WENDEL

PRESS RELEASE
November 8, 2013

WENDEL: ORGANIC GROWTH OF 4.6% IN Q3 2013

- **Consolidated Q3 2013 sales: €1,707.6 million, up 4.6% organically and down 0.7% after currency fluctuations**
- **All Group companies posted organic growth in Q3 2013**
- **New portfolio transactions**
  - **Stahl enters exclusive negotiations to acquire the Leather Services division of Clariant**
  - **Wendel makes its first investment in Japan with the acquisition of Nippon Oil Pump for €24 million**
- **Financial structure further strengthened since June 30, 2013**
  - **Bond debt maturity extended**
  - **Early repayment of €200 million in bank debt related to Saint-Gobain**

Frédéric Lemoine, Chairman of Wendel's Executive Board, said:
"All Group companies posted positive organic growth in the 3rd quarter, demonstrating their ability to seize growth opportunities. For the more international of them, however, this organic growth was offset by significant currency fluctuations in South America and Asia.
Nevertheless, the beginnings of a recovery seem to be taking shape in Europe, and our companies' diversification will enable them to take full advantage of global growth.

Over the last few months we increased our investment in IHS, Africa's leader in telecom tower infrastructure, to $276 million. And we intend to double that investment in the months and years to come.

More recently, we announced that Stahl had entered into exclusive negotiations to acquire(1) the Leather Services division of Clariant. This transaction should open new horizons for Stahl and enable it to strengthen its leadership position.

Lastly, Wendel has just made its first investment in Japan. Even though it is a very small one, we believe that Nippon Oil Pump is a high-quality industrial company able to derive benefits outside Japan from its position as a key supplier to the Japanese machine tool industry.

These transactions illustrate the new momentum we have generated since the start of the year and our intention to invest €2 billion in the next four years. At the same time, we intend to return to investment grade status."

(1) The transaction could be finalized in 2014, after consultation with the employee representative bodies and subject to the necessary regulatory approvals.

Contribution of Group companies to 3rd quarter 2013 sales.

Consolidated sales (in millions of euros)	Q3 2012	Q3 2013	Δ	Organic Δ
Bureau Veritas	999.2	969.7	-3.0%	+3.3%
Materis	539.7	550.9	+2.1%	+6.7%
Stahl	90.6	88.3	-2.5%	+2.3%
Oranje-Nassau Développement(1)	90.3	98.6	+9.2%	+9.2%
Consolidated sales	**1,719.9**	**1,707.6**	**-0.7%**	**+4.6%**

Sales of companies accounted for by the equity method (in millions of euros)	Q3 2012	Q3 2013	Δ	Organic Δ
Saint-Gobain	10,951	10,802	-1.4%	+3.1%
Oranje-Nassau Développement(2)	47.7	92.9	ns	ns

Contribution of Group companies to nine-month 2013 sales

Consolidated sales (in millions of euros)	9 months 2012	9 months 2013	Δ	Organic Δ
Bureau Veritas	2,860.8	2,927.2	+2.3%	+4.2%
Materis	1,582.8	1,593.1	+0.6%	+2.7%
Stahl	275.2	264.1	-4.1%	-2.3%
Oranje-Nassau Développement(1)	260.9	280.4	+7.5%	+7.5%
Consolidated sales	**4,979.7**	**5,064.7**	**+1.7%**	**+3.5%**

Sales of companies accounted for by the equity method (in millions of euros)	9 months 2012	9 months 2013	Δ	Organic Δ
Saint-Gobain	32,541	31,573	-3.0%	-1.1%
Oranje-Nassau Développement(2)	138.2	221.7	ns	ns

(1) includes Parcours and Mecatherm
(2) includes IHS from April 2013 and exceet

Sales of Group companies in the first nine months of 2013

Bureau Veritas – Organic growth of 3.3% in Q3, negative currency impact of 7.4%. Total growth of 2.3% since the beginning of the year

(Full consolidation)

Nine-month 2013 revenue came in at €2,927.2 million, up 2.3% relative to the year-earlier period. Constant currency growth stood at 6.4%.

