WENDEL

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Results of first-half 2017
Wendel's principal assets performed well
Continued reorientation toward unlisted assets

Net Asset Value of €165.8 per share as of August 25, 2017, up 13.7% over 12 months

Consolidated H1 2017 sales of €4.17 billion; net income from operations, Group share, up 2.4%.

- Consolidated sales increased 10.0% to €4,168.4 million
- Net income from operations, Group share, up 2.4%
- Net income of €125.8 million and net income, Group share of €31.3 million, after negative results in H1 2016, impacted by non-recurring items

Unlisted assets now represent more than 52% of the total, excluding cash

- Wendel sold 21.7 million Saint-Gobain shares for €1,085 million end-May and early June
- Finalization of the acquisition of 65% of the share capital of Tsebo, the pan-African leader in corporate services, on February 1, 2017

Strengthened financial structure

- Bond debt of €507 million repaid in August 2017
- Net debt of €1 billion as of August 25, 2017
- Debt service cost reduced and maturity extended

Development of the portfolio with 17 value-creating transactions

- Stahl announced the acquisition of BASF's leather chemicals business
- Constantia Flexibles announced the sale of its Labels business so as to focus on flexible packaging
- Wendel companies have made a total of 15 acquisitions since the beginning of the year

Return to shareholders:

- **Share buyback** program: 0.6% of shares repurchased since the beginning of the year. Buybacks to resume on September 11.

Frédéric Lemoine, Chairman of Wendel's Executive Board, commented:

"Almost all of the Group's companies posted growth in the first half of the year. Several of our unlisted companies (Stahl and IHS in particular) performed very well, while others saw a more modest but acceptable start to the year. During the first half of the year we also showed our determination to carry out major growth transactions within our companies. As prominent examples, Stahl announced a very successful transaction to acquire BASF's leather chemicals business, while Constantia Flexibles sold its Labels business, enabling it to step up its efforts to develop in flexible packaging and at the same time strengthen its financial structure. Nevertheless, we decided to remain cautious on new investments in a market where prices were often too high.

Wendel continued to intensify its exposure to unlisted assets. We finalized the acquisition of Tsebo, the pan-African leader in corporate services, in February, and we continued to divest from Saint-Gobain, selling 22 million shares at the end of May and the beginning of June.

Contribution of Group companies to H1 2017 sales

H1 2017 consolidated sales

(in millions of euros)	H1 2016	H1 2017	Change	Organic change
Bureau Veritas	2,221.4	2,360.1	+6.2%	+1.3%
Constantia Flexibles (1)	721.9	734.3	+1.7%	+0.9%
Cromology	375.9	382.6	+1.8%	+0.1%
Stahl	330.7	354.3	+7.1%	+2.6%
Oranje-Nassau Développement	139.7	337.1	+141.3%	-14.1%
Mecatherm	62.1	42.8	-31.1%	-31.1%
CSP Technologies	56.1	59.6	+6.2%	-4.4%
Nippon Oil Pump	21.5	24.0	+11.8%	+9.5%
Tsebo(2)	n.a.	210.7	n.a.	+7.3%(3)
Consolidated net sales	**3,789.5**	**4,168.4**	**+10.0%**	**+0.6%**

(1) Following the signature of an agreement to sell the "Labels" business and in accordance with IFRS 5, the contribution of this division to H1 2016 and H1 2017 earnings has been reclassified in “Net income from discontinued operations and operations held for sale”.

(2) Company consolidated from February 2017.

(3) Organic growth over six months.

H1 2017 sales of equity-accounted companies

(in millions of euros)	H1 2016	H1 2017	Change	Organic change
Allied Universal (1)	n.a.	2,393.3	n.a.	+1.6%(2)
IHS	424.1	504.6	+19.0%	n.a.
Oranje-Nassau Développement				
exceet (3)	65.4	71.1	+8.7%	+8.1%
SGI Africa(4)	n.a.	3.5	n.a.	n.a.

(1) Allied Universal has been consolidated by the equity method since the merger between AlliedBarton and Universal Services of America in August 2016. In accordance with IFRS 5, AlliedBarton’s activities in the first six months of 2016, until the merger with Universal Services of America, are presented in the income statement under “Net income from operations to be accounted for by the equity method”.

(2) Pro forma sales growth over six months was 11.3% (1.6% organic growth), based on financial information reported by Allied Universal in USD.

(3) Following the sale of the IDMS division and in accordance with IFRS 5, the H1 2016 results of this division have been included in “Net income from discontinued operations and operations held for sale” in exceet’s financial statements.

(4) Company accounted for by the equity method since August 2016.

