



Wendel grants exclusivity to TE Connectivity for the sale of Deutsch

Wendel was approached by TE Connectivity (NYSE:TEL) and today received a firm offer to acquire all share capital of Deutsch, a world leader in connectors for harsh environments. TE Connectivity is a global leader in connectivity solutions, with about 500,000 products that serve a variety of industries from automotive and aerospace, to consumer electronics, energy, healthcare and communication networks.

Considering the industrial and financial quality of TE Connectivity's proposal, Wendel and Jean-Marie Painvin, its co-shareholder and Deutsch's Chairman of the Board of Directors, have decided to enter into an exclusivity period with TE Connectivity to finalize the transaction.

Transaction highlights

TE Connectivity proposes to acquire in euros all share capital of Deutsch for an enterprise value of around \$2.1 billion. For Wendel, the net proceeds would amount to € 954 million. It would represent a capital gain of € 575 million and 2.4 of Wendel's total investment.

The completion of the transaction should take place during the first half of 2012, subject to customary regulatory approvals.

Founded in 1938 in California, Deutsch has 3,600 employees in more than 25 countries and anticipates sales of approximately \$670 million for 2011. In a fast consolidating industry, this transaction would provide Deutsch with unique support to accelerate its international development.

TE Connectivity is a global leader in the connectivity industry with sales of \$14.3 billion, approximately 95,000 employees and a strong presence in Europe, North America and Asia.

The transaction would foster the growth of both companies, due to complementary product portfolios that will allow them to better serve industrial customers across a range of end markets, including Aerospace and Defense, Industry, Rail and Offshore Oil and Gas. It will strengthen TE Connectivity's position as a leader in the global connectivity marketplace.

Innovation is a major strength of Deutsch. Eighty-percent of its products are custom-made, designed in close cooperation with its customers' design offices. TE Connectivity also places a special emphasis on innovation and thus intends for Deutsch's teams to become part of its highly active research and development operations. For example, Deutsch's Le Mans plant is expected to become a Center of Excellence for TE Connectivity's Offshore Oil and Gas connectivity R & D and the Evreux plant is expected to become a Center of Excellence for the combined companies' Aerospace and Defense connectors product range.

Considering the great value attached to the Deutsch brand, TE Connectivity intends maintain it and shall endeavor to grow and protect the brand.

Deutsch's recent history

Since its acquisition in June 2006 by Wendel, from the Deutsch founding family in the United States, Deutsch has increased its sales by more than 22%, and has improved its EBITDA margin by more than 500 bps to over 25% (expected for 2011), despite the 2008-2009 global economic crisis.

At the time of its acquisition by Wendel, Deutsch was composed of five companies with independent operations that Wendel has transformed into a worldwide group with three divisions: Industrial Transportation, Aerospace & Defense and Offshore. Wendel has invested in Deutsch's development both organically and through external growth. It has promoted innovation and new product

development, and supported targeted acquisitions such as Ladd and Servo, distributors in the United States and United Kingdom, respectively. Since 2006, Wendel has also strengthened Deutsch's global management and operational optimization programs. Deutsch promptly recovered after the economic crisis in 2008-2009 and Wendel reinvested more than \$90 million to successfully complete Deutsch's debt restructuring and at the same time purchase the remaining non-controlling interest in Ladd (40%), which was still held by minority shareholders.

Bertrand Dumazy, President & CEO of Deutsch, comments: *"The combination of our two companies allows Deutsch to join a large global organization with a very good reputation in the connectivity industry. The very strong complementary positioning of our teams, our operations, our technologies and our products will allow us to improve our commercial position from a geographic standpoint as well as in serving customers."*

Jean-Marie Painvin, Chairman of the Board of Directors and minority shareholder of Deutsch, said, *"With this transaction, our companies will bring together two of the most trusted brands in the connector business. Indeed, Deutsch and TE Connectivity have always been synonymous with innovation, quality and reliability. I am very happy to see that TE Connectivity's offer respects the skills and expertise of men and women who every day, write the history of Deutsch."*

Frédéric Lemoine, Chairman of Wendel's Executive Board stated that: *"The offer received from TE Connectivity provides a particularly promising outlook for Deutsch and its employees. After years of successful cooperation with Wendel, the company would be able to leverage the strengths of a very large, global industrial group to reinforce its R&D and its industrial operations."*

This transaction will deliver a substantial capital gain and will enable Wendel to have significant resources for its investment strategy and to pursue early repayments of its financial debt. These are two key success factors in the current economic environment."

For this transaction, Wendel will be advised by Linklaters and Ondra Partners.

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests in France and abroad, in companies that are leaders in their businesses: Bureau Veritas, Legrand, Saint-Gobain, Materis, Deutsch and Stahl. Wendel plays an active role as industry shareholder in these companies. It implements long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel also invests in Van Gansewinkel Groep in the Netherlands, except in Germany, and Mecatherm and Parcours in France.

Wendel is listed on Eurolist by Euronext Paris and is included in the Next 20 index.

Standard & Poor's rating: Long term: BB-, negative outlook - Short term: B since October 10, 2011.



Wendel is the founding sponsor of the Centre Pompidou-Metz, which on September 23, 2011, welcomed its millionth visitor since opening its doors in May 2010.



Press contacts

Christine Anglade-Pirzadeh: +33 (0)1 42 85 63 24
c.angladepirzadeh@wendelgroup.com

Christèle Lion: +33 (0)1 42 85 91 27
c.lion@wendelgroup.com

Analyst/Investor contacts

Laurent Marie: +33 (0)1 42 85 91 31
l.marie@wendelgroup.com

Olivier Allot: +33 (0)1 42 85 63 73
o.allot@wendelgroup.com