Organic growth totaled 4.2% over nine months and 3.3% in Q3, reflecting an improvement in the Marine, Construction and In Service Inspection & Verification businesses, high growth in the Industry and Consumer Products businesses and a decline in Metals & Minerals (Commodities business) and Government Services.

Acquisitions contributed 3.1% of growth. These concerned the full-year consolidation of companies acquired in 2012, primarily Tecnicontrol (Industry), TH Hill (Industry), AcmeLabs (Commodities) and the acquisitions made in 2013, namely 7Layers (Consumer Products), Sievert (Industry), LVQ (Industry) and KBI (Construction).

Disposals of activities represented a 0.9% decline in revenue and concerned infrastructure control in Spain (Construction), Anasol in Brazil (IVS) and laboratories in New Zealand (Industry).

Currency fluctuations had a 4.1% negative impact on revenue, due to the decline in the majority of currencies against the euro, especially those in emerging markets (Brazil, Argentina, South Africa, Columbia and India) and a number of major countries (US, Australia, Japan, UK).

- Q3 revenue in the **Marine** business was virtually stable on a constant currency basis, reflecting healthy growth in the ships in service segment and a more limited decline in the new construction segment. New order volumes rose 84% and suggest a recovery in new construction activity over the medium term.
- Organic growth in the **Industry** business (+8.7% in Q3) remained underpinned by construction of new energy infrastructure in fast-growing countries. Activities in Europe were virtually stable while those in North America grew.
- The **In-Service Inspection & Verification** business bounced back in Q3 with organic growth of 7.1%, driven by development in fast-growing countries, especially Bangladesh, as well as by Europe, with a stabilization in Spain.
- In **Construction**, the high growth seen in Asia and especially China, Japan and India, as well as a stabilization in France and a recovery in code compliance activities in the US, enabled the business to post organic growth of 10.4% in Q3.
- Organic growth in **Certification** stood at 3.3% in Q3, reflecting a sluggish European market, especially for conventional QHSE schemes, and growth in emerging markets affected by the end to carbon certificates required by the Kyoto protocol program.
- Q3 revenue in the **Commodities** business fell 6.5% on a constant scope and currency basis, due to the deterioration in activities related to upstream minerals and despite a surge in revenue from oil & petrochemicals products. Performances and growth prospects for this segment are solid, but visibility on the recovery in upstream minerals remains limited.
- Organic growth in the **Consumer Products** business was healthy in Q3 (+7.2%), especially in electronic toys, wireless technologies and textiles.
- The Q3 revenue decline in the GSIT business (-5.0% on a constant currency basis) stemmed from a high basis of comparison versus last year. Two new single window concessions awarded recently in the Democratic Republic of Congo and in Togo are to be operated in Q4 2014.

In view of the ongoing challenging economic environment in Europe and the reduction in upstream minerals, organic growth is unlikely to rebound before 2014. The priority is to continue improving profitability. The Group expects an improvement starting 2014 and a gradual return to organic growth levels in order to achieve the BV2015 financial targets.

Materis – Good organic growth in the 3rd quarter of 2013 but negative currency effects. Gradual stabilization in Southern Europe

(Full consolidation)

Materis, a world leader in specialty materials for the construction industry, posted 3rd quarter sales up 2.1% at €550.9 million against a still-difficult economic backdrop, notably in Europe. 6.7% of this growth was organic.

Over the first nine months of the year, Materis posted sales of €1,593.1 million. Organic growth was 2.7%, breaking down into +14% in emerging economies and -1% in mature markets. Since the middle of the year, the overall trend has been an improving one.
Exchange rate fluctuations, related principally to emerging market currencies, had a negative impact of 2.8%. Changes in scope had a positive impact of 0.7%, and corresponded to the consolidation of Elmin in Greece (Aluminates) and Suzuka in China (Dry mix solutions), acquired in 2012.