H1 2017 consolidated results

(in millions of euros)	H1 2016	H1 2017
Consolidated subsidiaries	365.9	357.0
Financing, operating expenses and taxes	-130.3	-120.0
Net income from operations[(1)]	**235.6**	**237.1**
Net income from operations,[(1)] *Group share*	83.7	85.7
Non-recurring net income	-475.6	-24.4
Impact of goodwill allocation	-73.2	-86.8
Total net income	**-313.2**	**125.8**
Net income, Group share	-425.1	31.3

(1) Net income before goodwill allocation entries and non-recurring items.

H1 2017 net income from operations

(in millions of euros)	H1 2016	H1 2017	Change
Bureau Veritas	201.2	197.8	-1.7%
Stahl	44.6	42.6	-4.6%
Constantia Flexibles	35.4	35.4	+0.2%
Cromology	11.4	7.9	-30.6%
AlliedBarton	17.1	-	n.a.
Allied Universal (equity method)	-	5.7	n.a.
Saint-Gobain (equity method until May 31, 2017)	56.6	40.7	-28.1%
Saint-Gobain dividend	-	17.8	n.a.
IHS (equity method)	-13.5	2.7	n.a.
Oranje-Nassau Développement	13.2	6.4	n.a.
Tsebo	-	1.8	n.a.
Parcours	4.1	-	n.a.
Mecatherm	4.7	-0.4	-107.7%
CSP Technologies	3.1	2.4	-22.9%
Nippon Oil Pump	1.5	2.2	+51.0%
exceet (equity method)	-0.1	0.4	n.a.
SGI Africa (equity method)	-	0.0	n.a.
Total contribution from Group companies	**365.9**	**357.0**	**-2.4%**
of which Group share	214.1	205.7	-3.9%
Total operating expenses	**-31.5**	**-35,8**	**+13.8%**
Total financial expense[(1)]	**-98.9**	**-84.1**	**-14.9%**
Net income from operations	**235.6**	**237.1**	**+0.6%**
of which Group share	83.7	85.7	+2.4%

(1) Borrowing costs declined by €33.4 million between H1 2016 and H1 2017, from €93.1 million to €59.7 million. In addition, a currency effect on cash and financial investments denominated in dollars had a €-28.0 million impact on H1 2017 (vs. €-0.8 million in H1 2016).

The Supervisory Board met on September 6, 2017, under the chairmanship of François de Wendel, to review Wendel's consolidated financial statements, as finalized by the Executive Board on August 28, 2017. As always, the interim financial statements were subject to a limited review by the Statutory Auditors prior to publication.

In H1 2017, the Wendel Group's consolidated sales totaled €4,168.4 million, up 10.0% overall and up 0.6% organically.

The overall contribution of the Group's companies to net income from operations was €357.0 million, reflecting a 2.4% decrease compared with H1 2016. This slight decline resulted in part from changes in scope (exit of Parcours and equity method for Allied Universal) that were not offset by newly acquired companies (Tsebo, SGI Africa), as well as by the negative performance of Mecatherm. In addition, IHS delivered a positive contribution to recurring net income, thereby validating the capital expenditures it has made over the past few years.

Financial expense, operating expenses and taxes totaled €120.0 million, down 8.0% from H1 2016 (€130.3 million). This reduction was concentrated in the financial expense line item and resulted from liability management transactions initiated by Wendel that reduced the cost of Wendel's debt. Specifically, borrowing costs declined by €33.4 million between H1 2016 and H1 2017, from €93.1 million to €59.7 million. Nevertheless, the decline of the US dollar had a negative impact of €28.0 million on the Group's cash and financial investments in H1 2017 (€-0.8 million in H1 2016).

Non-recurring income was €-24.4 million vs. €-475.6 million in H1 2016. In H1 2016, the non-recurring loss in Wendel's consolidated statements derived principally from a loss on the sale of Saint-Gobain shares (€229.6 million), IHS's currency translation loss from the devaluation of the Nigerian naira (€-111.8 million), asset impairment and other non-recurring items (€-70.3 million) and an accounting loss of €56.6 million on the repurchase of bond debt in June 2016, which was not offset by the accounting gain of €78.3 million [1] on the sale of Parcours.

In comparison, the slight non-recurring loss recognized in H1 2017 resulted from the following items:

- an accounting gain of €84.1 million following the sale of Saint-Gobain shares at the end of May and the beginning of June 2017, which applied to all shares held by Wendel, in line with IAS 28;
- a dilution loss on IHS of €31.7 million resulting from a simplification of the company's shareholder structure in February 2017;
- a positive currency impact of €27.5 million on Stahl's financial debt:
- asset impairment and other non-recurrent items (€-104.3 million).

