea 2	France	"
Full	100.00	Antinea 3	France	"
Full	100.00	Antinea 4	France	"
Full	100.00	Antinea 5	France	"
Full	100.00	Antinea 6	France	"
Full	100.00	Editis Belgium	Belgium	"
Full	100.00	Editis Belgium Financing	Belgium	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

Consolidation method	% holding	Company	Country	Business segment
Full	100.00	Éditions First	France	"
Full	100.00	Éditions Gründ	France	"
Full	100.00	Éditions Hemma	Belgium	"
Full	100.00	Éditions La Découverte	France	"
Full	99.95	Éditions Nil	France	"
Full	99.95	Éditions R. Laffont Canada	Canada	"
Full	99.95	Éditions Robert Laffont	France	"
Full	100.00	Éditions XO	France	"
Full	100.00	Julliard	France	"
Full	98.78	Le Cherche Midi Éditeur	France	"
Full	100.00	Les Livres du Dragon d'Or	France	"
Full	100.00	Les Presses de la Renaissance	France	"
Equity	49.00	Nouvelles Éditions TF1	France	"
Full	100.00	Oh Éditions	France	"
Full	100.00	Perrin SAS	France	"
Full	100.00	Place des Editeurs	France	"
Full	100.00	Plon	France	"
Full	99.95	Sagitta	France	"
Full	100.00	SOGEDIF	France	"
Full	100.00	Univers Poche	France	"
Full	100.00	XO Productions	France	"
Full	100.00	XO Productions Inc	United States	"
Full	100.00	XO Publishing Inc	United Kingdom	"
Full	100.00	XO Publishing Ltd	United Kingdom	"
Full	51.00	Bookpole	France	"
Full	100.00	Comptoir du Livre	France	"
Full	100.00	Interforum	France	"
Full	100.00	Interforum Benelux	Belgium	"
Full	100.00	Interforum Canada	Canada	"
Full	100.00	Interforum Suisse	Switzerland	"
Full	100.00	DNL Distribution	France	"
Full	100.00	DNL Rhône Alpes	France	"
Full	100.00	RDL	France	"
Full	100.00	Bordas SAS	France	"
Equity	27.27	Cairn	Belgium	"
Full	100.00	DBIT SA	Luxembourg	"
Full	100.00	De Boeck & Larcier SA	Belgium	"
Full	100.00	De Boeck & Service SPRL	Belgium	"
Full	100.00	De Boeck Diffusion SA	France	"

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

SCOPE OF CONSOLIDATION

Consolidation method	% holding	Company	Country	Business segment
Full	96.86	Dictionnaires Le Robert	France	"
Full	100.00	Editis Belgium	Belgium	"
Full	100.00	Editis Belgium Financing	Belgium	"
Full	100.00	E- Plateforme	France	"
Full	100.00	Groupe De Boeck SA	Belgium	"
Full	100.00	Lexalis SA	Belgium	"
Full	100.00	Librairie Fernand Nathan	France	"
Full	100.00	Nathan Jeux	France	"
Full	99.55	Paraschool	France	"
Full	100.00	Sejer	France	"
Full	100.00	Stratégie 3	Belgium	"
Full	100.00	Uitgeverij De Boeck SA	Belgium	"
Equity	31.03	Legrand Holding SA	France	Electrical equipment
Equity	45.77	Stahl	Netherlands	Leather treatment
Equity	17.86	Saint-Gobain	France	Production, processing and distribution of materials

Full: Full consolidation. PC: Proportionate consolidation. Equity: Equity method.

This is a free translation into English of the Statutory Auditors' report and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of 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 accounting 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 have audited the accompanying consolidated financial statements of Wendel for the year ended December 31, 2007.

The consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion expressed below.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2007 and of the results of its operations for the year then ended in accordance with IFRS as adopted for use in the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the provisions 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:

- We reviewed the accounting treatment adopted by Wendel in its consolidated financial statements as regards managers' investments in Wendel and its subsidiaries, which are not specifically addressed in IFRS as adopted for use in the European Union. We obtained assurance that the notes to the consolidated financial statements entitled "Summary of significant accounting policies – Wendel-Participations shares and options", "Summary of significant accounting policies – Participation of management in the Group's investments", "Related parties" and "Participation of management in the Group's investments" provide appropriate disclosures in this regard.
- As indicated in the note to the consolidated financial statements entitled "Changes in scope of consolidation – Investment in Saint-Gobain", Wendel recognized the investments in Saint-Gobain under Equity method investments in the consolidated balance sheet at December 31, 2007. We obtained assurance that the accounting treatment used complies with IFRS as adopted for use in the European Union and verified that the abovementioned note provides appropriate disclosures.
- At December 31, 2007, the Company tested goodwill, intangible assets with an indefinite life and investments in Saint-Gobain accounted for by the equity method for impairment in accordance with the methods described in the notes to the consolidated financial statements entitled "Summary of significant account policies – Measurement rules" and "Notes to the consolidated balance sheet – Goodwill impairment tests – and – Equity method Investments". We examined the methods used for implementing these impairment tests, obtained assurance that the estimates used were reasonable and verified that the abovementioned notes provide appropriate disclosures in this regards.

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

In accordance with professional standards applicable in France, 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 consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, April 28, 2008.

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre



PARENT COMPANY FINANCIAL STATEMENTS

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ANALYSIS OF THE PARENT COMPANY
FINANCIAL STATEMENTS

INCOME STATEMENT

(in millions of euros)	2007	2006
Income from investments in subsidiaries	137	259
Other financial income and expenses	- 27	- 51
Net financial income	110	208
Operating income	- 18	- 4
Income (loss) before exceptional items and tax	92	204
Exceptional items	889	8
Income taxes	28	47
Net income (loss)	1,009	259

Income before exceptional items and tax was €92 million in 2007 compared with €204 million in 2006. The 2006 figures contained certain non-recurring transactions, including mainly €149 million in dividends, €17 million in foreign currency gains on hedging of assets, €9 million in income from early termination of hedging instruments and €17 million in invoiced services related to acquisitions carried out during the year. Results in 2007 also included certain non-recurring transactions, in particular €12 million in foreign exchange gains on hedging of assets, €3 million in income from early termination of certain interest rate hedges. Excluding these items, the change in

income before exceptional items and tax reflected principally a decline in dividends paid of €27 million and an increase of €37 million in net financial income resulting from higher invested cash and loans to the Group's financial holding companies.

Net exceptional items of €889 million were composed essentially of capital gains: €775 million on the sale of Bureau Veritas shares and €64 million on the sale of Solfur shares.

After taking into account income on tax consolidation of €28 million, net income for 2007 was €1,009 million.

BALANCE SHEET (in millions of euros)

Assets	12.31.2007	12.31.2006	Liabilities and shareholders' equity	12.31.2007	12.31.2006
Property, plant and equipment	4	3	Shareholders' equity	2,488	1,891
Non-current financial assets	1,915	3,010	Provisions	11	15
Working capital requirements	2,123	818	Borrowings	3,207	2,495
Cash and marketable securities	1,664	570			
Total assets	5,706	4,401	Total liabilities and shareholders' equity	5,706	4,401

Non-current financial assets declined by €1,095 million between 2006 and 2007, owing primarily to the sale of Bureau Veritas shares (– 572), the impact of internal restructuring (– 202) and cancellation of Wendel shares held in treasury (– 315).

Working capital requirements increased by €1,305 million, essentially due to an increase in loans extended to certain financial holding companies in the Wendel Group.

Shareholders' equity totaled €2,488 million and reflected net income (€1,009 million), dividends paid on 2006 earnings (€110 million) and the cancellation of Wendel shares held in treasury (€315 million).

Borrowings, which rose by €712 million between 2006 and 2007, reflected two €400 million bond issues as well as a – €110 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 2007 Wendel invested in, or took control of, the following companies:

	Direct ownership	Direct and indirect ownership
Winvest 12	100.00%	100.00%
Winvest 14	100.00%	100.00%
Winvest 15	100.00%	100.00%

Assets

		12.31.2007		12.31.2006	
(in thousands of euros)	Note	Gross amounts	Depreciation, amortization, provisions	Net amounts	Net amounts
Non-current assets					
Property, plant and equipment		12,444	8,628	3,816	3,109
Non-current financial assets⁽¹⁾					
Investments in subsidiaries and affiliates	1	1,914,558	—	1,914,558	2,675,915
Long-term equity portfolio	2	—	—	—	18,577
Other long-term investments		304	—	304	304
Treasury shares	3	—	—	—	315,227
Loans and other non-current financial assets		53	—	53	42
Total		1,914,915	—	1,914,915	3,010,065
Total		1,927,359	8,628	1,918,731	3,013,174
Current assets					
Trade receivables ⁽²⁾		2,821	—	2,821	3,915
Other receivables ⁽²⁾	4	2,077,560	—	2,077,560	803,838
Treasury instruments	5	162,285	—	162,285	51,386
Marketable securities	6	1,659,305	223	1,659,082	561,735
Cash		5,259	—	5,259	7,560
Prepayments		1,060	—	1,060	243
Total		3,908,290	223	3,908,067	1,428,677
Loan redemption premiums		43,961	—	43,961	7,088
Total assets		5,879,610	8,851	5,870,759	4,448,939

(1) of which within one year

4

5

(2) of which more than one year

—

—

Liabilities and shareholders' equity

(in thousands of euros)	Note	12.31.2007	12.31.2006
Shareholders' equity			
Share capital		201,274	222,029
Share premiums		244,799	241,235
Legal reserve		20,118	22,473
Regulated reserves		191,820	191,820
Other reserves		570,927	203,497
Retained earnings		249,999	750,531
Net income for the year		1,008,636	259,272
Total	7	2,487,573	1,890,857
Provisions for liabilities and charges	8	11,319	15,436
Borrowings	9	3,206,579	2,494,807
Other creditors	10	165,288	47,839
Total⁽¹⁾		3,371,867	2,542,646
Total liabilities and shareholders' equity		5,870,759	4,448,939
(1) of which within one year		482,847	453,626
of which more than one year		2,889,020	2,089,020

INCOME STATEMENT

(in thousands of euros)

	Note	2007	2006
Income from subsidiaries and affiliates and long-term equity portfolio	13	136,861	258,644
Other financial income and expenses	14		
Income			
• Income from marketable securities		—	—
• Income from long-term loans and advances		1	1
• Income from invested cash		120,147	72,954
• Provision reversal		141	930
Expenses			
• Interest and similar expenses		144,007	123,284
• Amortization and provisions		3,246	929
Net financial income		109,897	208,316
Operating income	15		
Other income		12,015	26,468
Provision reversal		—	—
Operating expenses			
Purchases and external services		16,095	16,544
Taxes other than income taxes		989	1,183
Wages and salaries	16	7,833	8,107
Social security costs		3,750	3,247
Depreciation and amortization		638	494
Provision charges		161	22
Miscellaneous expenses		646	500
Operating income (loss)		— 18,097	— 3,629
Net income (loss) before exceptional items and tax		91,800	204,687
Exceptional income			
On operating transactions		352	3,974
On capital transactions		3,110,204	143,857
Provision reversal		38,172	3,691
Exceptional expenses			
On operating transactions		2,000	1,956
On capital transactions		2,256,514	139,413
Provision charges		1,080	2,100
Exceptional items	17	889,134	8,053
Income taxes	18	27,702	46,532
Net income for the year		1,008,636	259,272

CASH FLOW STATEMENT

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(in thousands of euros)	Note	2007	2006
Cash flows from operating activities			
Net income for the year		1,008,636	259,272
Elimination of gains and losses on disposals of non-current assets		– 852,820	– 6,742
Elimination of depreciation, amortization and provisions		– 33,188	– 1,060
Elimination of other non-cash items		17,152	6,366
Change in operating working capital		5,686	9,243
Net cash flow from operating activities		145,466	267,079
Cash flows from investing activities			
Outflows:			
• investment in shares of subsidiaries and affiliates ⁽¹⁾		– 29,884	– 4,582
• acquisition of bonds		–	–
• acquisition of property, plant and equipment		– 1,578	– 1,126
• loans granted		– 18	– 8
Inflows (based on sale price):			
• Divestment of shares in subsidiaries and affiliates ⁽²⁾		1,569,155	26,285
• disposal of property, plant and equipment		1,091	222
• disposal of bonds		–	–
• repayment of loans		6	22
Change in working capital related to investing activities		– 17,926	– 9,534
Net cash flow from investing activities		1,520,846	11,279
Cash flows from financing activities			
Related to share capital			
• increase in share capital		3,839	28,164
• buyback of Wendel shares		–	– 13,453
• disposal of Wendel shares (liquidity contract)		– 6,468	4,364
• disposal of Wendel shares (exercise of stock options)		611	4,097
Dividend payments		– 100,533	– 98,578
Net change in borrowings and other financial liabilities ⁽³⁾		– 482,341	– 395,825
Change in working capital related to financing activities		8,457	15,839
Net cash flow from financing activities		– 576,435	– 455,392
Change in net cash and cash equivalents		1,089,877	– 177,034
Net cash and cash equivalents at beginning of year		564,672	741,706
Net cash and cash equivalents at beginning of year of companies absorbed		80	–
Net cash and cash equivalents at end of year		1,654,629	564,672

(1) In 2007, this included mainly: Subscription to Odyssee Holding shares €27,769 thousand.

(2) In 2007, this included mainly: Sale of Bureau Veritas shares for €1,323,937 thousand (including €1,171,961 thousand in conjunction with the IPO), buyback of own shares by Sofiservice for €104,134 thousand and sale of Solfur shares for €78,700 thousand.

(3) In 2007, this included bond issues of €760,104 thousand and €1,242,445 thousand in connection with loans to the Group's holding companies.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The balance sheet and 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 recognised 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 assets, return on investment, market capitalization). A provision for impairment may be recognized on the basis of this review.

LOAN REDEMPTION PREMIUMS

Loan redemption premiums are amortised on a straight-line basis over the term of the corresponding loan.

INTEREST RATE AND CURRENCY DERIVATIVE INSTRUMENTS

Gains and losses arising on financial derivative 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.

STOCK OPTIONS

Premiums paid or received on options are recognized in a suspense account until the option expires. Unrealised losses are provided against; however unrealised gains are not recognized.

As an exception to this policy, premiums paid for the purchase of stock options whose purpose is to hedge the optional component embedded in a financial liability (convertible bond) are considered as prepayment of additional interest and are thus spread over the term of the bond. Similarly, options contracts on which Wendel has a symmetrical position (long and short, see note 11) are recognized at their market value. Gains and losses are thus neutral, reflecting Wendel's situation in that these contracts have no impact on net income.

MARKETABLE SECURITIES

Marketable securities are measured using the first-in first-out method. A provision for impairment is recognized if the net book value of the securities falls below their 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 obligations 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 yields on long-term investments.

The main actuarial assumptions used are:

Discount rate = 4.5%, rate of employee turnover = 0%.