- **ParexGroup (Dry mix solutions)** continued to post robust organic growth (up 7.8% over nine months and up 10.1% in Q3), benefiting from healthy business conditions in emerging economies (double-digit growth) and recovery in the United States. Europe was down slightly, except for the United Kingdom, where the company's sales efforts were particularly successful.

- **Kerneos (Aluminates)** saw moderate organic growth (up 1.1% over nine months and up 4.2% in Q3). Growth in the building chemistry segment, in particular in North America and Germany, were offset by a contraction in refractories in Europe and the United States.

- **Chryso (Admixtures)** posted sound organic growth (up 4.9% over nine months and up 11.2% in Q3), in particular in the Africa / India / Middle East region (up 16% over nine months), in the United States (up 10% over nine months). This offset the European market, which contracted slightly. Nevertheless, this robust rise in sales was curtailed by the sharp drop in emerging market currencies (down 6.2% over nine months).

- Sales at **Materis Paints** contracted slightly (down 2.2% organically over nine months), given economic conditions in Europe. Nevertheless, the trend is positive, with organic growth of 2.8% in the 3rd quarter and the beginnings of a recovery in southern Europe over the past several months. The operational optimization program launched several months ago is continuing to produce positive results.

Stahl – Return to organic growth in the 3rd quarter of 2013. Stahl has entered exclusive negotiations with Clariant with a view to acquiring Clariant's Leather Services division.

(Full consolidation)

Stahl, world leader in leather finishing products and high-performance coatings, posted sales of €88.3 million in the 3rd quarter of 2013, representing organic growth of 2.3% over Q3 2012. Due to negative currency effects caused principally by the depreciation of South American and Asian currencies with respect to the euro, total sales were down 2.5% during the quarter.

Stahl's sales improved in the 3rd quarter of 2013 after two quarters of negative organic growth, partly caused by adjustment plans carried out on low-margin business. Over the first nine months of the year, sales totaled €264.1 million, down 4.1% compared to prior year. Excluding negative currency effects, sales were 2.3% below prior year.

The Leather products business saw improvement in the 3rd quarter with 3.6% organic growth. Sound performance in the Leather Finish Automotive division (up >20% vs. Q3 2012) offset the decline in revenue from other divisions and the unfavorable impact of currency fluctuations.
High Performance Coatings experienced a mixed 3rd quarter, as strong growth in North America, South America and Asia did not offset slower sales activity within the European markets.

Selective fixed cost measures launched in the last few years, together with self initiated actions to eliminate lower margin business, have significantly improved Stahl's margins and profitability levels since the beginning of the year.

On October 30, Stahl announced that it had entered into exclusive negotiations to acquire[(1)] the Leather Services division of Clariant AG, which posted sales of €255 million and EBITDA of €23 million in 2012. This transaction would enable Stahl to strengthen its offering across the entire leather finishing value chain, notably downstream in leather finishing and upstream in wet-end processing

(1) The transaction could be finalized in 2014, after consultation with the employee representative bodies and subject to the necessary regulatory approvals.

Saint-Gobain – Trading upswing in the third quarter of 2013: All of Saint-Gobain's businesses reported positive organic growth. 2013 objectives confirmed.
(Equity method)

Saint-Gobain's volumes for the third quarter were therefore back on an upward trend, including at a constant number of working days. Consolidated sales for the third quarter came in at €10,802 million, down 1.4% on third-quarter 2012 (€10,951 million). This reflects a strong negative currency impact (-4.3%), a slightly negative Group structure impact (-0.2%) and organic growth of 3.1%, with volumes up 2.2% and prices gaining 0.9%. The additional working day had a positive impact of around 1.5%.

Overall, third-quarter trends confirm the improvement across all Group businesses, which delivered organic growth. Construction Products (CP) sales rallied sharply (up 5.4%) after having been hit by destocking in the US Exterior Products business in the previous quarter. Innovative Materials and Building Distribution enjoyed an uptick in trading, with sales advancing 2.2% for both Business Sectors.
All of the Group's geographic areas contributed to this upturn in organic growth.