Consequently, Wendel's total net income was €125.8 million in H1 2017, compared with €-313.2 million in H1 2016. Net income, Group share was €31.3 million (vs. €-425.1 million in H1 2016).

Results of Group companies

Bureau Veritas – H1 organic growth and 2017 outlook confirmed. Mid-term strategy on track with Growth Initiatives accelerating

(Full consolidation)

Bureau Veritas' revenue in H1 2017 reached €2,360.1 million, a 6.2% increase compared with H1 2016.

Organic growth was 1.3% in H1, with similar growth trends in Q2 compared with Q1 adjusted for calendar effect. Marine decline had a 1.2-point negative impact on Group organic growth in Q2.

In H1 2017, activities under the 5 Growth Initiatives accelerated their pace of organic growth at 7.1% (vs. Q1 up 4.6%). They contributed 2.0 pts to group organic growth. Key performers were Automotive (26.7%), SmartWorld (12.9%) and Opex (7.1%).

Solid commercial wins spurred by the five Growth Initiatives, softer rates of decline in Oil & Gas, as well as a firmer upstream Metals & Minerals market enabled Bureau Veritas to return to organic growth in H1 2017. All businesses, with the exception of Marine & Offshore, are on improving trends.

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[1] Adjusted for the discontinuation of depreciation as required by IFRS 5 "Non-current assets held for sale and discontinued operations". The capital gain on the investment totaled €129.3 million.

- The **Marine & Offshore** business posted an organic decline in H1 2017 (down 7.5%), reflecting the slump in new orders experienced in past quarters, notably for categories such as bulk carriers and container ships.
- **Agri-Food and Commodities** revenue increased by 0.8% organically in H1 2017, with mixed performances across sub-segments. The Oil & Petrochemicals segment (39% of divisional revenue) reported 2.6% organic growth, reflecting particularly strong expansion in Europe and in China. The Metals & Minerals segment (26% of revenue) reported 2.5% organic growth. Agri-Food (19% of revenue) was stable in H1, reflecting a good Q2 performance (up 3.3%) relating to contract wins, after a slow start to the year owing to the end of a contract in inspection for Agri-Products in Latin America.
- Organic growth in **Industry** was negative 1.1% in H1 2017, including a decrease of 0.4% in Q2. This reflects a marked decline of Oil & Gas Capex-related activities (down 12% in H1 2017 at Group Bureau Veritas level, including a decrease of 14% in Q2), partly compensated by accelerating growth in Oil & Gas Opex (i.e. In-service inspection for industrial assets) and favorable trends in other end-markets such as Power & Utilities and Transportation (including Automotive).
- **Building & Infrastructure** revenue increased by 4.0% organically with stronger organic growth in construction-related activities (59% of revenue) than for Building in-service activities (41%).
- **Certification** revenue increased by 6.1% organically, with a strong performance across all major service categories and regions. As expected, growth slowed down in Q2 vs. Q1 due to the reversal of the positive calendar effect.
- The **Consumer Products** business achieved solid organic growth of 5.2% in H1 2017 (o/w 6.1% in Q2), with growth spread across all regions and categories.

Acquisition growth was 3.3%, combining the contribution of acquisitions made in 2017, which are supporting three of the five Group Growth Initiatives, as well as acquisitions finalized in H2 2016.

Currency fluctuations had a positive impact of 1.6%, mainly driven by the appreciation of USD and pegged currencies as well as some emerging countries' currencies against the euro, in particular the Brazilian real that more than offset the impact of the GBP depreciation.

Adjusted operating profit was €359.4 million in H1 2017, and the adjusted operating margin was down 60 basis points to 15.2% compared to 15.8% in H1 2016. Adjusted for foreign exchange impact, margin declined by 50bp year-on-year.

The organic decline was mostly attributable to the Marine & Offshore division (-30bp) due to lower volume of activity notably for Certification of equipment and Offshore Services. In addition, price pressure and a change of mix in Industry cost another 20bp to Bureau Veritas' margin.

The impact of cyclical pressure was mitigated by the benefits of the Group's Operational Excellence program.
Attributable net profit for H1 2017 was €130.2 million, and earnings per share stood at €0.30.

H1 2017 operating cash flow stood at €149.9 million, vs. €161.2 million in H1 2016. The change in working capital was stable compared to last year despite the increase in revenue.

At June 30, 2017, adjusted net financial debt was €2,270.6 million, i.e. 2.51x last-12-month EBITDA as defined in the calculation of banking ratios, compared with 2.44x at June 30, 2016 and 2.2x at December 31, 2016.

