

Consolidated net sales maintained at €2,458 million in the first half of 2009, despite a very depressed economic environment

- Efforts pursued to adapt Group companies to the economic downturn
- Support of Group companies and successful restructuring of Materis's balance sheet
- Reinforcement of the Group's financial flexibility with, in particular, the rescheduling to 2015 of an €800 million debt due in 2011

Compared to the sustained level of activity in the first half of 2008, Wendel consolidated net sales remained stable in the first half of 2009, with a slight decrease of 1.2%, in particular due to the good performance of Bureau Veritas and Stallergenes. Sales totaled €2,458 million.

For Frédéric Lemoine, Chairman of Wendel's Executive Board: *"In a particularly difficult economic environment, the Wendel Group and its companies have shown strong resistance. To varying degrees, all of them are exposed to the sluggishness of the economic cycle. Bureau Veritas and Stallergenes continue to grow, whereas the other companies report a contraction in their activity. Nevertheless, they all demonstrate great resilience, since with determination they have implemented ambitious adaptation plans at the operational level. We observe that several of them have already entered a period of progressive recovery in their business sectors."*

As I declared after being appointed, we are forecasting a major accounting loss in the first half and for the year 2009. The dilution-related loss connected with Saint-Gobain's capital increases, and the payment of a part of the dividend in shares should total almost €740 million. Despite the capital gains recorded, we anticipate an additional loss for the first half of 2009, due to the erosion of the economy and to its impact on the value of the Saint-Gobain shares in our books. Of course, this accounting loss has no effect on the Group's very sound cash base.

Wendel has mobilized its teams with a focus on two priorities. The first is to help companies weather the crisis by providing them with sufficient financial resources, as can be seen in the successful restructuring of Materis's balance sheet. And the second is to reinforce Wendel's financial flexibility so that as of 2010, we can seize new opportunities that will create value. To this end, we are happy to announce a major agreement concerning the debt related to our stake in Saint-Gobain, i.e. the rescheduling of an €800 million debt due in June 2011 to June 2015."

Contribution of Group companies to net sales in the first half of 2009

Consolidated net sales (excluding Editis and Oranje-Nassau in compliance with IFRS 5)

(millions of euros)	H1 2009	H1 2008	Change	Organic growth
Bureau Veritas	1,329.5	1,198.9	10.9%	6.0%
Deutsch	170.2	235.6	-28.1%	-33.7%
Materis	860.7	964.1	-10.7%	-10.9%
Stallergenes	97.6	87.0	12.2%	11.1%
Total	2,458.0	2,486.6	-1.2%	

Net sales of companies accounted for by the equity method

(millions of euros)	H1 2009	H1 2008	Change	Organic growth
Legrand	1,812.1	2,166.0	-16.3%	-16.7%
Saint-Gobain	18,715.0	22,141.0	-15.5%	-15.5%
Stahl	110.8	164.1	-32.5%	-33.2%

Activity of Group companies in the first half of 2009

Bureau Veritas: Net sales +10.9% / Organic growth +6.0%

In the first half of 2009, net sales totaled €1,329.5 million. This 10.9% increase over the first half of 2008 reflected organic growth of 6.0%, external growth of 3.3% and a positive impact of exchange rate fluctuations of 1.6%.

Six of the Group's eight divisions recorded positive organic growth, with the Consumer Goods, Marine and Industry divisions reporting the highest increases in organic growth of +24.3%, +18.9%, and + 8.9%, respectively.

In the **Consumer Goods** division, the surge in H1 2009 revenue was primarily driven by the outstanding performance enjoyed in Q1.

In a disadvantageous economic environment, the **Marine** business remained solid thanks to its presence in segments less sensitive to changes in international trade such as the offshore oil industry, gas transporters and passenger ships. As such, Bureau Veritas continued to improve market share in new ship orders during H1 2009.

The ships in construction classification and on-board equipment inspection activity posted high growth in Asia and Europe. The order book for new construction work totaled 34.3 million gross tons at June 30, 2009 compared with 33.5 million gross tons at June 30, 2008, and only noted a few cancellations.

Revenue in the ships in service inspection activity rose sharply. At June 30, 2009, the fleet classed by Bureau Veritas had increased by 7.1% relative to June 30, 2008.

The **Industry** division recorded organic growth of 8.9%, which is the result of contrasting performances in the main segments of activity. Investment levels in the oil and gas and power segments remained strong as did the development of outsourcing of inspection and control activities. The Mining and Minerals segment incurred a sharp decline in Australia while Latin America continued to grow

The **HSE and Construction** divisions reported negative organic growth (respectively -4.2% and -8.3%). The environmental activity was mainly affected due to a lower number of preliminary audits at sites for new construction projects (especially in the retail sector in the United States) and the delayed start-up of a few major contracts signed a long time ago. The Construction division was impacted by the plunge in revenue in the technical control of new buildings and construction code compliance activities in Europe and the United States.