NOTE 1. INVESTMENTS IN SUBSIDIARIES AND AFFILIATES

(in thousands of euros)	% Interest		Net amounts 31.12.06	Internal restructuring	Acquisitions and subscriptions	Disposals	Change in provisions	Net amounts 12.31.07
	12.31.06	12.31.07						
French subsidiaries								
Sofiservice	100.00	100.00	102,133	–	–	134,734	32,954	353
Solfur	100.00	0.00	14,982	–	–	14,982	–	–
Cie Financière de la Trinité	100.00	100.00	15,607	–	–	–	–	15,607
Winvest 1	100.00	0.00	180,350	– 180,350	–	–	–	–
Winbond	100.00	100.00	376,190	1,157,786	–	–	–	1,533,976
Winvest 6	100.00	0.00	8,809	– 8,809	–	–	–	–
Odyssée Holding	100.00	100.00	97,744	–	27,769	–	–	125,513
Bureau Veritas	51.09	0.00	777,659	– 214,634	1,429	564,453	–	1
Winvest 3	100.00	0.00	19,130	– 19,130	–	–	–	–
Winvest 7	56.20	0.00	8,980	–	–	8,980	–	–
Poincaré Participations	100.00	0.00	726,863	– 726,863	–	–	–	–
Non-French subsidiaries								
Oranje-Nassau	100.00	100.00	238,320	–	–	–	–	238,320
Trief Corporation	25.00	0.00	107,963	– 107,963	–	–	–	–
Other			1,185	– 320	240	317	–	788
Total			2,675,915	– 100,283	29,438	723,466	32,954	1,914,558

NOTE 2. LONG-TERM EQUITY PORTFOLIO

(in thousands of euros)	% Interest		Net amounts 31.12.06	Internal restructuring	Acquisitions and subscriptions	Disposals	Change in provisions	Net amounts 12.31.07
	12.31.06	12.31.07						
bioMérieux	0.54	–	6,897	–	–	6,897	–	–
Valeo	0.51	–	11,680	–	–	11,680	–	–
Total		–	18,577	–	–	18,577	–	–

NOTE 3. ACTIONS PROPRES

(in thousands of euros)	Net amounts 12.31.06	Cancellation	Sales	Disposals	Other	Change in provisions	Net amounts 12.31.07
Treasury shares ⁽¹⁾	315,227	– 315,227	–	–	–	–	–
Total	315,227	– 315,227	–	–	–	–	–

(1) Number of shares held in treasury by Wendel
at 12.31.2006 : 5,257,773
at 12.31.2007 : 0

NOTE 4. OTHER RECEIVABLES

(in thousands of euros)

	12.31.2007	12.31.2006
Tax and employee social security receivables ⁽¹⁾	2,509	5,227
Loans and advances connected with investments ⁽²⁾	2,040,699	742,886
Other ⁽³⁾	34,352	55,725
Total	2,077,560	803,838

Of which related companies

2,045,684

758,705

(1) of which in 2007, €1,329 thousand represented advance income tax payments (€1,514 thousand in 2006).

(2) of which €2,023,865 thousand represented advances to Group holding companies.

(3) of which in 2007, €28,605 thousand represented interest to be received on swaps (interest rate derivatives) (€39,421 thousand in 2006, see note 11).

NOTE 5. TREASURY INSTRUMENTS

(in thousands of euros)

	Note	12.31.2007	12.31.2006
Equity derivatives	11	151,266	45,342
Currency derivatives	11	11,019	6,044
Total		162,285	51,386

NOTE 6. MARKETABLE SECURITIES

(in thousands of euros)

	12.31.2007		12.31.2006	
	Net book value	Stock market value	Net book value	Stock market value
Wendel shares ⁽¹⁾	461	347	1,130	958
	461	347	1,130	958
Mutual funds and certificates of deposits	1,645,308	1,645,308	548,265	548,265
Liquidity contract ⁽²⁾				
• Wendel shares	9,149	9,159	3,493	3,496
• Mutual funds	4,164	4,164	8,847	8,847
Portfolio of equities listed in the euro zone	—	—	—	—
	1,658,621	1,658,631	560,605	560,608
Total	1,659,082	1,658,978	561,735	561,566

(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 shares at December 31, 2007: 10,401.

(2) Liquidity contract: 89,589 Wendel shares as of 12.31.2007.

NOTE 7. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Number of shares		Share capital	Share premiums	Legal reserve	Regulated reserves	Other reserves & retained earnings	Net income for the year	Total shareholders' equity
54,713,540	At December 31, 2005 before appropriation	218,854	216,246	22,473	191,820	850,434	202,172	1,701,999
	Appropriation of 2005 net income	—	—	—	—	202,172 ⁽¹⁾	– 202,172	—
	Dividend	—	—	—	—	– 98,578	—	– 98,578
	Capital increase							
773,551	on the exercise of stock options	3,094	23,608	—	—	—	—	26,702
20,070	through the Company savings plan	81	1,381	—	—	—	—	1,462
	2006 net income	—	—	—	—	—	259,272	259,272
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 ⁽²⁾	– 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

(1) The amount appropriated to retained earnings approved at the Annual Shareholders' Meeting of June 29, 2006 was increased by €10,849 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 approved at 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.

NOTE 8. PROVISIONS FOR LIABILITIES AND CHARGES

(in thousands of euros)

	12.31.2007	12.31.2006
Pension obligations and other post-employment benefits	540	378
Provision for reimbursement of income tax (tax consolidation, see note 18)	294	5,186
Other provisions for liabilities and charges	10,485	9,872
Total	11,319	15,436

Breakdown of change in provisions

(in thousands of euros)

	12.31.2006	Allocations for the year	Reversals during the year		12.31.2007
			used	unused	
Pension obligations and other post-employment benefits	378	162	–	–	540
Provision for reimbursement of income tax (tax consolidation)	5,186	110	10	4,992	294
Other provisions for liabilities and charges	9,872	971	296	62	10,485
Total	15,436	1,243	306	5,054	11,319
Operating income		162	–	–	
Net financial income		–	–	–	
Exceptional items		1,081	306	5,054	
Total		1,243	306	5,054	

NOTE 9. BORROWINGS

(in thousands of euros)

	12.31.2007	12.31.2006
2.00% 2003-2009 bonds exchangeable into Capgemini shares including accrued interest	282,008	282,017
5.00% 2004-2011 bonds including accrued interest	626,219	626,219
4.875% 2004-2014 bonds including accrued interest	403,090	403,099
4.375% 2005-2017 bonds including accrued interest	712,133	305,214
4.875% 2006-2016 bonds including accrued interest	411,721	411,753
4.875% 2007-2015 bonds including accrued interest	415,280	–
	2,850,451	2,028,302
Borrowings connected with investments		
Sofiservice	10,381	112,203
Solfur	–	12,157
Compagnie Financière de la Trinité	18,763	17,625
Simfor	1,706	1,597
Trief Corporation	110,033	110,029
Winvest 1	–	91,198
Winvest 6	–	9,098
Winvest 3	–	19,710
Froeggen	160,647	92,561
Hourggen	54,171	–
Other	385	232
	356,086	466,410
Other borrowings	42	95
Total	3,206,579	2,494,807
<i>of which: due within 1 year</i>	246,096	356,476
<i>due in 1 to 5 years</i>	879,020	879,020
<i>due beyond 5 years</i>	2,010,000	1,210,000
<i>accruals</i>	71,463	49,311

NOTE 10. OTHER CREDITORS

(in thousands of euros)

		12.31.2007	12.31.2006
Trade creditors		3,137	1,860
Tax and employee-related creditors		4,346	6,239
Treasury instruments			
Equity derivatives	Note 11	134,984	18,579
Currency derivatives	Note 11	11,019	–
Interest rates derivatives	Note 11	10,627	20,122
Other		1,175	1,039
Total		165,288	47,839
<i>of which related companies</i>		11,519	328

NOTE 11. TREASURY INSTRUMENTS

(in thousands of euros)	12.31.2007		12.31.2006	
	Assets	Liabilities	Assets	Liabilities
Equity derivatives	151,266	134,984	45,342	18,579
of which symmetric positions	134,984	134,984	17,951	17,951
Currency derivatives	11,019	11,019	6,044	–
of which symmetric positions	11,019	11,019	–	–
Interest rate derivatives	28,605	10,627	39,421	20,122
of which symmetric positions	500	500	–	–
Total	190,890	156,630	90,807	38,701

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 ZONE SHARES

These positions on euro zone securities are symmetric 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 implemented interest rate swaps on its bond issues. Wendel pays a capped variable rate and receives a fixed rate. The total nominal amount is €800 million.

OTHER

Wendel has entered into symmetrical swaps which therefore have no impact on its earnings, either in the year just ended or in future years.

CURRENCY DERIVATIVES

Wendel has entered into symmetrical forward sales of USD which therefore have no impact on its earnings, either in the year just ended or in future years.

NOTE 12. OFF BALANCE SHEET COMMITMENTS

Commitments given

(in thousands of euros)	2007	2006
Pledges, mortgages and collateral	5,070	4,919
Other guarantees and endorsements given	337,500	–
• guarantees given in connection with derivatives transactions	337,500	–
Other commitments given	–	62,161
• commitments to buy back Bureau Veritas shares ⁽¹⁾	–	62,161

(1) The Company had undertaken to maintain or help maintain the liquidity of Bureau Veritas shares issued and/or to be issued on the exercise of stock options granted to certain employees of these companies. Commitments given are based on the number of shares that could need to be repurchased by Wendel, valued on the basis of the last known repurchase price at the balance sheet date. With the IPO of Bureau Veritas on October 23, 2007, the commitment has become obsolete.

NOTE 13. INCOME FROM INVESTMENTS IN SUBSIDIARIES AND LONG-TERM EQUITY PORTFOLIO

(In thousands of euros)

	2007	2006
Dividends from:		
Oranje-Nassau	90,000	102,500
Solfur	–	3,000
Valeo	–	871
bioMérieux	–	164
Poincaré Participations	–	149,341
Winvest I	–	2,761
Bureau Veritas	46,855	–
Other	6	7
Total	136,861	258,644

of which interim dividends

• Oranje-Nassau

50,000

25,000

NOTE 14. OTHER FINANCIAL INCOME AND EXPENSES

(In thousands of euros)

Income	2007	2006
Income from non-current asset loans and advances	1	1
Income from invested cash	120,147	72,954
Provisions reversed	141	930
Total	120,289	73,885

of which related companies

79,083

13,938

Expenses

Interest on bonds	125,885	89,105
Other interest and similar expenses	18,122	34,179
Provisions recognized	3,246	929
Total	147,253	124,213

of which related companies

11,014

9,274

NOTE 15. OPERATING INCOME

	2007	2006
Property rental	160	162
Services invoiced to subsidiaries	11,826	22,944
Other income	29	3,362
Provisions reversed	—	—
Total	12,015	26,468
<i>of which related companies</i>	11,783	26,241

NOTE 16. COMPENSATION AND STAFF NUMBERS

The Company paid compensation of €2,240 thousand to its corporate officers in respect of the 2007 fiscal year. Director's fees paid to Board members totaled €540,000 in respect of 2007 and €371,000 in respect of 2006.

Average staff numbers	2007	2006
Management	32	26
Non-management	25	25
Total	57	51

NOTE 17. 2007 EXCEPTIONAL ITEMS

(in thousands of euros)	Exceptional income			Exceptional expenses			Total for 2007
	Operating Transactions	Capital gains on disposal	Provisions reversed	Operating transactions	Capital losses on disposal	Provisions recognized	
Property, plant and equipment							
Land	–	1,017	–	–	158	–	859
Computer equipment and furniture	–	–	–	–	2	–	– 2
Non-current financial assets							
Valeo shares	–	711	217	–	–	–	928
bioMérieux shares	–	6,238	–	–	–	–	6,238
Solfur shares	–	63,717	–	–	–	–	63,717
Bureau Veritas shares	–	759,484	–	–	–	–	759,484
Eufor shares	–	12,003	–	–	–	–	12,003
Winvest 7 shares	–	15,438	–	–	–	–	15,438
Sofiservice shares	–	–	32,954	–	30,601	–	2,353
Winvest 1 shares	–	24,959	–	–	–	–	24,959
Winvest 3 shares	–	493	–	–	–	–	493
Winvest 6 shares	–	263	–	–	–	–	263
Winvest 8 shares	–	–	–	–	40	–	– 40
Winvest 5 shares	–	255	–	–	–	–	255
Winvest 9 shares	–	–	–	–	87	–	– 87
Winvest 12 shares	–	–	–	–	–	–	–
Other exceptional transactions related to tax consolidation	–	–	5,001	–	–	110	4,891
Other	352	–	–	2,000	–	970	– 2,618
Total	352	884,578	38,172	2,000	30,888	1,080	889,134

NOTE 18. 2007 INCOME TAXES

Income taxes broke down as follows:

Taxable bases at a rate of:	33.33 %	15.00 %
On 2007 income before exceptional items	– 90,540	
On 2007 exceptional items	120,469	873
	29,929	873
Addbacks/deductions eliminated on tax consolidation	43,192	
	73,121	873
Allocation of tax loss carry-forwards	– 73,121	–
Taxable bases of the tax consolidation group	–	873
Corresponding tax	–	131
+ 3.3% contributions	–	–
– Deduction in respect of tax credits	–	– 131
– Impact of tax consolidation	27,702	–
Income tax recognized in the income statement	27,702	–

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 had it 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, 2007, this temporary reduction in current tax amounted to €294 thousand and gave rise to the recognition of a provision for liabilities and charges (see note 7).

In 2007, the members of the Wendel tax consolidation group were: the parent company Wendel, Compagnie Financière de la Trinité, Simfor, Sofiservice, Cobra, Sofe, Lormétal, Winbond, Winvest 10, Winvest 11 and Editis (including certain of its French subsidiaries).

NOTE 19. EVENTS SUBSEQUENT TO CLOSING

None

SECURITIES PORTFOLIO AT DECEMBER 31, 2007

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	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	1,279,499,576	100.00%	1,533,976
Odyssée Holding	14,040,107	100.00%	125,513
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	—	—	789
Total			1,914,558
Other long-term investments			
Safet Embamet	1,972	5.62%	271
Other French equities	—	—	33
Total	—	—	304

FIVE-YEAR FINANCIAL SUMMARY

	2003	2004	2005	2006	2007
1. Capital at year end					
Share capital ⁽¹⁾	223,928	224,732	218,854	222,029	201,274
Number of ordinary shares in issue	55,981,916	56,183,048	54,713,540	55,507,161	50,318,400
Maximum number of shares that could be issued:					
• through the exercise of options	1,435,416	1,698,638	1,035,711	332,670	1,150,088
2. Results⁽¹⁾					
Revenues (excl. VAT)	2,774	7,633	4,880	26,468	12,015
Revenue from subsidiaries/affiliates and long-term equity portfolio	165,594	813,846	97,491	258,644	136,861
Income before tax, depreciation, amortization and provisions	– 200,144	654,097	56,928	211,663	947,746
Income taxes ⁽⁵⁾	– 6,230	– 3,501	– 32,242	– 46,532	– 27,702
Net income	217,481	664,219	202,172	259,272	1,008,636
Dividends ⁽²⁾	58,781	64,610	109,427	111,014	100,637
of which interim dividends	–	–	–	–	–
3. Earnings per share (in euros)					
Profit after tax, but before depreciation, amortization and provisions	– 3.46	11.70	1.63	4.65	19.39
Net income	3.88	11.82	3.70	4.67	20.05
Dividends	1.05	1.15	2.00 ⁽³⁾	2.00 ⁽⁴⁾	2.00
• of which interim dividends	–	–	–	–	–
4. Employee data					
Total payroll	45	45	47	51	57
Total payroll ⁽¹⁾	4,586	5,738	5,588	8,107	7,833
Staff benefits paid during the year (social security, social works, etc.) ⁽¹⁾	2,520	3,215	2,854	3,247	3,750

(1) (1) In thousands of euros

(2) Including treasury shares

(3) Ordinary dividend of €1.40 and additional dividend of €0.60.

(4) Ordinary dividend of €1.70 and additional dividend of €0.30.

(5) Negative amounts represent income for the Company

SUBSIDIARIES AND AFFILIATES AT DECEMBER 31, 2007

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(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	2007 net sales	2007 net income or loss	Dividends received during the period
Detailed breakdown									
(of subsidiaries and investments whose net carrying value is greater than 1% of Wendel's share capital)									
Subsidiaries									
French									
Cie Fin. de la Trinité	15,159	4,527	100,00%	15,607	15,607	–	–	1,111	–
Winbond	639,750	461,134	100,00%	1,533,976	1,533,976	–	–	– 312	–
Odyssée Holding (Editis)	56,160	48,156	100,00%	125,513	125,513	–	–	– 13,161	–
Non-French									
Oranje-Nassau ⁽¹⁾	8,744	806,177	100,00%	238,319	238,320	–	243,266	202,231	90,000
Overall summary									
French subsidiaries	–	–	–	1,142	1,142	–	–	–	–
Non-French subsidiaries	–	–	–	–	–	–	–	–	–
French investments	–	–	–	–	–	–	–	–	–
Non-French investments	–	–	–	–	–	–	–	–	–

(1) Consolidated figures.