<u>2017 outlook confirmed</u>

The global macroeconomic environment is likely to remain volatile in 2017, with persistent weakness in the oil & gas and shipping markets. Thanks to its diversified portfolio and the ramp-up of its growth initiatives, Bureau Veritas still anticipates slightly positive organic revenue growth, with acceleration in the second-half confirmed.

Bureau Veritas confirms its outlook of an adjusted operating margin of around 16%. Cash flow is expected to improve compared with 2016.

Constantia Flexibles – Refocus on flexible packaging business. Total revenue growth of 1.7%.

(Full consolidation. In accordance with IFRS 5, Labels activities in H1 2016 and H1 2017 are presented in the income statement under "Net income from discontinued operations and operations held for sale". All the figures presented here exclude Labels figures.)

On July 17, 2017, Constantia announced that it had signed an agreement to sell its Labels business to Multi-Color Corporation ("MCC"), for an enterprise value of approximatly €1.15 billion (USD1.3 billion). Subject to the customary regulatory approvals, the sale transaction is expected to be finalized in the fourth quarter of 2017. The majority of the transaction is payable in cash, while Constantia Flexibles will have a 16.6% equity holding in Multi-Color, thereby becoming its largest shareholder.

This value-creating transaction will give Constantia Flexibles additional resources to bolster its growth strategy in the flexible packaging market. Moreover, in becoming the largest shareholder of a company bringing together Constantia's and Multi-Color's labels businesses, Constantia Flexibles will retain an exposure to growth in this market.

All the figures presented here exclude Labels figures.

H1 2017 revenue totalled €734.3 million, up 1.7% compared with H1 2016 (€721.9 million), of which 0.9% was organic growth driven by volume increases in the Pharma division. Fluctuations in exchange rates had a positive impact of 1.6%, mainly deriving from the appreciation of the ZAR, USD and RUB. Portfolio effects were negative at -0.7% due to the divestment of the non-core folding carton activities in Mexico, which were not fully offset by the acquisitions of Oai Hung in Vietnam and San Prospero in Italy.

Food division revenues decreased by 2% to €586.1 million in H1 2017, mainly due to the divestment of the non-core folding carton business in Mexico. Organic growth in the division was flat as positive development in Europe and North America was offset by challenging conditions in emerging markets. Growth in Europe was driven by film-based confectionary and snack products, while sales for pet-care food and confectionary grew in the U.S. Sales in emerging markets were impacted by demonetization and the introduction of the GST reform in India, while the South African cement sacks business was negatively impacted by poor weather affecting the construction industry.

In H1 2017, **Pharma division** sales rose by 16.5% to €178.3 million, including the recent acquisitions of Oai Hung and San Prospero. Organic growth stood at 4%, driven by demand for blister lidding, sachet and coldform foils. The integration of Oai Hung has proceeded according to plan, with the company moving to a more favorable product mix of greater volumes for blisters in both domestic and export markets, as well as PVC films.

Constantia Flexibles' H1 2017 EBITDA was €90.5 million, an increase of 2.7% compared with H1 2016, due to targeted savings projects and productivity increases. As a result, the operating margin was 12.3% compared to 12.2% a year earlier. Margins as published for H1 2016 and 2017 include the operating income of the Food and Pharma divisions net of the holding expenses of those two divisions and Labels division.

As of July 1, 2017, Constantia Flexibles fully consolidated its acquisition of Alucap, Italy's leading producer of lids and seals for dairy products, located close to Trento (Italy's principal yogurt-producing region). Alucap specializes in producing aluminum lids and plastic films, and serves many local and international dairy producers.

Cromology - Total growth of 1.8%. Profitability affected by an increase in raw material prices.

(Full consolidation)

During H1 2017, Cromology achieved sales of €382.6 million, up 2.3% compared to H1 2016 and up 0.3% organically, excluding Argentina. Acquisitions completed in 2016 (the Natec brand in France and the Jallut paint business in Switzerland) contributed 1.9% to the growth in sales. Currency fluctuations had a mildly negative impact of 0.2% on sales.

Including Argentina, total sales increased by 1.8%. Organic growth was only 0.1%, because an unfavorable calendar effect (nbr. of working days) reduced it by 0.5%.

Cromology's business benefited from a return to growth in France (1.1% in total growth and no organic growth) and from continued double-digit growth in the Rest of the World (up 25.2% including organic growth of 5.3%), excluding Argentina. In Argentina, H1 2017 sales (4% of total sales) declined by 9.8% owing to difficult economic conditions, and H1 2017 sales in southern Europe were affected by unfavorable market conditions in Italy (-0.4%).