Deutsch: Economic environment extremely difficult in the largest divisions

In the first half of 2009, Deutsch reported a significant downturn in business, with a 33.7% decrease in organic growth compared with the first half of 2008, because of the considerable decline in the industrial divisions (organic growth down 61.6%) and in Ladd, the distributor acquired in 2008 (organic growth down 39.5%). Nevertheless, sales in these two divisions now appear to have stabilized. Ladd has shown greater resistance than the industrial divisions since it has a more diversified customer and market base and benefits from a positive impact of prices on the Group's sales.

The Aerospace division showed strong resistance in the first half (organic growth down 10.0%), but is expected to face a more difficult second half, since there are now fewer orders than sales. The decrease in orders was, in particular, due to inventory reduction in distribution branches in the United States, and to the significant decrease in the business jet market.

On the other hand, the offshore division pursued its rapid development with organic growth of almost 40% compared with 2008.

Legrand (equity method): Sales down 16.3%

Consolidated net sales were down 16.3% at €1,812.1 million in the first half of 2009, compared with €2,166.0 million in the first half of 2008, owing to a 16.7% decrease in net sales on a constant consolidation and foreign exchange basis. Consolidation of acquisitions added 0.5% to sales while variations in exchange rates reduced the total by 0.1%.

France: Strategy of trading up is paying off, and voice-data-image ranges showed good growth driven by the very positive reactions to the new LCS2 line in particular. Yet overall demand is down and organic sales fell 9.9% in the first half of the year.

Italy: The second quarter saw a continuation of previous trends, including a decline in end markets, significant cuts in inventory, and changes in seasonal trends in distributors' inventory building. Together these factors led to a 25.7% fall

in organic sales for the first half as a whole. This reflects a decline in downstream sell-out by distributors of around 13%. As in France, the positive impact of the trading up strategy is being confirmed.

Rest of Europe: Economic slowdown continued in both Western and Eastern Europe in the second quarter, despite signs that some countries were resisting better. Altogether, the region saw a 22.0% decline in organic sales in the first half of the year.

United States and Canada: Times remain testing in both residential and commercial markets. Sales at Watt Stopper, number one for energy-efficient lighting controls, remained resilient. Overall organic sales in the region were down 18.5% from the beginning of the year.

Rest of the World: The resilience of several emerging economies in this region, among them China and India, helped limit the impact of the overall slowdown. Organic sales fell 9.8% over the first six months of the year.

Materis: Decline in business linked to slowdown in end markets

Net sales in the first half of 2009 were down 10.7% from the first half of 2008. Organic growth (-10.9%) was again penalized by the volumes (-14%), which contracted in all business segments as a result of the decline in the underlying markets (construction, steel production), a trend that was amplified by inventory reduction. The decline in sales seems to be slowing down, with organic growth of -9.0% in the second quarter versus -13.1% in the first quarter.

The price-optimizing strategies implemented at the end of 2008 and the beginning of 2009, and the improvements in the product mix accounted for 3.1% of organic growth. The impact linked to changes in the consolidated entity and to exchange rate fluctuations was not significant in the period.

Saint Gobain (equity method): Net sales down 15.5% / Acceleration and reinforcement of the action plan announced at the beginning of the year

Against the backdrop of an unprecedented economic and financial crisis affecting virtually all sectors and countries across the globe, trading for Saint-Gobain remained sluggish in second-quarter 2009, along the lines of the three months to March 31. Both construction and industrial markets continued to decline in the US and Western Europe, as well as in most Asian and emerging countries. Only household consumption remained relatively less affected by the downturn.

Saint-Gobain posted negative organic growth of 15.5% for the first half of the year (-15.9% in the second quarter, -14.9% in the first quarter). This decline is due to a sharp 17.2% drop in sales volumes in the first six months of the year, breaking down as -17.2% in the first quarter and -17.1% in the second quarter, of which -2.6% related to the adverse impact of fewer working days. It was partially offset by the continued positive momentum in sales prices, which gained 1.7% over the period (2.3% in the three months to March 31 and 1.2% in the second quarter).

Against the backdrop of an unprecedented economic crisis, the Group has resolutely implemented and extended the action plan unveiled at the beginning of 2009. For the year as a whole, the Group is now targeting cost savings of €1.1 billion compared to 2008 (versus an initial goal of €600 million, raised to €700 million in April). This will bring total cost savings realized in 2008 and 2009 to €1.5 billion. In addition, the Group has revised its objective for a significant decrease in industrial investments from €500 million to €700 million.

Stahl (equity method): Sharp drop in net sales / Signs of recovery since the beginning of the second quarter of 2009.

Net sales decreased by 32.5% in the first half of 2009, compared with a particularly dynamic first half in 2008, reflecting the sluggishness of end markets. The downturn was particularly marked in sales volume in all business sectors.

