

## **Wendel crosses the threshold of 20% of the capital of Saint-Gobain**

Wendel has crossed the threshold of 20% of the capital of Saint-Gobain and now holds 20.6% of the capital and 19.6% of the voting rights of Saint-Gobain. This increase in Wendel's equity interest in Saint-Gobain occurs within the framework of the modalities of Wendel's participation in the governance of the group as approved by the Board of Directors of Saint-Gobain on March 20, 2008.

### **Declaration of intentions**

Wendel declares:

- not to have the intention to take control of the company;
- not to act together with a third party;
- to reserve the possibility to increase its equity interest within the limit of 21.5% of the capital, according to the terms of Wendel's letter to Saint-Gobain of March 18, 2008;
- in accordance with this letter, with the support of the company's Board of Directors, Wendel will present two members of the Board for appointment at the Shareholders' Meeting of June 5, 2008, and one member of the Board for appointment at the Shareholders' Meeting called to approve the 2008 financial statements.

### **Financing modalities**

Wendel structured its financing arrangements in order to increase its equity interest to a maximum of 21.5% of the capital of Saint-Gobain, while optimizing its risk profile. For 21.5% of the capital, the investment in shares will represent approximately 5.5 billion euros.

Wendel acquired protection from a decline in the price of Saint-Gobain shares (maturity 2011-2012) covering approximately 40% of its investment for a total of 0.4 billion euros.

Wendel recalls that the total acquisition of Saint-Gobain shares and of protection from a decline in the share price for a part of its position was financed using the Group's own resources and financing without recourse on Wendel.

- 1- The Group's own resources used to finance the purchase of Saint-Gobain shares and protection from a decline in the share price totaled 1.6 billion euros.

- 2- Net financing without recourse on Wendel totaled 4.3 billion euros with maturities between 2010 and 2012, of which 2.3 billion euros are subject to margin calls<sup>(\*)</sup>. On the basis of the current share price, accounting for margin calls in cash and in shares of listed companies already mobilized, the maximum level of residual margin calls totals 1.5 billion euros.

Following its equity interest in Saint-Gobain, Wendel maintains significant liquidity and a solid financial base:

1. As of March 26, Wendel has, free of pledges, 1.3 billion euros in net cash and 3.4 billion euros in listed assets other than Saint-Gobain, as well as a syndicated five-year loan of 1.25 billion euros that has not been used.
2. In accordance with its character as a long-term investor, Wendel has a financial structure that is mainly based on bond investments with long maturities (six years on an average) with bond maturities ranging from 2011 to 2017.

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*(\*) Margin calls are additional guarantees granted to banks to offset any decrease in the value of the Saint-Gobain shares. They do not imply a specific additional cost, and are returned to Wendel as soon as the price of Saint-Gobain stock has risen above the price level that triggered them. The margin calls included in certain financing arrangements negotiated by the Wendel Group to acquire Saint-Gobain shares may be paid in cash or in shares of listed companies of which Wendel is a shareholder.*

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