

Acquisition of Deutsch

After approval by the Committee on Foreign Investment in the United States (CFIUS) and authorization by anti-trust authorities in the United States, France and Germany, WENDEL Investissement acquired Deutsch, a world leader in high-performance connectors in the aerospace, defense, heavy vehicle and oil production sectors.

The price agreed upon for 100% of the capital was USD 1,040 million. WENDEL Investissement has invested USD 380 million in equity in the acquiring holding company, giving it 90% of the capital, together with the company's management, which will hold the balance.

After the acquisition, Deutsch represents approximately 4% of the gross asset value of WENDEL Investissement, which has a debt-equity ratio^(*) of 20%.

Deutsch will have sufficient resources of its own to make acquisitions in the amount of USD 100 million. In its role as a long-term industrial partner, WENDEL Investissement may contribute additional funds if so required. The acquisition debt which totals USD 660 million is entirely reimbursable in fine in order to maximize the Group's development potential.

In order to enhance the Group's growth and to implement commercial synergies among its different activities, WENDEL Investissement has named Jean-Marie Painvin, the former head of the Group's French entity, Chairman and C.E.O. Chief Executive Officer of Deutsch. WENDEL Investissement's investment strategy will be to rely on Deutsch's high-quality management team with its strong corporate culture. Jean-Marie Painvin will be assisted by three Executive Vice Presidents with expanded responsibilities: Jeff Albers, Richard Neimi and Gilles Jachmich. Christian Farman will be the new Chief Financial Officer. Deutsch will have its headquarters in New York.

Founded in the United States in 1938, the Deutsch Group now operates in 25 countries with significant business volume in the United States, France and the United Kingdom. It reported cumulated net sales of USD 500 million in 2005, and has a global workforce of 3,500 at a dozen industrial facilities, four of which are located in the US, three in France and one in the United Kingdom. Deutsch's performance in innovation and customer service has prompted annual organic growth of 15% in recent years.

The acquisition of Deutsch is a major step forward for WENDEL Investissement, as the Group broadens the scope of its investments to outside of France.

WENDEL Investissement was advised on this acquisition by Lazard Frères, Linklaters, O'Melveny&Myers, Ernst&Young, Bain&Company, Environ, and Aon. Financing for the project was provided by The Royal Bank of Scotland, JP Morgan and General Electric. The sellers were advised by Houlihan Lokey Howard & Zukin and Jones Day

() The ratio of financial debt, minus net cash, of WENDEL Investissement and the holding companies excluding those whose debt is without recourse on the Company to gross asset value. Treasury stock is included in gross asset value.*

CONTACTS :

Christine DUTREIL tel : + 33 (0)1 42 85 63 24 - e-mail : c.dutreil@wendel-investissement.com
Gérard LAMY tel : + 33 (0)1 42 85 63 75 - e-mail : g.lamy@wendel-investissement.com