STATUTORY AUDITORS' REPORT ON THE 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. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information 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 financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the 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, 2007, on:

- the audit of the accompanying financial statement of Wendel,
- the justification of our assessments,
- the specific verifications and information required by law.

These 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 annual financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion expressed below.

In our opinion, the annual financial statements give a true and fair view of the Company's financial position and its assets and liabilities as at December 31, 2007, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the provisions 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 matter:

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 in the context of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed the specific verifications required by law, in accordance with professional standards applicable in France. We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the management report of the Executive Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information provided in the management report in respect of remuneration and benefits granted to certain company officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we have also verified that the management report contains the appropriate disclosures regarding the acquisitions of investments and controlling interests and the identity of shareholders.

Neuilly-sur-Seine and Paris-La Défense, April 28, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

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STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES

Year ended December 31, 2007

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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, we hereby report to you on regulated agreements and commitments with third parties. Pursuant to article L. 225-88 of the French Commercial Code (*Code de commerce*), we were informed of the agreements and commitments which were approved by the Supervisory Board.

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 article R. 225-58 of the French Commercial Code, it is your responsibility to determine whether the agreements and commitments are appropriate and should be approved.

We carried out our work in accordance with professional standards applicable in France. These standards require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents from which it was taken.

1. WITH BUREAU VERITAS

Persons concerned

Ernest-Antoine Seillière and Jean-Bernard Lafonta

a) Nature, purpose and terms

On February 20, 2007 Wendel contributed 878,273 shares to the offer by Bureau Veritas to buy back up to 881,878 of its own shares for a maximum amount of €152,600,169, for the purpose of cancelling such shares.

This contribution was approved by the Supervisory Board on January 29, 2007.

b) Nature, purpose and terms

During the launch phase of Bureau Veritas' flotation, a service agreement for the preparation and implementation of the flotation was entered into between Bureau Veritas and Wendel, on the one hand, and BNP Paribas, Deutsche Bank, Goldman Sachs, HSBC and Société Générale on the other.

As part of this project, Wendel and Bureau Veritas entered into a cost sharing agreement which provided that 65% of the costs shall be borne by Bureau Veritas and 35% shall be borne by Wendel.

The service agreement and the cost sharing agreement were previously approved by the Supervisory Board on January 29, 2007.

c) Nature, purpose and terms

For the purposes of Bureau Veritas' flotation, several transactions were carried out on October 23, 2007, as follows:

- An underwriting agreement was entered into between Wendel, Winvest 9, Bureau Veritas, and certain shareholders who are also executive managers of Bureau Veritas on the one hand, and BNP Paribas, Deutsche Bank, Goldman Sachs International, FISBC, Société Générale, ABN AMRO Rothschild GIE, JP Morgan Cazenove Limited, Lazard-Natixis, Merrill Lynch International, Oddo & Cie and UBS Limited on the other. Under the terms of the underwriting agreement, Wendel together with certain shareholders of Bureau Veritas who are sellers for the purposes of Bureau Veritas' flotation, and Bureau Veritas, had to make certain commitments (including holding Bureau Veritas' shares for 180 days) and certain disclosures, and provide certain guarantees in favor of lead managers, book runners and co-lead managers.
- Wendel subscribed to the capital increase of Winvest 7 reserved for Wendel, and acquired 295,267 new shares in Winvest 7. On that same day, Wendel sold the 295,267 newly acquired shares in Winvest 7 to Bureau Veritas.

These transactions were approved by the Supervisory Board on August 30, 2007.

Furthermore, pursuant to the French Commercial Code, we have been informed that the following agreements and commitments entered into 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 and April 26, 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;
- (iv) rights to co-investment benefits will vest in tranches of 20% per year over a period of five years (20% at the investment date, then 20% at each anniversary date);
- (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.

The specific terms of each co-investment are to be defined after the Governance Committee has issued its opinion and the Supervisory Board has approved the transaction.

Point (iii) is clarified as follows: the 7% minimum profitability threshold will be assessed based on the investments' initial value at the transaction date; the 40% threshold corresponding to the capital gain realized by Wendel on investments in listed companies shall apply after a period of 2.5 years from the date of the investment by Wendel. This clarification was approved by the Supervisory Board on July 18, 2007.

In 2007, pursuant to this framework authorization and the above terms and conditions, after approval by the Supervisory Board on June 4, 2007, on the recommendation of the Governance Committee on May 22, 2007, the management team and the Executive Board co-invested with Wendel in the transactions concerning Compagnie de Saint Gobain.

Furthermore, pursuant to the above authorization, a co-investment was implemented according to the above-described terms and conditions on the setting-up of Winvest International (a venture capital investment company holding investments in Materis, Deutsch, Stahl and AVR). This co-investment was approved by the Supervisory Board meetings of December 6, 2006 and June 4, 2007, on the recommendations of the Governance Committee meetings of December 6, 2006 and May 22, 2007.

2. WITH BUREAU VERITAS

NATURE, PURPOSE AND TERMS

Wendel entered into a service agreement with Bureau Veritas on June 28, 2005, providing for accounting, management control, tax, financial, legal, administrative, human resources and communications services.

The amount invoiced to Bureau Veritas in respect of services rendered amounted to €1,620,300 in 2007.

By mutual agreement of the parties, the service agreement was terminated on the day of Bureau Veritas' flotation; the document formalizing the termination of the agreement is a regulated agreement which was approved by the Supervisory Board on October 25, 2007.

3. WITH EDITIS HOLDING

NATURE, PURPOSE AND TERMS

Wendel entered into a service agreement with Editis Holding on December 29, 2006 providing for accounting, management control, tax, financial, legal, administrative, human resources and communication services.

The amount invoiced to Editis Holding in respect of services rendered amounted to €1,250,000 in 2007.

4. 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 €15,000 in 2007;
- a commitment to rent office space, corresponding to an amount of €31,310 in 2007.

5. WITH STALLERGÈNES

NATURE, PURPOSE AND TERMS

On July 29, 1998, Wendel entered into an agreement with Stallergènes providing for administrative and tax consulting services. On March 5, 2003, the agreement was amended by an addendum following the decision by Stallergènes to outsource the management of the shares and shareholders' meeting.

The amount invoiced to Stallergènes in respect of services rendered amounted to €80,000 in 2007.

6. 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 immediately following such time when the minimum holding condition is not met, 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, April 28, 2008.

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

To the shareholders,

2007 was a year of contrasts on the financial markets, characterized by euphoria in the first half, followed by a financial crisis in the summer. The crisis worsened in the second half of the year and is not over yet.

In this difficult economic and market context, your Company took advantage of opportunities. Wendel strengthened its financial structure in the first half and took Bureau Veritas public in October, while keeping 63% of the assessment and certification group.

Wendel also continued to strengthen and develop all of its subsidiaries. In particular, Legrand and Bureau Veritas carried out several promising acquisitions.

Amplifying its strategy as a long-term investor-partner, your Company has become the largest shareholder in Saint-Gobain. Wendel will play an active role in the governance of Saint-Gobain, so as to contribute to implementing the Group's strategic plan and helping it to achieve its potential. In this way, despite market uncertainties, your Company is well placed to create long-term value for all of its shareholders.

Once again, earnings advanced significantly this year. Consolidated sales totaled €5,472 million, up 28% compared with the previous year, while net income from business sectors totaled €408 million, up 13%, and the Group share of net income came in at €879 million.

These 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.

In our meeting of March 26, 2008, 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 submitted to you and recommend them for your approval. In particular, we are pleased to request that you renew the appointments of Jean-Marc Janodet, François de Mitry and François de Wendel, whose terms are expiring this year, and appoint a new independent Board member, Frédéric Lemoine.

Finally, we approve the Executive Board's proposal to distribute a dividend of €2 per share, an increase of 17.6% over the ordinary dividend paid last year.

REPORT OF THE EXECUTIVE BOARD ON THE RESOLUTIONS SUBMITTED TO SHAREHOLDERS

The purpose of this report is to present to shareholders the text and reasons for the resolutions proposed to them.

I. FINANCIAL STATEMENTS 2007, ALLOCATION OF INCOME AND RELATED-PARTY AGREEMENTS

The purpose of the **first resolution** is to approve Wendel's parent company financial statements for the period from January 1, 2007, to December 31, 2007. These financial statements show net income of €1,008.6 million.

The purpose of the **second resolution** is to approve the consolidated financial statements of the Wendel Group for the period from January 1, 2007, to December 31, 2007. These financial statements show net income, Group share, of €879.3 million.

The **third resolution** proposes to allocate 2007 net income and retained earnings, which together comprise a total of €1,258.6 million available for distribution by the Shareholders' Meeting.

The allocation proposed after allocation to the legal reserve is as follows:

- €100.6 million to be distributed to shareholders in the form of a dividend of €2 per share;
- €629.1 million to be allocated to "Other reserves";
- €528.9 million to be allocated to "Retained earnings".

The ex-dividend date is set for June 11, 2008, and the dividend will be paid from June 16, 2008.

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, 2007, shall be appropriated from retained earnings.

Shareholders are reminded that, in keeping with new legislation, this dividend of €2 per share is no longer accompanied by a tax credit, but is eligible for a 40% tax allowance for individuals resident in France for tax purposes, or may allow such tax payers to opt for a flat-rate withholding tax pursuant to article 117-4 of the French General Tax Code.

The **fourth resolution** concerns related-party agreements governed by articles L.225-38 and L.225-86 of the Code of Commerce and which are the subject of a special report of the Statutory Auditors. In accordance with current legislation, the Executive Board recommends that shareholders approve the transactions or agreements mentioned in this report.

II. SUPERVISORY BOARD: RENEWAL OF APPOINTMENT OF MEMBERS OF THE SUPERVISORY BOARD

The **fifth resolution** proposes to renew the appointment of Jean-Marc Janodet 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

The **sixth resolution** proposes to renew the appointment of François de Mitry 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

The **seventh resolution** proposes to renew the appointment of François de Wendel 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

The **eighth resolution** proposes to appoint Frédéric Lemoine 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

III. STATUTORY AUDITORS: RENEWAL OF APPOINTMENT

The **ninth resolution** proposes to renew the appointment of Jean-François Serval as alternate Statutory Auditor for a six-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2014 to approve the financial statements of the fiscal year ending December 31, 2013.

IV. RENEWAL OF SHARE BUYBACK PROGRAM

The **tenth resolution** is intended to renew the authorization to buy back Company shares granted by the Ordinary and Extraordinary Shareholders' Meeting of June 4, 2007.

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 (5,031,840 shares as of March 31, 2008), with a maximum purchase price of €160 corresponding to a total maximum share buyback amount of €805,094,400. This authorization would be given for eighteen months.

The purpose of the **eleventh resolution** is to grant the necessary powers to accomplish any publication or legal formalities.

AGENDA

Resolutions of an ordinary nature:

- Approval of the 2007 parent company financial statements;
- Approval of the 2007 consolidated financial statements
- Net income allocation, dividend approval and payment
- Approval of related-party agreements
- 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
- Appointment of a member of the Supervisory Board
- Renewal of the appointment of an Alternate Statutory Auditor
- Authorization granted to the Executive Board to trade in the Company's shares
- Powers for legal formalities.

FIRST RESOLUTION

APPROVAL OF THE 2007 PARENT COMPANY FINANCIAL STATEMENTS

The Shareholders' Meeting, 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 2007, 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 report of the Chairman,

hereby approves the parent company financial statements for the fiscal year beginning on January 1, 2007, and ending on December 31, 2007, as presented by the Executive Board, with net income of €1,008,635,789.68, as well as the transactions presented in these statements or mentioned in these reports.

SECOND RESOLUTION

APPROVAL OF THE 2007 CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders' Meeting, 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 2007, the observations of the Supervisory Board and the report of the Chairman of the Supervisory Board,
- having heard the general report of the Statutory Auditors on the consolidated financial statements,

hereby approves the consolidated financial statements for the fiscal year beginning on January 1, 2007, and ending on December 31, 2007, as presented by the Executive Board, with net income, Group share, of €879,282,000, as well as the transactions presented in these statements or mentioned in these reports.

THIRD RESOLUTION

ALLOCATION OF NET INCOME, DETERMINATION AND PAYMENT OF DIVIDEND

The Shareholders' Meeting, 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. decides to allocate from 2007 net income,

totaling.....	€1,008,635,789.68
plus retained earnings of	€249,999,300.00
comprising income available for distribution of	€1,258,635,089.68

in the following manner:

a. to shareholders, the amount of.....	€100,636,800.00
for a net dividend of €2 per share in existence as of December 31, 2007	
b. to other reserves, the amount of.....	€629,072,569.39
c. to the legal reserve.....	€9,685.20
d. with the balance allocated to retained earnings, the amount of	€528,916,035.09

2. decides that this net dividend of €2 per share shall be paid from June 16, 2008, with the specification that the ex-dividend date on Euronext Paris is June 11, 2008, and the date as of which positions will be closed so that they may benefit, after unwinding, from payment is June 13, 2008;

3. decides that the dividend that cannot be paid to Wendel treasury shares shall be allocated to retained earnings, and that the sums required to pay dividends on shares from stock options exercised before the dividend payment date shall be deducted from retained earnings;

4. acknowledges the Executive Board's presentation of distributions allocated in the three previous fiscal years, together with the dividend proposed for the 2007 fiscal year, which comprise the items in the following table:

Fiscal year	Number of shares at year end	Net dividend per share
2004	56,183,048	(a) €1.15
2005	54,713,540	(b) €2.00
2006	55,507,161	(b) €2.00
2007	50,318,400	(c) €2.00

(a) In accordance with article 243bis of the General Tax Code, it is specified that the whole dividend proposed was eligible for a 50% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 of the General Tax Code.

(b) In accordance with article 243bis of the General Tax Code, it is specified that the whole dividend proposed was eligible for a 40% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 2° of the 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 117.4 of the General Tax Code.

(c) In accordance with article 243bis of the General Tax Code, it is specified that the whole dividend proposed was eligible for a 40% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 2° of the 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 117.4 of the General Tax Code.

FOURTH RESOLUTION

APPROVAL OF RELATED-PARTY AGREEMENTS

The Shareholders' Meeting, voting under the quorum and majority required for ordinary shareholders' meetings, having heard the special report of the Statutory Auditors on the agreements mentioned in articles L.225-38 and following and L.225-86 and following of the Code of Commerce, approves the agreements and transactions mentioned in this report.

FIFTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of Jean-Marc Janodet as a member of the Supervisory Board expires at the end of this Ordinary Shareholders' Meeting and renews this appointment for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

SIXTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of François de Mity as a member of the Supervisory Board expires at the end of this Ordinary Shareholders' Meeting and renews this appointment for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

SEVENTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of François de Wendel as a member of the Supervisory Board expires at the end of his Ordinary Shareholders' Meeting and renews this appointment for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

EIGHTH RESOLUTION

APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby decides to appoint, as of this date, Frédéric Lemoine as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

NINTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF AN ALTERNATE STATUTORY AUDITOR

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of Jean-François Serval, 114, rue Marius Aufran, 92300 Levallois-Perret, as alternate Statutory Auditor expires at the end of this Ordinary Shareholders' Meeting and renews this appointment for a six-year term that will expire at the end of the Shareholders' Meeting called in 2014 to approve the financial statements of the fiscal year ending December 31, 2013.