Saint-Gobain's sales for the first nine months of 2013 came in at €31,573 million, down 3.0% from €32,541 million in the first nine months of 2012.
Like-for-like (comparable group structure and exchange rates), sales retreated 1.1%. Volumes were down 2.0%, while sales prices remained on an upward trend, gaining 0.9%.
The currency impact was a negative 2.3%, mainly reflecting the fall against the euro of the key emerging market currencies (chiefly the Brazilian real) along with the pound sterling and US dollar.
Changes in group structure had a slightly positive impact (+0.4%), mainly owing to sales resulting from the Brossette acquisition in April 2012.

Innovative Materials sales stemmed their decline to 1.2% over the nine months to September 30 thanks to 2.2% growth in the third quarter, with both of its businesses reporting gains.
- **Flat Glass** sales stabilized over the first nine months of the year (up 0.2%). The third quarter (up 3.1%) confirmed price increases in Europe, with float glass prices remaining on the uptrend that emerged in the second quarter. Construction markets are gradually stabilizing in Western Europe and are picking up pace in Asia and emerging countries. The automotive market enjoyed further vigorous organic growth along the lines of the second quarter, powered by a strong performance from Asia and emerging countries and ongoing stability in Europe.
- **High-Performance Materials** (HPM) reported 1.3% organic growth in the third quarter, after negative organic growth of 5.1% in the six months to June 30. Prices for the HPM business held up well in a deflationary environment. Organic growth remained in the doldrums for Ceramics, despite a weaker basis for comparison. Abrasives and Plastics both recorded gains, particularly in Asia and in emerging countries.

Construction Products (CP) sales leveled off, gaining 0.7% over the first nine months of 2013, thanks to 5.4% growth in the third quarter driven by upbeat volumes in North America and in Asia and emerging countries.
- The momentum enjoyed by **Interior Solutions** in the second quarter continued, with organic growth at 2.7% over the nine-month period and 6.3% for the three months to September 30. The US played its part in this performance, in terms of both prices (particularly plasterboard at the start of the year) and volumes, thanks to the rebound in residential construction. Volumes are close to stabilizing in Western Europe, and continued to rally sharply in Asia and emerging countries.
- After a worse-than-expected second quarter due to temporary destocking in **Exterior Products** in the US, Exterior Solutions reported a significant 4.7% rise in like-for-like third-quarter sales, stemming the nine-month decline to 1.2%. Pipe saw a recovery in the third quarter thanks to the export business.

Industrial Mortars enjoyed further buoyant organic growth in Asia and emerging countries, but continued to feel the pinch of the economic crisis in Western Europe.

Building Distribution sales dropped 2.3% on a like-for-like basis over the first nine months of 2013, but resumed their advance in the third quarter (up 2.2%). The Business Sector's performance during the third quarter saw a clear improvement, as the recovery took hold in the UK, Germany got back on the growth track and stability reigned in Scandinavia thanks to Norway and Sweden. Although organic growth in France is still slightly negative, it continued to improve and confirmed market share gains. In emerging countries, Brazil enjoyed strong momentum, but Eastern Europe continued to see negative growth. Conditions in Southern Europe remained challenging.

Packaging (Verallia) posted negative organic growth (-1.4%) over the first nine months of the year but delivered 1.8% organic growth in the third quarter. Sales prices for the Business Sector remained upbeat, with volumes stabilizing in Western Europe and the US. After a tough first half, Latin America once again saw solid trading during the quarter in terms of both prices and volumes.

Against this backdrop, Saint-Gobain will press ahead with its action plan in the fourth quarter, focusing particularly on:
- increasing its sales prices, in a context of a slower rise in raw material and energy costs;

- pursuing its cost cutting program, in order to achieve additional cost savings of €160 million in the second half compared to the first six months of the year (or €280 million compared to second-half 2012). This will represent €580 million in cost savings in 2013 as a whole compared to 2012 and €1,100 million in cumulative cost savings calculated on the 2011 cost base
- keeping a close watch on cash management and financial strength.