The low point was attained in the first quarter of 2009, affected by the weakness of all the underlying markets, particularly in the automotive sector, which continues to feel the impact of inventory reduction. All geographic regions declined, including emerging markets, except for India, which showed greater resistance. Performance improved in the second quarter with more orders recorded than in the first quarter.

Stallergenes: Continued sustained growth: +12%

2nd quarter growth remained high at 9%, but slowed down, compared with the very strong start of the year. Sales growth over the first half-year remained strong at 12% (organic 11%), reflecting the continuing breakthrough of the sublingual route (+14%), which represented 83% of total sales.

The analysis by geographic region highlights the sharp increase of "Other EU countries" to 30% of sales, primarily due to the successful launch of Oralair® and the price increases introduced in Germany, as well as the transfer of the operations to a subsidiary in Switzerland.

Growth was more moderate in Southern Europe (up 9%). In addition to the consequences of weak pollen seasons in 2008, these markets appeared more affected by the economic crisis in a context of partial reimbursement (Italy and Spain).

The decline in "Other markets", a very diverse group whose performance is volatile, was mostly due to exceptional 2008 sales and foreign exchange effects

Five years of research were rewarded in the 1st half-year 2009 with the positive results of the phase III clinical study carried out on the house dust mite desensitization tablet. Moreover, the mutual recognition procedure for Oralair® (grass pollen desensitization tablet) started at an operational level and should lead to registration in most European countries by the end of 2009.

Priority given to the improvement of the Group's liquidity and to the reinforcement of its financial flexibility

Finalization of the sale of Oranje-Nassau's oil activities

On May 19, 2009, Oranje-Nassau finalized the agreement on the sale of the activities of its subsidiary Oranje-Nassau Energie (ONE).

The selling price of €630 million was negotiated under very favorable financial conditions and on the basis of a forward price of oil of USD70 per barrel. The sale enabled Wendel to lock in capital gains of more than €340 million. After reimbursement of the Oranje-Nassau Groep's debt, the transaction resulted in an increase in the Wendel Group's cash resources of approximately €510 million, a sum that was slightly higher than expected.

Reimbursement of Capgemini exchangeable bond

On June 19, 2009, Wendel reimbursed Capgemini exchangeable bond for €279 million.

The next bond reimbursements are scheduled between 2011 and 2017.

Financing of Group companies

In a very depressed economic environment, Wendel makes it a priority to assist the companies in which it has invested and the Group works actively to provide the financial flexibility they need to weather the financial crisis.

In terms of financing, a major new step was taken with the announcement on June 25, 2009, of the successful restructuring of Materis's balance sheet.

Wendel and Materis obtained approval for the following amendments with the support of almost all of the 199 lenders:

- to secure Materis's liquidity until 2013 mainly by rescheduling the amortizing debt, capitalizing the interest on the mezzanine debt, and introducing a line of €100 million to finance industrial investments and acquisitions;
- to adjust covenants on the basis of a new business plan reflecting the current economic environment;
- to be granted authorization to buy back debt on the secondary market in the future.

Wendel and Materis have contributed €45 million in equity in the same proportions as the initial investment in 2006 (i.e. €36 million for Wendel and €9 million for Materis's 550 investor-managers).

In addition, at the beginning of July, Deutsch has opened discussions with its lenders in order to adjust its bank covenants. Lastly, Stahl is renegotiating its bank debt with the backing of its shareholders, so as to give the company sufficient leeway to weather the current crisis and position itself as best it can to benefit from the recovery when it occurs.

Monetization of Saint-Gobain dividend

This year, Saint-Gobain offered its shareholders the option to receive their 2008 dividend in the form of shares. On July 2, 2009, Wendel subscribed to this option and subsequently sold the shares received in the market. After this transaction, Wendel held 89.8 million Saint-Gobain shares, representing 17.7% of the capital.

Financing of Wendel stake in Saint-Gobain

Wendel has initiated discussions with its bank partners to better align the maturity of its commitments with the long-term holding horizon of its Saint-Gobain shares. An agreement was signed on July 22 to reschedule the payment of the €800 million initially due in June 2011 for June 2015.

Financial communication

Calendar:

- August 31, 2009 (before the stock exchange opens): Publication of 2009 first half results
- November 5, 2009: Publication of 2009 third quarter net sales
- December 3, 2009: Investor Day

Wendel will present its Net Asset Value (NAV) on two occasions: August 31 and December 3.

About Wendel

Wendel is one of Europe's leading investment firms listed on the stock market. It invests in France and internationally, in companies that are leaders in their sector: Bureau Veritas, Legrand, Saint-Gobain, Materis, Deutsch, Stallergenes and Stahl, in which it plays an active role as an industrial shareholder. It implements long-term development strategies, which involve boosting the growth and profitability of companies of a significant size in order to enhance their leadership.

Wendel reported consolidated net sales of €5.4 billion in 2008. Wendel is listed on Eurolist, Euronext Paris.



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