TENTH RESOLUTION

AUTHORIZATION GRANTED TO THE EXECUTIVE BOARD TO TRADE IN THE COMPANY'S SHARES

The Shareholders' Meeting, 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 and following of the Code of Commerce, of the general regulations of the *Autorité des Marchés Financiers*, and of European regulation n° 2273/2003 of the European Commission,

1. hereby authorizes the Executive Board, with the power of sub-delegation, under the conditions defined in current legislation, 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 operations that may impact it subsequent to this Shareholders' Meeting, for example, 5,031,840 shares as of March 31, 2008;
- 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. decides that Company shares, within the limits defined above, may be purchased for the following purposes:

- the delivery of shares (in exchange, for payment or for some other purpose) within the framework of external growth operations, mergers, spin-offs or buyouts; or
- the delivery of 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
- market-making in the secondary market or the liquidity of the Company's stock by an investment service provider within the framework of a liquidity contract in conformity with the code of good conduct recognized by the *Autorité des Marchés Financiers*; or
- the introduction of Company stock purchase option plans as defined in article L.225-177 and following of the Code of Commerce; or
- the allocation of bonus shares within the framework of articles L. 225-197-1 and following of the Code of Commerce; or
- the allocation or sale of shares within the framework of the Group's profitsharing program and any Group savings plan under the terms and conditions provided for by current legislation, particularly articles L.442-5 and L.443-1 and following of the French Labor Code; or
- the cancellation of 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 would be authorized by current legislation or regulations. In such an event, the Company shall inform its shareholders by issuing a press release;

3. decides that the acquisition, sale or transfer of shares may be made at any time, subject to applicable legal and regulatory restrictions, by any means, by purchases in 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 takeover bids, public sales or share exchange transactions, or by the use of options or derivatives traded in a regulated stock market or through private transactions, or by the delivery of shares subsequent to the issuance of securities granting 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. sets at €160 per share the maximum purchase price, for a total maximum share buyback amount of €805,094,400, on the basis of 5,031,840 shares as of March 31, 2008, and gives power to the Executive Board, in the event of transactions on the Company's capital, to adjust the above mentioned purchase price so as to take into account the impact of these transactions on the value of the shares;

5. gives full powers to the Executive Board, with the faculty of sub-delegation, to decide and apply this authorization, to specify, if needed, 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 speaking, to do what is required for the application of this authorization;

6. decide that this authorization, which cancels and replaces any preceding authorizations of the same nature, for any amounts not yet called, shall be valid for a period of eighteen months from the date of this Shareholders' Meeting.

ELEVENTH RESOLUTION

POWERS TO ACCOMPLISH LEGAL FORMALITIES

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby empowers the bearer of copies or extracts of the minutes of these proceedings to make all necessary filings and carry out any registration, filing and other legal formalities.



STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES

Year ended December 31, 2007

This is a free translation into English of the Statutory Auditors' special report issued in the French language 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, we hereby report to you on regulated agreements and commitments with third parties. Pursuant to article L. 225-88 of the French Commercial Code (*Code de commerce*), we were informed of the agreements and commitments which were approved by the Supervisory Board.

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 article R. 225-58 of the French Commercial Code, it is your responsibility to determine whether the agreements and commitments are appropriate and should be approved.

We carried out our work in accordance with professional standards applicable in France. These standards require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the source documents from which it was taken.

1. WITH BUREAU VERITAS

Persons concerned

Ernest-Antoine Seillière and Jean-Bernard Lafonta

a) Nature, purpose and terms

On February 20, 2007 Wendel contributed 878,273 shares to the offer by Bureau Veritas to buy back up to 881,878 of its own shares for a maximum amount of €152,600,169, for the purpose of cancelling such shares.

This contribution was approved by the Supervisory Board on January 29, 2007.

b) Nature, purpose and terms

During the launch phase of Bureau Veritas' flotation, a service agreement for the preparation and implementation of the flotation was entered into between Bureau Veritas and Wendel, on the one hand, and BNP Paribas, Deutsche Bank, Goldman Sachs, HSBC and Société Générale on the other.

As part of this project, Wendel and Bureau Veritas entered into a cost sharing agreement which provided that 65% of the costs shall be borne by Bureau Veritas and 35% shall be borne by Wendel.

The service agreement and the cost sharing agreement were previously approved by the Supervisory Board on January 29, 2007.

c) Nature, purpose and terms

For the purposes of Bureau Veritas' flotation, several transactions were carried out on October 23, 2007, as follows:

- An underwriting agreement was entered into between Wendel, Winvest 9, Bureau Veritas, and certain shareholders who are also executive managers of Bureau Veritas on the one hand, and BNP Paribas, Deutsche Bank, Goldman Sachs International, FISBC, Société Générale, ABN AMRO Rothschild GIE, JP Morgan Cazenove Limited, Lazard-Natixis, Merrill Lynch International, Oddo & Cie and UBS Limited on the other. Under the terms of the underwriting agreement, Wendel together with certain shareholders of Bureau Veritas who are sellers for the purposes of Bureau Veritas' flotation, and Bureau Veritas, had to make certain commitments (including holding Bureau Veritas' shares for 180 days) and certain disclosures, and provide certain guarantees in favor of lead managers, book runners and co-lead managers.
- Wendel subscribed to the capital increase of Winvest 7 reserved for Wendel, and acquired 295,267 new shares in Winvest 7. On that same day, Wendel sold the 295,267 newly acquired shares in Winvest 7 to Bureau Veritas.

These transactions were approved by the Supervisory Board on August 30, 2007.

Furthermore, pursuant to the French Commercial Code, we have been informed that the following agreements and commitments entered into 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 and April 26, 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;
- (iv) rights to co-investment benefits will vest in tranches of 20% per year over a period of five years (20% at the investment date, then 20% at each anniversary date);
- (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.

The specific terms of each co-investment are to be defined after the Governance Committee has issued its opinion and the Supervisory Board has approved the transaction.

Point (iii) is clarified as follows: the 7% minimum profitability threshold will be assessed based on the investments' initial value at the transaction date; the 40% threshold corresponding to the capital gain realized by Wendel on investments in listed companies shall apply after a period of 2.5 years from the date of the investment by Wendel. This clarification was approved by the Supervisory Board on July 18, 2007.

In 2007, pursuant to this framework authorization and the above terms and conditions, after approval by the Supervisory Board on June 4, 2007, on the recommendation of the Governance Committee on May 22, 2007, the management team and the Executive Board co-invested with Wendel in the transactions concerning Compagnie de Saint Gobain.

Furthermore, pursuant to the above authorization, a co-investment was implemented according to the above-described terms and conditions on the setting-up of Winvest International (a venture capital investment company holding investments in Materis, Deutsch, Stahl and AVR). This co-investment was approved by the Supervisory Board meetings of December 6, 2006 and June 4, 2007, on the recommendations of the Governance Committee meetings of December 6, 2006 and May 22, 2007.

2. WITH BUREAU VERITAS

NATURE, PURPOSE AND TERMS

Wendel entered into a service agreement with Bureau Veritas on June 28, 2005, providing for accounting, management control, tax, financial, legal, administrative, human resources and communications services.

The amount invoiced to Bureau Veritas in respect of services rendered amounted to €1,620,300 in 2007.

By mutual agreement of the parties, the service agreement was terminated on the day of Bureau Veritas' flotation; the document formalizing the termination of the agreement is a regulated agreement which was approved by the Supervisory Board on October 25, 2007.

3. WITH EDITIS HOLDING

NATURE, PURPOSE AND TERMS

Wendel entered into a service agreement with Editis Holding on December 29, 2006 providing for accounting, management control, tax, financial, legal, administrative, human resources and communication services.

The amount invoiced to Editis Holding in respect of services rendered amounted to €1,250,000 in 2007.

4. 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 €15,000 in 2007;
- a commitment to rent office space, corresponding to an amount of €31,310 in 2007.

5. WITH STALLERGÈNES

NATURE, PURPOSE AND TERMS

On July 29, 1998, Wendel entered into an agreement with Stallergènes providing for administrative and tax consulting services. On March 5, 2003, the agreement was amended by an addendum following the decision by Stallergènes to outsource the management of the shares and shareholders' meeting.

The amount invoiced to Stallergènes in respect of services rendered amounted to €80,000 in 2007.

6. 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 immediately following such time when the minimum holding condition is not met, 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, April 28, 2008.

The Statutory Auditors

PricewaterhouseCoopers Audit
Olivier Thibault

Ernst & Young Audit
Jean-Pierre Letartre

To the shareholders,

2007 was a year of contrasts on the financial markets, characterized by euphoria in the first half, followed by a financial crisis in the summer. The crisis worsened in the second half of the year and is not over yet.

In this difficult economic and market context, your Company took advantage of opportunities. Wendel strengthened its financial structure in the first half and took Bureau Veritas public in October, while keeping 63% of the assessment and certification group.

Wendel also continued to strengthen and develop all of its subsidiaries. In particular, Legrand and Bureau Veritas carried out several promising acquisitions.

Amplifying its strategy as a long-term investor-partner, your Company has become the largest shareholder in Saint-Gobain. Wendel will play an active role in the governance of Saint-Gobain, so as to contribute to implementing the Group's strategic plan and helping it to achieve its potential. In this way, despite market uncertainties, your Company is well placed to create long-term value for all of its shareholders.

Once again, earnings advanced significantly this year. Consolidated sales totaled €5,472 million, up 28% compared with the previous year, while net income from business sectors totaled €408 million, up 13%, and the Group share of net income came in at €879 million.

These 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.

In our meeting of March 26, 2008, 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 submitted to you and recommend them for your approval. In particular, we are pleased to request that you renew the appointments of Jean-Marc Janodet, François de Mitry and François de Wendel, whose terms are expiring this year, and appoint a new independent Board member, Frédéric Lemoine.

Finally, we approve the Executive Board's proposal to distribute a dividend of €2 per share, an increase of 17.6% over the ordinary dividend paid last year.

REPORT OF THE EXECUTIVE BOARD ON THE RESOLUTIONS SUBMITTED TO SHAREHOLDERS

The purpose of this report is to present to shareholders the text and reasons for the resolutions proposed to them.

I. FINANCIAL STATEMENTS 2007, ALLOCATION OF INCOME AND RELATED-PARTY AGREEMENTS

The purpose of the **first resolution** is to approve Wendel's parent company financial statements for the period from January 1, 2007, to December 31, 2007. These financial statements show net income of €1,008.6 million.

The purpose of the **second resolution** is to approve the consolidated financial statements of the Wendel Group for the period from January 1, 2007, to December 31, 2007. These financial statements show net income, Group share, of €879.3 million.

The **third resolution** proposes to allocate 2007 net income and retained earnings, which together comprise a total of €1,258.6 million available for distribution by the Shareholders' Meeting.

The allocation proposed after allocation to the legal reserve is as follows:

- €100.6 million to be distributed to shareholders in the form of a dividend of €2 per share;
- €629.1 million to be allocated to "Other reserves";
- €528.9 million to be allocated to "Retained earnings".

The ex-dividend date is set for June 11, 2008, and the dividend will be paid from June 16, 2008.

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, 2007, shall be appropriated from retained earnings.

Shareholders are reminded that, in keeping with new legislation, this dividend of €2 per share is no longer accompanied by a tax credit, but is eligible for a 40% tax allowance for individuals resident in France for tax purposes, or may allow such tax payers to opt for a flat-rate withholding tax pursuant to article 117-4 of the French General Tax Code.

The **fourth resolution** concerns related-party agreements governed by articles L.225-38 and L.225-86 of the Code of Commerce and which are the subject of a special report of the Statutory Auditors. In accordance with current legislation, the Executive Board recommends that shareholders approve the transactions or agreements mentioned in this report.

II. SUPERVISORY BOARD: RENEWAL OF APPOINTMENT OF MEMBERS OF THE SUPERVISORY BOARD

The **fifth resolution** proposes to renew the appointment of Jean-Marc Janodet 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

The **sixth resolution** proposes to renew the appointment of François de Mitry 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

The **seventh resolution** proposes to renew the appointment of François de Wendel 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

The **eighth resolution** proposes to appoint Frédéric Lemoine 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 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

III. STATUTORY AUDITORS: RENEWAL OF APPOINTMENT

The **ninth resolution** proposes to renew the appointment of Jean-François Serval as alternate Statutory Auditor for a six-year term that will expire at the end of the Ordinary Shareholders' Meeting called in 2014 to approve the financial statements of the fiscal year ending December 31, 2013.

IV. RENEWAL OF SHARE BUYBACK PROGRAM

The **tenth resolution** is intended to renew the authorization to buy back Company shares granted by the Ordinary and Extraordinary Shareholders' Meeting of June 4, 2007.

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 (5,031,840 shares as of March 31, 2008), with a maximum purchase price of €160 corresponding to a total maximum share buyback amount of €805,094,400. This authorization would be given for eighteen months.

The purpose of the **eleventh resolution** is to grant the necessary powers to accomplish any publication or legal formalities.

RESOLUTIONS OF THE SHAREHOLDERS' MEETING

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AGENDA

Resolutions of an ordinary nature:

- Approval of the 2007 parent company financial statements;
- Approval of the 2007 consolidated financial statements
- Net income allocation, dividend approval and payment
- Approval of related-party agreements
- 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
- Appointment of a member of the Supervisory Board
- Renewal of the appointment of an Alternate Statutory Auditor
- Authorization granted to the Executive Board to trade in the Company's shares
- Powers for legal formalities.

FIRST RESOLUTION

APPROVAL OF THE 2007 PARENT COMPANY FINANCIAL STATEMENTS

The Shareholders' Meeting, 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 2007, 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 report of the Chairman,

hereby approves the parent company financial statements for the fiscal year beginning on January 1, 2007, and ending on December 31, 2007, as presented by the Executive Board, with net income of €1,008,635,789.68, as well as the transactions presented in these statements or mentioned in these reports.

SECOND RESOLUTION

APPROVAL OF THE 2007 CONSOLIDATED FINANCIAL STATEMENTS

The Shareholders' Meeting, 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 2007, the observations of the Supervisory Board and the report of the Chairman of the Supervisory Board,
- having heard the general report of the Statutory Auditors on the consolidated financial statements,

hereby approves the consolidated financial statements for the fiscal year beginning on January 1, 2007, and ending on December 31, 2007, as presented by the Executive Board, with net income, Group share, of €879,282,000, as well as the transactions presented in these statements or mentioned in these reports.

THIRD RESOLUTION

ALLOCATION OF NET INCOME, DETERMINATION AND PAYMENT OF DIVIDEND

The Shareholders' Meeting, 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. decides to allocate from 2007 net income,
totaling €1,008,635,789.68
plus retained earnings of €249,999,300.00
comprising income available for distribution of €1,258,635,089.68

in the following manner:

- a. to shareholders, the amount of €100,636,800.00
for a net dividend of €2 per share in existence as
of December 31, 2007
- b. to other reserves, the amount of €629,072,569.39
- c. to the legal reserve €9,685.20
- d. with the balance allocated to retained
earnings, the amount of €528,916,035.09

2. decides that this net dividend of €2 per share shall be paid from June 16, 2008, with the specification that the ex-dividend date on Euronext Paris is June 11, 2008, and the date as of which positions will be closed so that they may benefit, after unwinding, from payment is June 13, 2008;

3. decides that the dividend that cannot be paid to Wendel treasury shares shall be allocated to retained earnings, and that the sums required to pay dividends on shares from stock options exercised before the dividend payment date shall be deducted from retained earnings;

4. acknowledges the Executive Board's presentation of distributions allocated in the three previous fiscal years, together with the dividend proposed for the 2007 fiscal year, which comprise the items in the following table:

Fiscal year	Number of shares at year end	Net dividend per share
2004	56,183,048	(a) €1.15
2005	54,713,540	(b) €2.00
2006	55,507,161	(b) €2.00
2007	50,318,400	(c) €2.00

(a) In accordance with article 243bis of the General Tax Code, it is specified that the whole dividend proposed was eligible for a 50% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 of the General Tax Code.

(b) In accordance with article 243bis of the General Tax Code, it is specified that the whole dividend proposed was eligible for a 40% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 2° of the 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 117.4 of the General Tax Code.

(c) In accordance with article 243bis of the General Tax Code, it is specified that the whole dividend proposed was eligible for a 40% tax allowance for individuals resident in France for tax purposes pursuant to article 158-3 2° of the 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 117.4 of the General Tax Code.