Despite the strong currency impact, Saint-Gobain is therefore confirming its objectives for full-year 2013:

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in Parcours, Mecatherm, exceet and Van Gansewinkel Groep, as well as in IHS Holding in Africa.

exceet – Organic growth of 7.9% in Q3 2013

(Equity method)

exceet's revenue of the first 9 months 2013 reached €141.8 million (9 mos. 2012: €138.2 million / +2.5%). The revenue in Q3 2013 amounted to €50.9 million against €47.7 million in Q3 2012 representing an increase of 6.9%. The organic growth accelerated to +7.9% during the quarter (from +1.9% in Q2). The upturn recorded in Q2 was confirmed and even exceeded in Q3. The volume of newly generated orders for the group reached €149.5 million in the first nine months of the current year 2013 which is 8.3% above the comparable period of last year.
The outlook for the innovation and technology orientated group remains promising: exceet is confident to further improve its EBITDA performance.

Parcours – Sales grew 5.0% in Q3, as the network of agencies continued to expand

(Full consolidation)

Sales of Parcours, the independent, long-term vehicle leasing specialist, totaled €78.3 million in the 3rd quarter and €228.0 million over the first nine months of the year, up 5.0% and 5.7%, respectively, compared with the year-earlier periods.
Revenues from long-term vehicle leasing and maintenance totaled €163.9 million over nine months, up 5.6% to €163.9 million (€55.5 million and up 5.0% in Q3). Amid a lackluster market, Parcours' business was buoyed by a 5.1% year-on-year increase in its fleet of managed vehicles, which now number 49,300. Parcours continued to gain market share, increasing its fleet of vehicles at a faster pace than its competitors.
Parcours' **second-hand vehicle sales** business also performed well, with more than 6% growth in sales (€64.1 million over the first nine months of 2013, including €22.9 million in Q3), owing to vibrant sales at Parcours' sites devoted to vehicle resales.
In addition, Parcours is continuing to expand internationally and convert its French locations to the "3D" model, as exemplified by its new Bordeaux office, opened in April, and its Montpellier (2D) and Lyon Saint Priest (3D) locations.

Mecatherm – Continued recovery in Q3 2013 sales, up 29%

(Full consolidation)

Mecatherm posted sales of €20.3 million in the 3rd quarter of 2013, up 29%. For the first nine months of the year, sales stood at €52.4 million, up 15.4% over the year-earlier period.
Following a difficult 2012, characterized by postponed investments in Europe, the recovery in orders observed since Q3 2012 appears to be a durable one. Firm orders over the past 12 months have reached a record level of €108 million.
Business has regained momentum in western Europe and North America, with a more favorable product mix. Mecatherm is reaping the benefits of the reorganization and its intensive sales & marketing efforts. It is continuing to expand on new markets. Business development efforts are underway in South America, with a focus on Brazil. In addition, Mecatherm has opened its first foreign branch, in Dubai, which will enable it to better cover Africa and the Middle East.

Finally, the company presented three innovations at the IBIE trade show in Las Vegas, including the HQ line that can be used to make premium quality bread for the cost of an entry-level product. The presentation of these innovations has caught the attention of prospective customers in the Americas and in Asia.

IHS – The African leader in telecom tower infrastructure continues to post very strong growth: 116% in Q3 2013
(Equity accounted since May 2013)

The IHS tower portfolio has grown from 3,500 towers in January 2013 to more than 9,000 towers at the end of Q3 2013, positioning IHS Holding as the leader in mobile telecom tower infrastructure in Africa. Sales for the 3rd quarter came in at $55.4 million, vs. $25.6 million in the 3rd quarter of 2012, representing a surge of 116%. Since the beginning of the year, sales have risen by nearly 83%. This growth has been driven by the strong organic growth in Nigeria throughout the year, the Company's acquisition of MTN's towers in Cameroon and Côte d'Ivoire in March and April 2013, and the acquisition of the management and marketing rights to the towers of Orange in the same two countries in September 2013. IHS intends to pursue its rapid growth in Nigeria, Côte d'Ivoire and Cameroon through working with existing and new clients and to enter other African markets when attractive opportunities arise.