FOURTH RESOLUTION

APPROVAL OF RELATED-PARTY AGREEMENTS

The Shareholders' Meeting, voting under the quorum and majority required for ordinary shareholders' meetings, having heard the special report of the Statutory Auditors on the agreements mentioned in articles L.225-38 and following and L.225-86 and following of the Code of Commerce, approves the agreements and transactions mentioned in this report.

FIFTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of Jean-Marc Janodet as a member of the Supervisory Board expires at the end of this Ordinary Shareholders' Meeting and renews this appointment for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

SIXTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of François de Mity as a member of the Supervisory Board expires at the end of this Ordinary Shareholders' Meeting and renews this appointment for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

SEVENTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of François de Wendel as a member of the Supervisory Board expires at the end of his Ordinary Shareholders' Meeting and renews this appointment for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

EIGHTH RESOLUTION

APPOINTMENT OF A MEMBER OF THE SUPERVISORY BOARD

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby decides to appoint, as of this date, Frédéric Lemoine as a member of the Supervisory Board for a four-year term that will expire at the end of the Shareholders' Meeting called in 2012 to approve the financial statements of the fiscal year ending December 31, 2011.

NINTH RESOLUTION

RENEWAL OF THE APPOINTMENT OF AN ALTERNATE STATUTORY AUDITOR

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby notes that the term of Jean-François Serval, 114, rue Marius Aufran, 92300 Levallois-Perret, as alternate Statutory Auditor expires at the end of this Ordinary Shareholders' Meeting and renews this appointment for a six-year term that will expire at the end of the Shareholders' Meeting called in 2014 to approve the financial statements of the fiscal year ending December 31, 2013.

TENTH RESOLUTION

AUTHORIZATION GRANTED TO THE EXECUTIVE BOARD TO TRADE IN THE COMPANY'S SHARES

The Shareholders' Meeting, 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 and following of the Code of Commerce, of the general regulations of the *Autorité des Marchés Financiers*, and of European regulation n° 2273/2003 of the European Commission,

1. hereby authorizes the Executive Board, with the power of sub-delegation, under the conditions defined in current legislation, 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 operations that may impact it subsequent to this Shareholders' Meeting, for example, 5,031,840 shares as of March 31, 2008;
- 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. decides that Company shares, within the limits defined above, may be purchased for the following purposes:

- the delivery of shares (in exchange, for payment or for some other purpose) within the framework of external growth operations, mergers, spin-offs or buyouts; or
- the delivery of 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
- market-making in the secondary market or the liquidity of the Company's stock by an investment service provider within the framework of a liquidity contract in conformity with the code of good conduct recognized by the *Autorité des Marchés Financiers*; or
- the introduction of Company stock purchase option plans as defined in article L.225-177 and following of the Code of Commerce; or
- the allocation of bonus shares within the framework of articles L. 225-197-1 and following of the Code of Commerce; or
- the allocation or sale of shares within the framework of the Group's profitsharing program and any Group savings plan under the terms and conditions provided for by current legislation, particularly articles L.442-5 and L.443-1 and following of the French Labor Code; or
- the cancellation of 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 would be authorized by current legislation or regulations. In such an event, the Company shall inform its shareholders by issuing a press release;

3. decides that the acquisition, sale or transfer of shares may be made at any time, subject to applicable legal and regulatory restrictions, by any means, by purchases in 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 takeover bids, public sales or share exchange transactions, or by the use of options or derivatives traded in a regulated stock market or through private transactions, or by the delivery of shares subsequent to the issuance of securities granting 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. sets at €160 per share the maximum purchase price, for a total maximum share buyback amount of €805,094,400, on the basis of 5,031,840 shares as of March 31, 2008, and gives power to the Executive Board, in the event of transactions on the Company's capital, to adjust the above mentioned purchase price so as to take into account the impact of these transactions on the value of the shares;

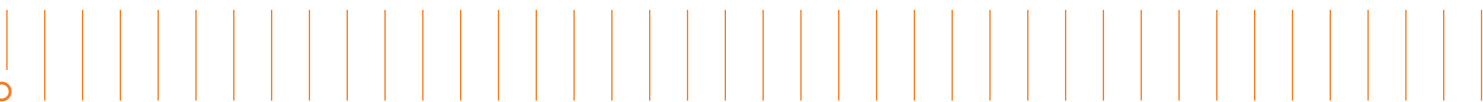
5. gives full powers to the Executive Board, with the faculty of sub-delegation, to decide and apply this authorization, to specify, if needed, the terms and procedures, to carry out the share buyback program, and to trade in the stock market, enter into any agreements, facilitate the recording of purchases 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 speaking, to do what is required for the application of this authorization;

6. decide that this authorization, which cancels and replaces any preceding authorizations of the same nature, for any amounts not yet called, shall be valid for a period of eighteen months from the date of this Shareholders' Meeting.

ELEVENTH RESOLUTION

POWERS TO ACCOMPLISH LEGAL FORMALITIES

The Shareholders' Meeting, voting under the quorum and majority required for Ordinary Shareholders' Meetings, hereby empowers the bearer of copies or extracts of the minutes of these proceedings to make all necessary filings and carry out any registration, filing and other legal formalities.



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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* (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 99 years, subsequently extended to July 1, 2064.

OFFICIAL REGISTRATION

The Company is registered in the Paris Company Register (*Registre du commerce et des sociétés*) 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 abovementioned 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:

I. At least five percent of net income 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.

Earnings available for distribution correspond to 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.

II. Any balance remaining after these appropriations is distributed to shareholders, less the sum allocated to retained earnings.

III. On the condition that all earnings available for distribution have been allocated in the form of dividends, shareholders may, in their Ordinary Shareholders' Meeting, on the recommendation of the Executive Board, decide to allocate any amounts transferred from the share premium account.

IV. 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.

V. 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:

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.

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 Executive Board.

SUPERVISORY BOARD MEMBERSHIP

Article 12 of the by-laws provides for the following:

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.

The members of the Supervisory Board are appointed by shareholders in their Ordinary Shareholders' 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 approved by shareholders at the next Shareholders' Meeting.

Supervisory Board members are appointed for four years and may be reappointed.

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.

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.

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).

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.

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:

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.

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.

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 will 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.

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 two weeks 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.

SHARE CAPITAL

As of March 31, 2008, the share capital amounted to €201,273,600, divided into 50,318,400 shares, all of the same class, with a par value of €4. These shares were fully paid-up. The shares are held in registered or bearer form at the shareholder's discretion.

EXISTING FINANCIAL AUTHORIZATIONS

At the date this reference document was filed, 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				
Securities giving access to the capital				
• with preferential subscription rights	6.4.2007	26 months	Capital: €500 M	
	11	8.3.2009	(None)	
• without preferential subscription rights	6.4.2007	26 months	Capital: €250 M	
	12	8.3.2009	(None)	
• under greenshoe option	6.4.2007	26 months	15% of the initial issue	
	13	8.3.2009	(None)	
• as consideration for contributions in kind	6.4.2007	26 months	10% of share capital	Capital: €2,000 M
	14	8.3.2009	(None)	
Incorporation of reserves	6.4.2007	26 months	€2,00 M	
	15	8.3.2009	(None)	
Group savings plan	6.4.2007	26 months	€300,00	
	17	8.3.2009	(€75,200)	
Stock options	6.4.2007	26 months	2,000,000 options	
	18	8.3.2009	(877,500 options)	
Bonus share issue	6.4.2007	26 months	0.5% of share capital	
	19	8.3.2009	(1,000 shares)	
B. Share buybacks and share cancellations				
Share buybacks	6.4.2007	18 months	(10% of share capital or €1,387,788,500)	
	10	12.3.2008	(€258,114,943.31)	
	6.4.2007	26 months	10% of share capital per 24-month period	
Share cancellations	16	8.3.2009	(5,257,773 shares were cancelled on May 29, 2007)	

During the 2007 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.

At March 31, 2008, after a capital increase of €75,200 in June 2007, the amount available under this authorization was €224,800.

Subscription or purchase options

At the Shareholders' Meeting of June 4, 2007, shareholders authorized the Executive Board, with prior approval from the Supervisory Board, to grant purchase or subscription 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.

On June 4, 2007, the Executive Board granted options giving all management-level employees and corporate officers the right to subscribe to 877,500 shares. Thereafter, 1,122,500 shares remained available under this authorization.

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 to non-management level employees who did not have subscription options, allocating 40 bonus share rights per employee. Thereafter, 250,592 shares remained available under this authorization, based on share capital as of March 31, 2008.

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 in six years on June 19, 2009 and offering a coupon of 2%;
- bonds amounting to €500 million, issued on February 16, 2004, maturing in 7 years 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 in 10 years on November 4, 2014, and offering a coupon of 4.875%;
- bonds amounting to €300 million, issued on August 9, 2005, maturing in 12 years on August 9, 2017, and offering a coupon of 4.375%;
- bonds amounting to €400 million, issued on May 24, 2006, maturing in 10 years 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 9, 2008

The financial authorizations contained in the 11th, 12th, 13th, 14th, 15th, 16th, 17th and 19th resolutions submitted to shareholders for approval at the June 4, 2007 Shareholders' Meeting are valid for a period of 26 months, expiring on August 3, 2009.

Shareholders are therefore being asked only to renew the share buyback program detailed in the 10th resolution of the June 9, 2008 Shareholders' Meeting. This resolution will cancel unused amounts and replace the resolution of the June 4, 2007 Shareholders' Meeting having the same purpose.

Authorization	Resolution no.	Period and expiration date	Authorized amount
Share buyback program authorization			
Share buyback	10	18 months 12.8.2009	10% of the shares or €805,094,400

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.

The Company has granted subscription or purchase options, whose principal terms and conditions are described in part B of the section entitled, "Ownership interest of corporate officers and employees".

The Company has also granted bonus shares, whose principal terms and conditions are described above and in part C of the section below entitled "Ownership interest of corporate officers and employees".

PLEDGE OF ISSUER'S SHARES HELD IN PURE REGISTERED FORM

To the best of the Company's knowledge, 24,420 Wendel shares held in registered form have been pledged.

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, 2002		
May 2003	According to the 3rd resolution of the May 27, 2003 Shareholders' Meeting	
June 2003	Exercise of options	11,722
July 2003	Issue of shares reserved for employees	38,507
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		

Number of shares comprising the capital	Par value	Change in share capital (euros)	Amount of share capital (euros)	Change in share premiums (euros)	Amount of share premiums
55,931,687	€4	–	223,726,748	–	226,421,567
		–	–	–,100,000,000	126,421,567
55,943,409	€4	46,888	223,773,636	84,633	126,506,200
55,981,916	€4	154,028	223,927,664	592,623	127,098,823
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

SHARE BUYBACK POLICY AND SPECIAL REPORT OF THE EXECUTIVE BOARD

SPECIAL REPORT OF THE EXECUTIVE BOARD PURSUANT TO ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE

Legal framework

The Ordinary and Extraordinary Shareholders' Meeting of June 4, 2007 (10th resolution) 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 24-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 is valid for a period of 18 months beginning on the date of the Shareholders' Meeting, i.e. until December 3, 2008. Under this authorization, the maximum price is €250.

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 5,031,840 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 or in payment for acquisitions, mergers, spin-offs or asset contributions;
- 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;
- 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*;
- to implement a stock purchase option plan as defined in Articles L. 225-177 et seq. of the French Commercial Code;
- to allocate bonus shares pursuant to articles L. 225-197-1 et seq. of the French Commercial Code;
- to allocate or sell shares as part of the Company's profit-sharing plan or the implementation of any Company savings plan (*plan d'épargne d'entreprise*) as provided by law, in particular under Articles L.442-5 and L.443-1 et seq. of the French Labor Code;
- to cancel of all or part of the shares repurchased.

Share buybacks carried out by the Company under the buyback program approved by shareholders at their June 4, 2007 Shareholders' Meeting

Under this authorization, between June 4, 2007 and March 31, 2008, 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 4, 2007 and March 31, 2008, Oddo Corporate Finance purchased 2,262,520 of the Company's shares on its behalf under the liquidity contract for a total amount of €258,114,943.31 at an average unit price of €114.08. Similarly, under the same contract, Oddo Corporate Finance sold 2,179,520 of the Company's shares for a total amount of €247,798,287.47 and an average unit price of €113.69.

On balance, 83,000 shares were purchased under the liquidity contract between June 4, 2007 and March 31, 2008.

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

Since June 4, 2007, Wendel has sold 2,755 shares at an average exercise price of €33.35 pursuant to the exercise of purchase-type stock options granted by the Board of Directors of CGIP on July 19, 2001.

As indicated above, between June 4, 2007 and March 31, 2008, Oddo Corporate Finance sold 2,179,520 of the Company's shares under the liquidity contract for a total amount of €247,798,287.47 at an average unit price of €113.69.

Cancellation of Wendel shares

During the 24 months prior to March 31, 2008, Wendel cancelled 5,257,773 shares.

Situation as of March 31, 2008

As of March 31, 2008, Wendel held 100,401 shares, or 0.20% 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 90,000 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 9, 2008 SHAREHOLDERS' MEETING

The tenth resolution proposed at the June 9, 2008 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;
- 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*;
- to implement a stock purchase option plan as defined in Articles L. 225-177 et seq. of the French Commercial Code;
- to allocate bonus shares pursuant to articles L. 225-197-1 et seq. of the French Commercial Code;

- to allocate or sell shares as part of the Company's profit-sharing plan or the implementation of any Company savings plan (*plan d'épargne d'entreprise*) as provided by law, in particular under Articles L.442-5 and L.443-1 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, 2008, this authorization represented 5,031,840 shares, or a maximum theoretical investment of €805,094,400, based on the maximum price of €160 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, 2007, the number of Wendel shares held in treasury was 100,401. In light of the shares already held in treasury, the Company would be able to repurchase 4,931,439 shares, or 9.80% of the share capital, for a maximum amount of €789,030,240, based on the maximum unit purchase price of €160. 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 9, 2008 Shareholders' Meeting, i.e. until December 8, 2009.

SUMMARY OF TRANSACTIONS CARRIED OUT BY THE COMPANY ON ITS OWN SHARES BETWEEN JUNE 4, 2007 AND MARCH 31, 2008⁽¹⁾

	Gross transaction amounts		Open positions as of March 31, 2008					
	Purchases	Sales/transfers	Open long positions			Open short positions		
			Calls purchased	Puts written	Forward purchases	Calls written	Puts purchased	Forward sales
Number of shares	2,262,520	2,182,275						
Maximum average maturity			NA	NA	NA	NA	NA	NA
Average transaction price (in euros)	114.08	113.59						
Average strike price	NA	NA	NA	NA	NA	NA	NA	NA
Amounts (in euros)	258,114,943.31	247,890,166.75						

⁽¹⁾ The period under consideration begins the day of the Shareholders' Meeting during which the report on the previous program was approved and ends at the most recent available date.

INFORMATION ABOUT THE PRINCIPAL SHAREHOLDERS

CURRENT SHAREHOLDERS AND THEIR VOTING RIGHTS

As of March 31, 2008, the number of shares issued by the Company was 50,318,400, and they carried 74,332,792 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. At that date, 24,114,793 shares enjoyed double voting rights.

To the best of the Company's knowledge, the main shareholders as of March 31, 2008 were as follows:

	% of capital	% of voting rights
SLPS *	35.6%	46.3%
Arnhold & Bleichroeder	8.0%	8.5%
Treasury shares	0.2%	—
Employees	4.1%	3.6%
Free float	52.1%	41.6%

* Pursuant to article L. 233-10 of the French Commercial Code, these figures include SLPS and its executive officer (Ernest-Antoine Seillière as Chairman of the Board of Directors of SLPS).

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 5.9% of the voting rights. All members are individuals.

In January 2008, a study was performed, as is done every year, to identify the shareholders of Wendel. As of December 31, 2007, the distribution of shareholders was as follows:

	% of capital
SLPS*	35.9
Individuals	29.6
Institutional investors outside France	22.0
Institutional investors in France	7.4
Treasury shares	0.2
Employees	4.9

* Pursuant to Article L. 233-10 of the French Commercial Code, these figures include SLPS and its executive officer (Ernest-Antoine Seillière as Chairman of the Board of Directors of SLPS).

At that date there were more than 60,900 shareholders, representing an increase of more than 34.4% over the previous 12 months. The number of shareholders has almost doubled since 2005.

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 12.31.2005			Situation as of 12.31.2006			Situation as of 12.31.2007		
	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	30,397,444	55.6%	73.3%	31,301,634	56.4%	74.8%	26,097,831	51.9%	67.5%
Registered shares held in treasury	5,265,562	9.6%	—	5,284,562	9.5%	—	10,401	0.02%	—
Bearer shares	19,050,534	34.8%	26.7%	18,920,965	34.1%	25.2%	24,210,168	48.1%	32.5%
Total	54,713,540	100.0%	100.0%	55,507,161	100.0%	100.0%	50,318,400	100.0%	100.0%

* Following the cancellation of 5,257,773 shares held in treasury on May 29, 2007.

SIGNIFICANT CHANGES IN THE SHAREHOLDER STRUCTURE OVER THE LAST TWO YEARS

	Situation as of 12.31.2005		Situation as of 12.31.2006		Situation as of 12.31.2007	
	% of capital	% of voting rights	% of capital	% of voting rights	% of capital	% of voting rights
SLPS*	36.9	55.0	36.5	53.1	35.9	46.5
Arnhold & Bleichroeder	9.9	7.6	9.8	7.6	6.0	7.1
Registered shares held in treasury	9.6	–	9.5	–	0.1	–
Employees (Group savings plan)	0.3	0.3	0.3	0.3	0.5	0.5
Other shareholders (institutional and individuals)	43.3	37.0	43.9	39.0	57.5	45.9

* Figures include Ernest-Antoine Seillière as Chairman of the Board of Directors of SLPS.

As of December 31, 2007, no other shareholder had disclosed ownership of more than 2% of the shares or voting rights, either alone or as a concert party.

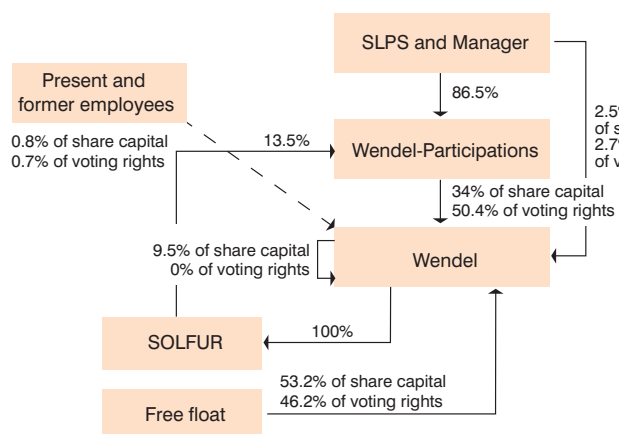
SIGNIFICANT CHANGES IN THE SHAREHOLDER STRUCTURE DURING 2007

The structure of the Group was simplified in May and June 2007 through the following transactions:

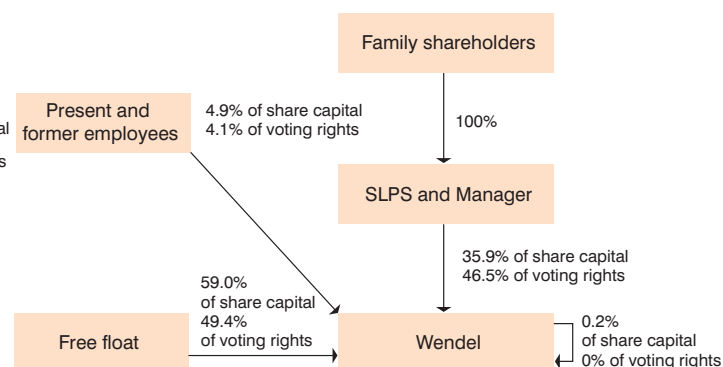
- treasury shares were cancelled;
- the ownership loop was eliminated and the family holding structure simplified. The family holding companies and the Wendel management team exchanged Wendel-Participations shares for Wendel shares, and SLPS and Wendel-Participations were then merged.

The two organization charts below summarize the changes in the holding structure that took place during the year.

Organization chart as of December 31, 2006



Organization chart as of December 31, 2007



These transactions simplified the Group's structure. They also increased the free float from 53.2% of the shares at December 31, 2006 to 59.0% at December 31, 2007.

PRINCIPAL SHAREHOLDERS

SLPS

SLPS is a holding company that owns Wendel shares.

SLPS is owned by around 900 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 guarantee, placement 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 Wendel brand name), 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:

- 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 and had exceeded the 6% and 8% voting rights thresholds 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 following the purchase of shares, it 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.

CONCERNING WENDEL

Under the requirements of 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 I bis of the French Tax Code, dated December 23, 2003, December 17, 2004, December 21, 2005, December 19, 2006 and December 14, 2007 relating to 24.95%, 23.27%, 36.67%, 34.49% and 36.49% of the share capital, respectively, at those dates;
- commitments to hold shares for a period of two years pursuant to article 887 B of the French Tax Code, dated December 17, 2004, December 19, 2006, December 14, 2007, relating to 23.27%, 33.25% and 36.16% 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 10.9% of the share capital. The shareholders concerned by these obligations are not considered to be acting in concert.

As required by articles 885 I bis and 887 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.

CONCERNING THE SUBSIDIARIES AND AFFILIATES OF WENDEL

SHAREHOLDER AGREEMENT DISCLOSED TO THE REGULATORY AUTHORITIES: 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, 2008. 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 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

AGREEMENTS WITH CO-INVESTORS

Wendel is party to several shareholder agreements under which it has given or received certain rights. These rights govern its relationship with its co-investors in Materis, Deutsch, Stahl and AVR.

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).

AGREEMENTS REGARDING EXECUTIVE CO-INVESTMENT IN CERTAIN SUBSIDIARIES:

The Wendel Group has concluded several agreements governing the investments of co-investors who are executives of certain companies in which Wendel holds an equity investment, such as Editis, Materis, Deutsch and Stahl (as described on pages 182-184 of this reference document).

These agreements include standard clauses including ones governing:

- executive departure (vesting);
- terms of share transfers (lock-up periods, pre-emptive rights);
- exit terms in the event of a sale or IPO (tag-along rights for executives, drag-along rights in favor of Wendel).

liquidity in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time.

MARKET FOR WENDEL SHARES,
DIVIDENDS

WENDEL SHARE PRICE AND VOLUMES TRADED SINCE JANUARY 2006

Mois	Highest / lowest prices		Average price	Number of shares traded	Amount traded in thousands of euros
	Highest (euros)	Lowest (euros)	(euros)	(average per trading day)	(average per trading day)
January 2006	89.75	84.20	87.08	62,592	5,450
February 2006	99.45	88.60	93.30	70,693	6,596
March 2006	100.00	93.20	97.10	68,721	6,673
April 2006	107.10	97.65	102.48	145,162	14,877
May 2006	105.70	85.10	96.47	91,709	8,847
June 2006	94.95	83.10	90.02	64,853	5,838
July 2006	95.50	86.80	91.46	36,208	3,311
August 2006	91.75	88.00	89.95	33,672	3,029
September 2006	97.60	90.30	94.63	66,481	6,291
October 2006	106.80	96.80	102.39	86,251	8,831
November 2006	115.80	104.10	110.01	72,490	7,975
December 2006	114.60	110.30	112.71	55,169	6,218
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

DIVIDENDS PAID OVER THE LAST FIVE YEARS

Year	Dividends in euros	Additional dividend in euros	Total dividend paid in millions of euros
2003	1.05	–	58.78
2004	1.15	–	56.48
2005	1.40	0.60	98.90
2006	1.70	0.30	100.40
2007	2.00	–	100.53

A – EXECUTIVE COMPENSATION

In 2007, the following compensation was paid to the Chairman and the members of the Executive Board, including compensation received from controlled companies as defined by article L. 233-16 and from the company that controls Wendel:

(euros)	2007					2006
	Gross compensation fixed	Gross compensation variable	Board fees	Benefits in kind	Total compensation	Total compensation
J.B. Lafonta	1,208,247	750,000	93,734	22,712	2,074,693	1,563,790
B. Gautier	596,000	480,000	–	–	1,076,000	870,000
E.A. Seillière	170,910	–	150,751	5,031	326,692	507,694

Compensation of the members of the Executive Board is approved every year by the Supervisory Board in December of the preceding year, after review by the Governance Committee and on its recommendation. The Governance Committee bases its recommendation for overall compensation on comparison with market practices for listed companies and with the average of European private equity companies. Bonuses are set on the basis of Wendel's progress with regard to its medium-term objectives. Board fees are included in overall compensation.

COMPENSATION OF THE FIVE MOST HIGHLY PAID INDIVIDUALS

In 2007, compensation paid to the five most highly paid individuals, including corporate officers in the case of Wendel and its subsidiaries, and executives in the case of the controlling company, amounted to:

	(euros)
Compensation	3,855,980
Board fees	268,161
Total	4,124 141

OTHER CORPORATE OFFICERS

Compensation paid by the Company and the companies in the Wendel Group's scope of consolidation consisted mainly of Board fees totaling €499,771 in 2007, with the following breakdown:

(euros)	2005	2006	2007
Nicolas Celier	–	21,000	50 000
Didier Cherpitel	33,500	39,500	60,000
Béatrice Dautresme Schlumberger	–	21,000	50 000
Jean-Marc Janodet	118,853	134,118	89,771
Édouard de l'Espée	33,500	39,500	50,000
François de Mitry	33,500	39,500	50,000
Grégoire Olivier	33,500	39,500	50,000
François de Wendel	33,500	39,500	50,000
Guy de Wouters	46,500	50,000	50,000
			499,771

B – SUBSCRIPTION AND PURCHASE OPTIONS ON WENDEL SHARES

As of December 31, 2007, options entitling the corporate officers and managers of Wendel to subscribe to or purchase shares concerned exclusively subscription or purchase options.

STOCK OPTION GRANT POLICY

Stock options on Wendel shares are granted as incentives to motivate, compensate and ensure the loyalty of Group managers. They may be either purchase or subscription options, even though the table below shows that subscription options have been the more common practice. For several years now, they have been granted at the same time of year (after the Shareholders' Meeting), at a price based on the average opening price of the 20 trading days preceding the grant, with no discount.

Company policy for stock option grants is reviewed by the Governance Committee and the Supervisory Board, which approves the guiding principles. Implementation and individual grants are decided by the Executive Board, except for grants to the Group's corporate officers, which are approved by the Supervisory Board, on the recommendation of the Governance Committee.

The scope of option grant beneficiaries has varied over time:

- Until 2004 (plan WI 3-1) options were granted to all management-level employees, including Operations Committee members;
- Operations Committee members and the members of the Executive Board were excluded from the plan in 2005 and 2006;
- In 2006 (plan WI 3-3), non-management-level employees were included in the stock-option plan and received 100 options each;
- In 2007 (plan WI 1-1), optionees included all management-level employees, including Operations Committee members and corporate officers. Conversely, non-management-level employees did not benefit but were eligible for bonus shares (each person received 40 bonus shares in 2007). This policy will be maintained in 2008.

In approving the 18th resolution to their June 4, 2007 Annual Meeting, the shareholders provided for a new system. Applied for the first time in June 2007 (plan W 1-1), it consists in granting stock options every year for five years.

The total number of stock options initially granted is limited to 2% of share capital p.a. This number will be reduced by if NAV per share (including dividends) does not increase by at least 30% by the end of the five years following the grant of the tranche in question. It will be maintained if the increase is at least 120% at the end of the five-year period. If the increase in NAV falls between these two limits, the grant will be reduced linearly. Each grant will vest in tranches of 20% per year, with the first tranche vesting one year after the grant. Optionees who leave the Company, regardless of the reason, lose their unvested options. Options may not be exercised, even partially, before the expiration of the five-year holding period. The NAV per share serving as the reference value shall be the value published at the Shareholders' Meeting preceding the grant.

Options exercised in 2007

Plans	CGIP3-3	CGIP 4-1	CGIP 4-2	CGIP 5-1	CGIP 5-2	CGIP 5-3	WI 1-1
Date of Board of Directors or Executive Board Meeting	6.2.1999	6.2.1999	5.30.2000	7.20.2000	7.19.2001	9.25.2001	7.17.2002
Purchase or subscription price per share	€37.10	€37.10	€44.23	€44.23	€33.35	€28.50	€24.59
Type	subscription	subscription	subscription	purchase	purchase	subscription	subscription
options exercised by:							
(i) corporate officers:			5,000				3,000
Mr. Janodet							3,000
Mr. de Moustier			5,000				
(ii) the top 10 optionees				5,919	10,469		2,962
(ii) other employees	4,909	3,065	709				170
Total	4,909	3,065	5,709	5,919	10,469	0	6,132

Plans	WI 2-1	WI 3-1	WI 3-2	WI 3-3	WI-1	Total
Date of Board of Directors or Executive Board Meeting	7.16.2003	7.9.2004	7.6.2005	7.4.2006	6.4.2007	
Purchase or subscription price per share	€25.96	€39.98	€65.28	€90.14	€132.96	
Type	subscription	subscription	subscription	subscription	subscription	
options exercised by:						
(i) corporate officers						8,000
Mr. Janodet						3,000
Mr. de Moustier						5,000
(ii) the top 10 optionees	3,533	22,465				45,348
(ii) other employees	2,524	1,735		100		13,212
Total	6,057	24,200	0	100	0	66,560

HISTORY OF SUBSCRIPTION AND PURCHASE OPTION GRANTS

The number of shares that may be subscribed to or purchased and the subscription or purchase price as reported in the following table have been adjusted for:

- the December 1999 one-for-ten bonus issue;

- the June 2001 grant of Capgemini Ernst & Young warrants;
- the share buyback and simplified takeover bid of January 2002;
- the June 2002 one-for-19 bonus issue;
- the simplified share buyback of January 2005.

Plans Compagnie générale d'industrie et de participations						
	Plan no 3	Plan no 4		Plan no 5		
Date of Shareholders' Meeting	June 2, 1999	June 2, 1999		May 30, 2000		
Total number of options authorized	602,685	393,022		313,111		
Options not granted – plans closed	0	0		0		
Options to be granted – plans in existence	–	–		–		
Total number of shares that may be subscribed	4,909	393,022		313,111		
Date of Board of Directors or Executive Board Meeting	6.2.1999	6.2.1999	5.30.2000	7.20.2000	7.19.2001	9.25.2001
Plans	CGIP 3-3	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	6.2.2002	5.30.2003	7.20.2000	7.19.2002	9.25.2002
Expiration date of the options	6.1.2007	6.1.2009	5.29.2010	7.19.2010	7.18.2011	9.24.2011
Subscription price per share	€37.10	€37.10	€44.23	€44.23	€33.35	€28.50
Discount	0%	0%	0%	0%	0%	0%
Options granted	169,673	179,997	213,025	5,919	224,549	82,643
of which:						
Subscription-type options	169,673	179,997	213,025	–	–	82,643
Purchase-type options		–	–	5,919	224,549	–
Number of shares that may be subscribed or purchased as of January 1, 2007:						
. by corporate officers	0	0	9,113	–	0	–
. by the top 10 optionees	0	14,930	18,345	5,919	14,038	–
. by other employees	4,909	3,909	5,328	–	6,832	–
Number of shares subscribed at 12.31.2007	169,673	164,223	185,948	5,919	214,148	82,643
Number of options remaining to be subscribed or purchased at 12.31.2007	0	15,774	27,077	0	10,401	0
Number of shares that may be subscribed or purchased by corporate officers:						
Mr. Seillière						
Mr. Lafonta						
Mr. Gautier						

Plans WENDEL-Investissement					Plan Wendel	Total
Plan no 1	Plan no 2	Plan no 3			Plan no 1	
June 13, 2002	May 27, 2003	June 10, 2004			June 4, 2007	
562,410	562,821	564,023			2,000,000	
278,900	239,000	26,200			–	
–	–	–			1,122,500	
283,510	323,821	537,823			877,500	
7.17.2002	7/16/2003	7/9/2004	7/6/2005	7/4/2006	6.04.2007	
WI 1-1	WI 2-1	WI 3-1	WI 3-2	WI 3-3	WI-1	
7.17.2003	7.16.2004	7.9.2005	7.6.2006	7.4.2007	6.4.2012	
7.16.2012	7.15.2013	7.8.2014	7.5.2015	7.3.2016	6.4.2017	
€24.59	€25.96	€39.98	€65.28	€90.14	€132.96	
0%	0%	0%	0%	0%	0%	
283,510	323,821	428,223	49,000	60,600	877,500	2,898,460
283,510	323,821	428,223	49,000	60,600	877,500	2,667,992
–	–	–	–	–	–	230,468
12,085	0	20,190	–	–	590,000	631,388
7,066	17,341	53,570	45,000	52,000	188,000	416,209
9,242	7,571	29,561	4,000	8,600	99,500	179,452
261,249	304,966	349,102	0	100	0	1,737,971
22,261	18,855	79,121	49,000	60,500	877,500	1,160,489
					90,000	90,000
					350,000	350,000
		20,190			150,000	170,190

C – BONUS SHARES

In approving the 19th resolution to their June 4, 2007 Annual Meeting, the shareholders authorized the issuance of bonus shares, up to a limit of 0.5% of the share capital.