Other highlights

- **Oranje-Nassau Développement's first investment in Japan**

The Wendel Group has signed an agreement with a view to acquiring Nippon Oil Pump Co., Ltd; (NOP), held by the fund managed by Japanese company Polaris Capital Group Co. Ltd. The Wendel Group will invest ¥3.2 billion (ca. €24 million), subject to price adjustments, and will hold 98% of the company, alongside management. The transaction is projected to be finalized in the next few months.
A Japanese company founded 94 years ago, NOP leads the Japanese market for the design, development and manufacture of trochoid pumps, water pumps and hydraulic motors. It also has worldwide leadership positions in the trochoid pump segment. These pumps are used principally for oil circulation in machine tools, for the purposes of lubrication and cooling. In 2012, the company achieved sales of ¥5.0 billion and EBITDA of ¥1.1 billion, representing a margin of 22% (estimated IFRS amounts).

This is the Wendel Group's first investment in Japan since opening an office there in 2008. Although very small, the size of this investment corresponds to Wendel's strategy in Japan: build a reputation over time as a long-term industrial investor with a three-century industrial heritage. Until now, Wendel Japan has served primarily as a springboard for the development of Group companies in the region. Henceforth it will also support NOP in its international growth.

- **Wendel, IHS Holding shareholder**

Wendel has made its first investment in Africa via Oranje-Nassau Développement, taking a stake in IHS Holding, leader in telecom tower infrastructure in Africa. Wendel strengthened its investment in July by taking part in a $242 million capital increase. By investing an additional $100 million, Wendel has brought its total investment to $276 million. This amount will enable IHS to step up its development, in particular through the construction of additional towers in Nigeria. With more than 35% of IHS's capital, Wendel is now IHS's largest shareholder and has three seats on the company's Board of Directors.
After signing an agreement with Orange in 2013, IHS became the largest manager of telecom towers in Côte d'Ivoire and Cameroon.

- **Bond debt maturity extended**

On September 23, 2013, certain investors offered to sell their 2014 bonds to Wendel in exchange for 2019 bonds, at market prices. In this context, €80 million (par value) in bonds maturing in 2014 were repurchased at a yield of 1.34%, and €100 million (par value) in bonds maturing in 2019 were issued at a yield of 4.17%. They will form a single series with the existing 2019 bonds.

As of today, the total amount of outstanding bond debt is €3,296 million.

- **Repayment of €200 million in debt related to Saint-Gobain**

Since June 30, 2013, Wendel has repaid €200 million in debt related to Saint-Gobain, maturing in 2015. As of today, there remains only €425 million in debt related to Saint-Gobain, maturing in 2016-17.

- **Management of puts issued on Saint-Gobain**

The maturity of all 6.1 million puts issued by Wendel on Saint-Gobain has been extended. The puts will now mature as follows: 2.2 million in September 2015, 2.6 million in December 2015 and 1.3 million in March 2016.

- **Share buybacks: cancellation of 2% of shares**

Wendel has continued to pursue its share buyback program this year and has repurchased 1,245,045 of its own shares so as to take advantage of the high discount in the share price compared with NAV. On August 28, 2013, the Supervisory Board authorized the Executive Board to cancel 2% of share capital. Accordingly, the Executive Board reduced share capital by canceling 991,860 shares. Wendel had already canceled 2% of its share capital in 2012.

2013 Calendar

December 5: Investor Day – Publication of net asset value

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests internationally, in companies that are leaders in their field, such as Bureau Veritas, Saint-Gobain, Materis 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 is also a shareholder of Van Gansewinkel Groep in the Netherlands, exceet in Germany, Mecatherm and Parcours in France and IHS in Africa.
Wendel is listed on Eurolist by Euronext Paris.
Standard & Poor's ratings: Long term: BB+, stable outlook; short term: B since April 24, 2013.
Wendel is the Founding Sponsor of Centre Pompidou-Metz. In recognition of its long-term patronage of the arts, Wendel received the distinction of "Grand Mécène de la Culture" on March 23, 2012.

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