During 2007, the Executive Board adopted the bonus share plan, which includes the following terms:

- a two-year vesting period, at the end of which the shares are definitively acquired only if the beneficiary is still employed by the Group, except in the event of death, retirement or disability;
- a two-year holding period during which the beneficiary may not sell the shares that have been granted to him.

The plan also includes an adjustment mechanism in the event of any transactions on the Company's capital, so as to preserve the rights of the beneficiaries.

On June 4, 2007, the Executive Board decided to grant 40 bonus shares to each non-management-level employee, who do not receive stock options.

In all, 1,000 bonus shares, with a unit value of €138.25 (June 4, 2007 share price) were granted to 25 beneficiaries.

This policy will be maintained in 2008. No bonus shares were granted to management-level employees or to the corporate officers of the Company.

D – RETIREMENT AND SEVERANCE PAY

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 retire 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.

Executives of Wendel are not contractually entitled to severance pay should they leave the Company at the request of the Supervisory Board. In addition, no corporate officer is contractually entitled to receive nor benefited upon arrival from any exceptional compensation, as defined by the joint Afep/Medef recommendation, in the event of departure.

E – PARTICIPATION OF MANAGEMENT IN THE GROUP'S INVESTMENTS

1. PARTICIPATION OF SUBSIDIARY MANAGEMENT TEAMS IN THE PERFORMANCE OF THEIR COMPANIES

Over time, Wendel has implemented a policy for its subsidiaries based on the following principles:

- executives are invited to participate in a co-investment system and personally invest significant amounts of their own funds, through special-purpose companies, alongside Wendel;
- stock options are granted to all other managers.

Investments made by executives generate gains only once Wendel has achieved a certain profitability threshold (between 10% and 15%).

These investments present a risk for the executives inasmuch as the amounts invested are lost if the return on investment is below these levels. In return for accepting this high level of risk, executives share in any performance beyond this threshold, in variable proportions.

This system applies to all unlisted companies in the portfolio. As of December 31, 2007, such arrangements were in place at Editis, Materis, Deutsch and Stahl. In general, they are settled when the investments are partially or completely sold.

Accordingly, during 2007, the co-investment system at Bureau Veritas was settled at the time of the company's IPO, on October 23, 2007. Following the transactions to simplify the corporate structure, the principal executives of the Bureau Veritas group had acquired 4.5% of the shares of Bureau Veritas (including treasury shares).

Once listed, the companies implement new systems to allow their executives to participate in the performance of the company. For listed subsidiaries (Bureau Veritas, Legrand, Stallergènes), please refer to each of their reference documents for a description of the terms and conditions under which the executives participate in the performance of the company.

2. PARTICIPATION OF WENDEL EXECUTIVES IN THE GROUP'S PERFORMANCE

In an effort to avoid conflicts of interest, the amounts invested by Wendel executives and the rules governing their investments are systematically submitted for approval to the Supervisory Board, after the Governance Committee, which has authority in corporate ethics, reviews and issues an opinion on them.

2.1. CO-INVESTMENT BY WENDEL EXECUTIVES UNTIL 2006

2.1.1. Investment in subsidiaries and affiliates

The executives of Wendel were invited to make personal investments of a significant amount in all newly acquired companies of the Group, thereby undertaking an economic risk on all of them, at terms similar to those proposed to the executives of those companies.

These investments present a risk for the executives of Wendel inasmuch as the amounts invested are lost if the return on investment is below a certain threshold. In return for accepting this high level of risk, executives share in any performance beyond this threshold, in variable proportions.

For investments made before 2006, such programs were implemented when Legrand and Editis were acquired, with mechanisms similar to those introduced for the executives of those subsidiaries.

For the last investments made by Wendel in 2006 (Materis, Deutsch, Stahl and AVR), which were grouped in the investment company Winvest International (see pages 182-184 and 220), the co-investment was carried out in accordance with the principles described in paragraph 2.2.

2.1.2. Investment in the shares of Wendel-Participations

The call options Wendel executives purchased from Solfur on Wendel-Participations shares in 2004 were settled in 2007. This transaction was approved by shareholders at their June 4, 2007 Shareholders' Meeting. It increased the ownership interest of employees and executives in the share capital of the Group. As of December 31, 2007, they held 4.9% of the shares of Wendel.

2.2. CHANGE IN THE SYSTEM THROUGH WHICH WENDEL EXECUTIVES PARTICIPATE IN THE GROUP'S PERFORMANCE

After the Wendel Group's holding structure was simplified in 2007, the system enabling Wendel executives to participate in the Group's performance was changed. For the next five years, i.e. until 2012, it will be based on:

- a stock option plan, with the annual grant limited to 2% of share capital per year (terms and conditions detailed on page 208); the new plan was applied for the first time on June 4, 2007;
- co-investment on the part of executives: in accordance with its entrepreneur / investor strategy, Wendel wants the members of its management team to be directly and personally linked to the Company's investments by sharing in the risks and benefits thereof.

These two programs, stock options and co-investment, align the interests of Wendel executives with those of shareholders and will lead to an equilibrium between Group performance and that of new investments. The potentially dilutive effect of stock options should be offset as Wendel repurchases its own shares and cancels them.

The principles of executive co-investment in all new Group investments that prompt the Group to assume an economic risk on various listed and unlisted companies, have been defined as follows:

- the individuals in question will invest alongside the Company, in amounts not to exceed 0.5% of the amount of Wendel's investment;
- they will be responsible for financing their co-investment;
- 10% of the total capital gain will accrue to the co-investments, provided that Wendel has obtained a minimum return of 7% p.a. and a capital gain of 40% of its investment. Otherwise, if either of these thresholds is not reached, the management team will lose the amounts they have invested;
- rights to co-investments will vest in tranches of 20% p.a. (20% at the investment date, then 20% at each anniversary date);
- 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.

Given that certain corporate officers might be affected, in the interest of transparency and good corporate governance, these co-investment principles were approved by the Supervisory Board at its meetings of December 6, 2006 and April 26, 2007, based on the opinion of the Governance Committee. They were mentioned in the Statutory Auditors' special report on regulated agreements and commitments with third parties relative to the previous year. They were approved by shareholders on June 4, 2007.

On July 18, 2007, the Supervisory Board, on the recommendation of the Governance Committee, added two stipulations to the plan: (i) the 7% minimum profitability threshold shall be measured with respect to the original value and date of the investments, and (ii) concerning investments in listed companies, the 40% threshold shall be applied at the end of a period of two and a half years from the investment; these stipulations were mentioned in the Statutory Auditors' report on regulated agreements, which appears on pages 182-184 of this report.

With respect to 2007, in line with the principles approved by shareholders, Wendel executives co-invested alongside Wendel in the transactions on Compagnie de Saint-Gobain, according to the terms detailed above, after approval of the Supervisory Board on June 4, 2007, based in turn on the opinion of the Governance Committee on May 22, 2007.

In addition, pursuant to the same authorization, a co-investment was put in place according to the terms detailed above when Winvest International was formed. Winvest International is a venture capital firm that holds the investments in Materis, Deutsch, Stahl and AVR. The co-investment received prior approval from the Supervisory Board on December 6, 2006 and June 4, 2007, based in turn upon the December 6, 2006 and May 22, 2007 opinions of the Governance Committee.

These transactions made it possible to include new members of the management team in the plan. Additional co-investment transactions could be undertaken in 2008 after approval by the Supervisory Board, based on the recommendation of the Governance Committee.

3. IMPACT OF THESE CO-INVESTMENT MECHANISMS ON WENDEL

The programs in place for existing investments could have a dilutive impact in Wendel's percentage interest in these companies of 10-15% over five years, assuming the business plans envisioned by Wendel at the time of the acquisitions are realized.

4. OTHER INVESTMENTS OF WENDEL'S MANAGEMENT IN THE GROUP'S SUBSIDIARIES

In accordance with the documents published with respect to Legrand's IPO (see paragraph 11.5 of the Legrand IPO prospectus), Wendel executives purchased call options on Legrand shares from a financial institution, via a new company. These options, exercisable at any time, had a maturity of five years and represented around 1% of the share capital of Legrand. These options were sold in 2007.

F – NATURE OF TRANSACTIONS BETWEEN THE COMPANY AND ITS CORPORATE 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.

G – LOANS TO MEMBERS OF THE COMPANY'S MANAGEMENT ENTITIES

None.

H – 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.

Similarly, the Executive Board made the same recommendation to the members of the Company's Operations Committee.

I – 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 2007. This information has been disclosed on the Company's Website, as required by regulations.

Nbr. & date of AMF filing	Corporate officer	Financial instrument	Type of transaction	Date	Number	Unit price	Gross transaction amount (in euros)	Market	AMF disclosure number
2007-19 01.16.08	Person related to Nicolas Celier	Shares	Sale	12.2007	1,000	106.19	106,198	Euronext Paris	208D2687
2007-18 07.19.07	Bernard Gautier	Shares	Purchase	07.18.2007		104.68	220,253	Paris	207D4651
2007-17 07.19.07	Jean-Bernard Lafonta	Shares	Purchase	07.18.2007		105.58	398,779	Paris	207D4650
2007-16 07.19.07	Ernest-Antoine Seillière	Shares	Purchase	07.18.2007		119.93	59,005	Paris	207D4649
2007-15 06.29.07	Person related to Ernest-Antoine Seillière	Shares	Purchase	06.20.2007		134.20	10,573,215	Paris	207D4123
2007-14 06.29.07	Person related to Ernest-Antoine Seillière	Shares	Sale	06.20.2007		134.20	6,710,000	Paris	207D4122
2007-13 06.05.07	Person related to Ernest-Antoine Seillière	Shares	Purchase	05.29.2007		127.89	64,795,852	Paris off market	207D3464
2007-12 06.05.07	Person related to Bernard Gautier	Shares	Purchase	05.29.2007		127.89	35,247,635	Paris off market	207D3463
2007-11 06.05.07	Person related to Jean-Bernard Lafonta	Shares	Purchase	05.29.2007		127.89	156,058,540	Paris off market	207D3462
2007-10 04.27.07	Person related to Nicolas Celier	Shares	Sale	04.26.2007	2,000	127.43	254,860	Euronext Paris	207D2518
2007-09 04.10.07	Person related to Nicolas Celier	Shares	Sale	04.02.2007	2,000	129.90	253,800	Euronext Paris	207D2145
2007-08 03.01.07	Person related to Nicolas Celier	Shares	Sale	02.21.2007	1,000	120.50	120,500	Euronext Paris	207D1387
2007-07 03.01.07	Person related to Nicolas Celier	Shares	Sale	02.21.2007	1,000	119.50	119,500	Euronext Paris	207D1386
2007-06 01.23.07	Didier Cherpitel	Shares	Purchase	01.04.2007	1,143	111.50	128,306	Euronext Paris	207D0561
2007-05 01.23.07	Didier Cherpitel	Shares	Purchase	01.03.2007	900	111.50	101,076	Euronext Paris	207D0560
2007-04 01.23.07	Person related to Nicolas Celier	Shares	Sale	01.16.2007	1,000	113.00	113,000	Euronext Paris	207D0575
2007-03 01.23.07	Person related to Nicolas Celier	Shares	Sale	01.16.2007	1,000	112.80	112,800	Euronext Paris	207D0574
2007-02 01.18.07	Jean-Marc Janodet	Shares	Subscription	01.16.2007	3,000	24.59	73,770	Euronext Paris	207D0477
2007-01 01.18.07	Jean-Marc Janodet	Shares	Sale	01.15.2007	10,000	111.80	1,115,384	Euronext Paris	207D0478

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. The merged entity took the name of WENDEL-Investissement and at that date, market capitalization totaled €1,190 million. Our industry approach and the 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, "2007 Highlights and 2008 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 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 key figures on pages 18 and 19 as well as the corresponding consolidated financial statements and audit reports on pages 53-119 of the 2005 Reference Document filed with the AMF on May 24, 2006 under number D.06-0484.

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's competitors are European and Anglo-Saxon investment firms, other investment funds, as well as listed and unlisted holding companies. Unlike investment funds, Wendel plays an active, professional role in the companies in which it invests, defining the strategy of its subsidiaries and pursuing long-term investment objectives. 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. 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.

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 page 93 of this document in the "Notes to the consolidated statements".

Regulated agreements related to fiscal year 2007, submitted for approval to the Supervisory Board, can be found on pages 182-84 of this reference document.

There are no industrial, commercial or management agreements between Wendel and its subsidiary or affiliated companies. 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.

Amounts billed for these services with respect to the last three accounting periods were as follows (in thousands of euros, excluding VAT):

	2007	2006	2005
Stallergènes	80	80	80
Bureau Veritas	1,620	2,000	2,000
Editis	1,250	1,000	—
Deutsch	—	1,375	—
Materis	—	1,333	—
Trief Corporation	—	17,000	—
Eufor	4,200	—	—
Wheelabrator Allevar	—	—	2,007
Other subsidiaries	125	104	534

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.

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".

NET ASSET VALUE

Net asset value in December 2007 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, 2007.

Shares in unlisted subsidiaries were valued by applying stock market multiples of similar companies in the same reference period to the principal measures of earnings. These measures were earnings before interest, tax, depreciation and amortization (EBITDA) and earnings before interest, tax and amortization (EBITA), i.e. before amortization of goodwill. These figures were restated to exclude exceptional items, if any.

The peer group is stable over time. In this way, average sector multiples are calculated, then used to determine the enterprise value of a given company. The companies in the sample have a significant free float percentage; the changes in their share prices thus reflect changes in enterprise value. Moreover, these companies are covered by several analysts who regularly publish research on them and on the sectors to which they belong. The analysts' estimates are used

to calculate prospective multiples, which reflect the outlook for growth of the companies and their sector. All Financial debts are deducted from enterprise value, as is the estimated amount of gains to be paid to management 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%.

New investments, listed or unlisted, are valued at cost in the months immediately following their acquisition, until such time as the company publishes consolidated financial statements for six consecutive months after the date of the acquisition and updates earnings forecasts for the current year.

After this period, listed and unlisted investments are valued using the methods described in the following and preceding paragraphs, respectively.

Shares in listed companies are valued at the average closing price over the 20 trading days preceding the valuation. The estimated amount of gains to be paid to management pursuant to co-investment plans is deducted from this value.

Wendel shares held in treasury to be sold to executives who exercise purchase-type stock options are valued at the lowest of the following three values: net asset value per share, the average of the last 20 closing prices preceding the valuation and the exercise price of the options. Other shares are valued at the lower of the following two values: net asset value per share or the average of the last 20 closing prices preceding the valuation.

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:

- reserves and annual extraction rate for each field;
- 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.

Net asset value does not include any illiquidity discount or control premium. Net asset value is given before taking into account future tax on unrealized capital gains.

During periods of high volatility, Wendel will provide a valuation of its portfolio based on an average price calculated over a sufficiently long reference period so as to reflect the long-term approach that is fundamental to its role as a professional shareholder.

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 by Wendel.

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 end-of-year 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

Beginning in 2002, Wendel sold all its minority shareholdings and the proceeds of these sales were reinvested. Since then, Wendel has been deploying 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.

Between 2002 and 2007, Wendel sold assets worth €3,600 million.

The Company's stake in Capgemini was partially sold in 2003. In 2004, the Company sold its stake in Trader Classified Media and most of its holding in bioMérieux at the time of bioMérieux's IPO. In 2005, Wendel continued to divest, selling additional bioMérieux, Valeo and Capgemini shares. Wheelabrator Allevard was sold in mid-2005. Additional disposals in 2006 and 2007 brought these investments down to an immaterial level. Also in 2007, to accelerate expansion, Bureau Veritas was taken public.

During the same period, Wendel made investments totaling €3,800 million.

Wendel acquired 37% of Legrand in December 2002. In the second half of 2004, Wendel acquired Editis and strengthened its holding in Bureau Veritas from 34% to 99%.

In 2006, Wendel acquired Materis, Deutsch, Stahl and AVR.

In 2007, Wendel acquired an 18% stake in Saint-Gobain.

GROWTH IN GROSS ASSETS AND NET ASSET VALUE BETWEEN 2003 AND 2007

The breakdown of gross assets and changes over the period are shown in the table below:

in millions of euros	Dec. 03	%	Dec. 04*	%	Dec. 05	%	Dec. 06	%	Dec. 07	%
Companies in which Wendel is the principal or controlling shareholder	2,430	69%	3,770	74%	4,530	74%	6,470	80%	7,800	80%
Minority investments	970	28%	520	10%	300	5%	230	3%	60	1 %
Wendel shares	—	—	240	5%	430	7%	570	7%	10	—
Cash	90	3%	570	11%	820	14%	780	10%	1,840**	19 %
Gross revalued assets, including cash	3,490	100%	5,100	100%	6,080	100%	8,050	100%	9,710	100 %
Financial debt	(970)	—	(1,670)	—	(1,600)	—	(2,000)	—	(3,160)	—
Net asset value	2,520	—	3,430	—	4,480	—	6,050	—	6,550	—
Net asset value per share	€45	—	€61	—	€82	—	€109	—	€130	—

* The calculation of net asset value includes 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. As of the end of December 2007, the cash balance free of all pledges was €1.7 billion.

Net assets rose significantly over the period, highlighting how the Wendel model has created value. The net asset value of Wendel was €6,550 million in December 2007, vs. €2,520 million in December 2003. In four years, net asset value per share has virtually tripled, without taking into account dividends distributed to shareholders in June of each year.

In 2004, the €910 million increase in net asset value derived largely from appreciation in the value of Legrand, acquired at the end of 2002, and of Bureau Veritas. Wendel had just increased its stake in Bureau Veritas to 99%. The €1,050 million increase in 2005 was linked to further appreciation in the value of Legrand, Bureau Veritas and Editis. In 2006, net asset value rose by €1,570 million, reflecting good performance across all subsidiaries. Valued at its historical cost of €660 million at the end of 2002, Legrand was worth €1,900 million on the stock market in April 2006. This is the month during which Legrand became a listed company again. The value of this investment more than tripled in a little over three years. At the end of December 2007, Deutsch, Materis and Stahl, acquired in 2006, were valued at their market value. In June 2007, Wendel canceled nearly 10% of the shares held by the Company. Excluding the impact of this cancellation, net asset value rose by €1,060 million, an increase comparable to that of previous years. Cancellation of the Wendel shares had no impact on net asset value per share, which advanced by 19% in 2007.

At the end of 2007, Wendel's balance sheet was sound and liquid. Investments in subsidiaries and affiliates represented 80% of gross revalued assets and listed assets two-thirds thereof. Cash represented 20% of the total. This asset structure, with cash of around €1.8 billion gives Wendel a great deal of flexibility. As of the end of December 2007, the cash balance free of all pledges was €1.7 billion.

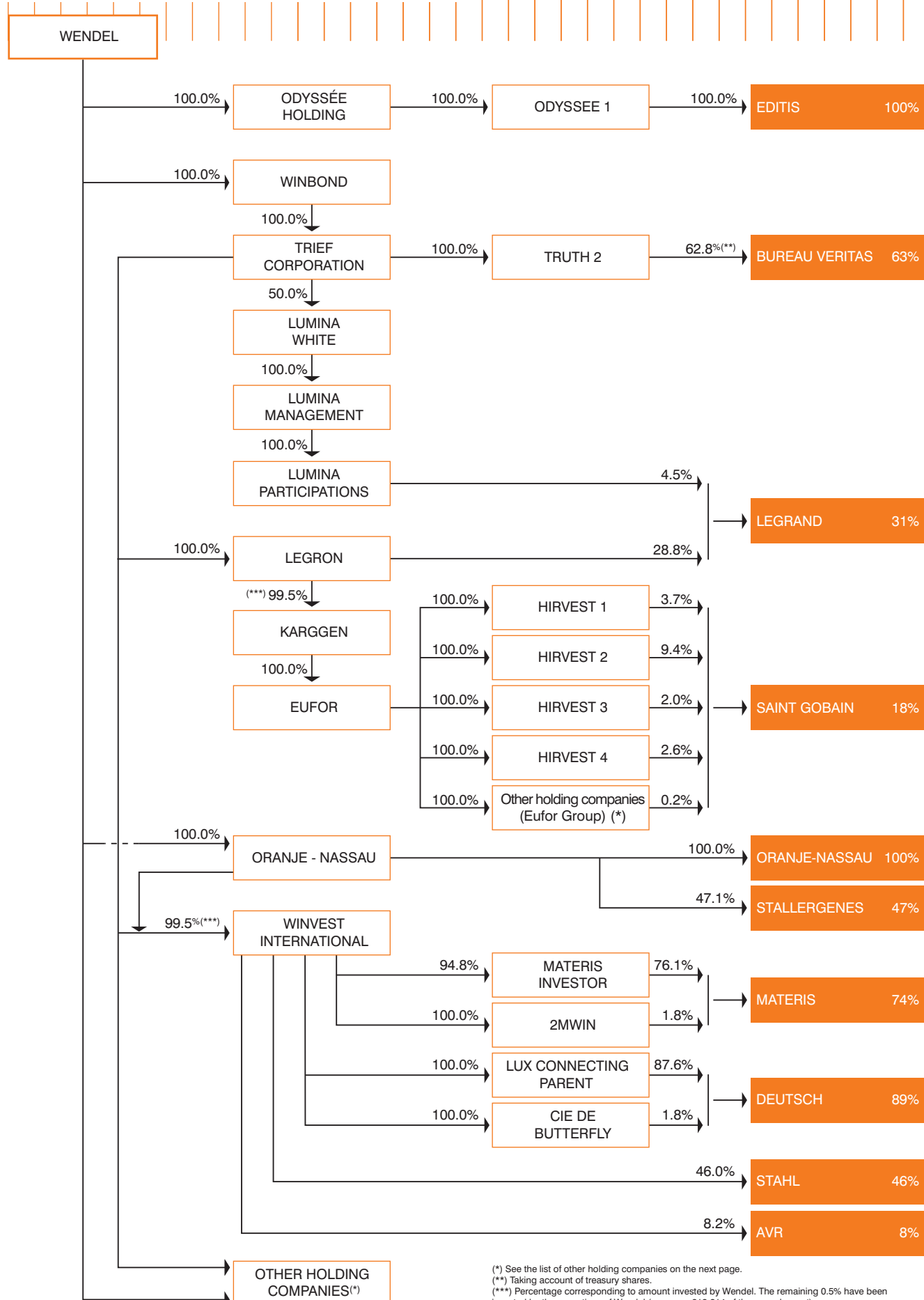
Net debt⁽¹⁾, which represents financial debt less cash and cash equivalents, rose from €960 million at end-2002 to €1,320 million at end-2007. Wendel tracks the change in net debt by monitoring the ratio of net debt to gross revalued assets, which measures the volume of debt with respect to the portfolio of assets Wendel manages. From 31% at the end of 2002, this ratio declined to 26% at end-2003, 24% at end-2004, 15% at end-2005 and 17% at end-2006. It remained below 20% at the end of 2007.

(1) Net debt equals financial debt, minus cash and cash equivalents of Wendel and the holding companies excluding those whose debt is without recourse to them. Shares held in treasury are included in gross revalued assets.

SUPPLEMENTAL INFORMATION

ORGANIZATION CHART AS OF DECEMBER 31, 2007

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(*) See the 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 page 212-214 of the annual report).

OTHER HOLDING COMPANIES

These intermediary holding companies serve to finance Group activities and hold Group equity interests.

Company name (shareholders)	Ownership interest
COMPAGNIE FINANCIERE DE LA TRINITE (100% WENDEL)	—
SIMFOR (100% WENDEL)	—
SOFISERVICE (100% WENDEL)	100% Lormetal.
WINVEST 10 (100% WENDEL)	—
WINVEST 11 (100% WENDEL)	—
WINVEST 12 (100% WENDEL)	—
WINVEST 14 (100% WENDEL)	—
WINVEST 15 (100% WENDEL)	—
COBA (100% WENDEL)	—
SOFE (100% WENDEL)	—
COMPAGNIE DU SAHARA (100% WENDEL)	—
LORMETAL (100% Sofiservice)	—
WINVEST PART 1 (100% TRIEF Corporation)	—
WINVEST PART 3 (100% TRIEF Corporation)	36,2% Odyssee Management
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)	—
SOFISAMC (100% TRIEF Corporation)	—
OFILUX FINANCE (100% TRIEF Corporation)	75,2% Compagnie de l'Odyssee 61,4% Odyssee 3
ODYSSÉE 3 (61,4% Ofilux Finance) (28,6% Compagnie de l'Odyssee)	—
COMPAGNIE DE L'ODYSSÉE (75,2% Ofilux Finance)	28,6% Odyssee 3
ODYSSÉE MANAGEMENT (36,2% WINVEST PART 3)	10% Odyssee 3
STAHL LUX 1 (100% WINVEST INTERNATIONAL)	—
FROEGGEN (100% Eufor)	—
GRAUGGEN (100% Eufor)	—
HOURGGEN (100% Eufor)	—
IREGGEN (100% Eufor)	—
JEURGGEN (100% Eufor)	—
COMPAGNIE D'ALBERTA (100% Eufor)	—

RISK FACTORS

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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
AND 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. By virtue of its book publishing and distribution activities, Editis is subject to French uniform sales price regulations on books, under which the publisher or importer sets the price and retail discounts are limited, and to the applicable libel and privacy legislation. As a pharmaceutical laboratory, Stallergènes is subject to the public health directives of the European Commission and complies with recommendations and guidelines of official French "Good Manufacturing Practices", which are regularly inspected by AFSSAPS, the French healthcare product safety authority. 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 Bureau Veritas or Stallergènes, please refer to their reference documents. They are available on the companies' Websites (www.bureauveritas.fr et www.finance.stallergenes.com) and on that of 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.

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 €107 million, of which €71.7 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 present time, the principal disputes involving the company and the other holding companies (see page 221) are as follows:

- on November 8, 2004, Éditions Odile Jacob appealed the July 30, 2004 decision of the European Commission before the European Court of first instance. Under that decision, the EC had approved Wendel as the seller of certain Editis assets. Wendel is an intervener to this procedure for which the Court has not yet set a date for a hearing. Wendel believes that the EC adhered to all of the conditions for granting approval and that the action initiated by Odile Jacob is without merit.
- pollution discovered on a site near Rouen is 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 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.

Other than the foregoing, the Company has no knowledge of any dispute, arbitration or exceptional event that may substantially affect or has recently had a substantial impact on the financial situation, results and activity of the Company or the Group.

INSURANCE

As part of its risk management policy, Wendel has taken out policies with leading insurance companies. Principally, these policies cover the following risks:

- damage to property (buildings and/or tenant's liability risk) and contents (approximately €11 million in coverage). This policy covers physical damage to property; coverage was reviewed and augmented in 2007, in particular regarding information systems,
- third-party operating liability (approximately €7 million in coverage); this policy covers bodily injury, physical damage and other losses to third parties,
- automotive fleet,
- travel insurance covering Company employees, including, since 2006 an assistance contract,
- liability insurance for executives and corporate officers. This policy covers the Company's corporate officers, its representatives on the governing bodies of subsidiary and affiliated companies, 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: a new contract with broad coverage has been in place since January 1, 2007 covering healthcare, death and disability. Coverage in the event of accidental death has also been increased since 2007.

Every company controlled by the Group directly manages its own insurance policy and has risk coverage suited to its specific needs.

UNAVAILABLE ASSETS

(See note 38 to the consolidated financial statements.)

SIGNIFICANT CHANGES IN FINANCIAL OR COMMERCIAL CONDITION OR BUSINESS STATUS

To the best of the Company's knowledge, since December 31, 2007, there has been no exceptional event 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, "Events subsequent to closing".

FEES PAID BY THE GROUP TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORK

	2006				2007			
	Ernst & Young Audit		PricewaterhouseCoopers		Ernst & Young Audit		PricewaterhouseCoopers	
	Amount	%	Amount	%	Amount	%	Amount	%
(in thousands of euros)								
Audit								
Audit and certification of the parent company and consolidated financial statements	3,836	—	5,101	—	3,186	—	4,788	—
– Wendel	250	4%	325	5%	409	10%	624	9%
– fully-consolidated subsidiaries	3,586	59%	4,776	77%	2,777	66%	4,165	59%
Other verifications and services directly related to the auditing assignment	1,368	—	846	—	556	—	2,072	—
– Wendel	10	0%	175	3%	—	0%	—	—
– fully-consolidated subsidiaries	1,358	22%	671	11%	556	13%	2,072	30%
Sub-total	5,204	86%	5,947	96%	3,742	89%	6,860	98%
Other services								
Legal, tax, employment	750	12%	250	4%	447	11%	138	2%
Review of internal control procedures – fully-consolidated subsidiaries	99	2%	—	0%	—	0%	—	0%
Other	—	0%	—	0%	15	0%	15	0%
Sub-total	849	14%	250	4%	462	11%	153	2%
Total	6,053	100%	6,197	100%	4,204	100%	7,013	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.

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 (p. 227) 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 confirm 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.



Jean-Bernard Lafonta – Chairman of the Executive Board

PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

STATUTORY AUDITORS

ERNST & YOUNG AUDIT represented by Jean-Pierre Letartre

Tour Ernst & Young – 92037 Paris-La-Défense

- 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: 6 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
- 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: 6 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 La Défense Cedex

- Date of first appointment: Shareholders' meeting of June 4, 2007.
- Term of office: 6 years.
- Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2012.

JEAN-FRANÇOIS SERVAIL

114, rue Marius-Aufan – 92300 Levallois-Perret

- Date of first appointment: Shareholders' Meeting of June 13, 2002.
- Term of office: 6 years.
- Current term of office ends: Shareholders' Meeting convened to approve the financial statements for the year ending December 31, 2007.

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.

In addition, all financial news and all information documents published by Wendel are accessible on the Company's Website.

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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This reference document includes all the items of the annual financial report mentioned in Article L. 451-1-2 of the French Financial and Monetary 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 April 30, 2008, 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."

Photographs :

pages 2 – 4, Michel Labelle • pages 44 et 45, Stéphane de Bourgies • page 6, Xavier Renauld, photographe • page 13, Jean-Louis Aubert
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