Cromology's profitability reflected the extent of the greater-than-expected increase in raw material prices, principally titanium dioxide, since the beginning of 2017. Despite a continued tight grip on costs, Cromology's EBITDA declined by 14.9% to €30.7 million, representing a margin of 8.0%.

To improve the company's profitability, the management team launched a transformation plan in France and Italy in April 2017 to strengthen the company's sales performance.

Owing to strict control of working capital requirements, Cromology reduced net debt by €11.8 million, and as of end-June 2017 its ratio of net debt to EBITDA was 4.4. In July 2017, Cromology amended the terms and conditions of its bank loans with a covenant reset. In so doing it has increased its financial flexibility and taken the steps necessary to pursue its plans for growth and development. As part of the transaction, Cromology also increased drawdown capacity under its lines of credit by a total of €20 million. The cost of Cromology's debt will remain the same.

Stahl – Total sales growth of 7.1% driven by acquisitions and organic volume growth.

(Full consolidation)

Stahl's first-half 2017 sales totaled €354.3 million, up 7.1% from first half 2016. This increase was driven by organic growth of 2.6% combined with a positive scope effect of 3.6% tied to the acquisitions of Viswaat Leather Chemicals Business in April 2016 and Eagle Performance Products in November 2016. Fluctuations in exchange rates had a slightly positive impact of 0.9% on sales. Organic sales growth at Stahl was mainly driven by solid to strong volume growth in all divisions. Stahl's EBITDA rose 9.8% in H1 2017 compared with H1 2016, to €87.4 million.

Stahl pursued its acquisition strategy, signing an agreement on March 22, 2017 to acquire the leather chemicals assets of BASF, one of the world's largest chemical products companies. The combination of the two businesses generated pro forma net sales[1] of ca. €850 million and pro forma EBITDA[1] of more than €200 million (on a 2016 basis). Stahl also expects to generate synergies at the EBITDA level, to be achieved over the 24 months following the closing of the transaction.

After the successful refinancing of its debt in November 2016, Stahl paid a dividend of €326 million to its shareholders, including €242.7 million to Wendel in January 2017. Following these transactions, Stahl's net debt stood at €453.5 million representing ca. 2.8 times LTM EBITDA as of June 30, 2017.

[1] Excluding the pro-forma impact of Stahl's 2016 acquisitions (Eagle Performance Products and Viswaat Leather Chemicals).

IHS – Sales up 15.4% and continued growth in colocation rate in an improving but still challenging economic environment in Nigeria

(Equity method)

IHS' H1 2017 sales totaled $545.9 million, up 15.4% from H1 2016, in spite of the c.40 % Naira devaluation in June 2016. Sales increase was driven by the growth in tenancy ratio, contractual price reset in early 2017 and the acquisition of HTN towers (consolidated since June 2016). At the end of June 2017, total number of towers was 24,900[1], up 5.2%. Point-of-Presence lease-up rate increased by 4.9% year-on-year.

With regards to profitability, IHS continued the successful development and rationalization of its installed base of towers. The company also kept carrying a tight operating costs control policy. EBIT for the first half of the year increased by 18.7% to $134.0 million (vs. $112.9 million in H1 2016), representing a margin of 24.5% in H1 2017 (vs. 23.9% in H1 2016).

In 2016, Nigeria experienced its first full-year of recession in 25 years, as the economy shrank 1.6%. Since the start of 2017 the Nigerian economic and monetary environment is however showing signs of improvement. IMF is forecasting a return to positive growth (+0.8% real annual GDP growth[2]) in 2017, mainly driven by the restoration of oil production to normal levels. However, given the risks associated with the oil sector, this recovery remains fragile and the naira (Nigerian currency) remains volatile. To mitigate these risks the Nigerian government has launched in H1 2017 an Economic Recovery and Growth Plan (ERGP) for 2017–2020 that contains reforms aimed at diversifying the economy.

In Nigeria still, former Etisalat Nigeria operations are now continued under the "9mobile" brand, and the company is pursuing its business relationship with IHS. According to press reports, several investors are interested in taking over 9mobile.

On another note, on February 1st, 2017, MTN Group ("MTN") finalized the exchange of its 51% stake in Nigeria Tower InterCo B.V, the operating holding company of INT Towers Limited, which manages more than 9,000 towers in Nigeria, for an additional direct stake in IHS Group. As a result of this transaction, MTN's economic interest in IHS Group increased from around 15% to around 29%. To preserve IHS' independence, MTN's voting rights, representation and access to information on IHS will remain limited.

Following this simplification of IHS' capital structure, Wendel holds 21.4% of the shares of IHS directly and remains IHS' largest shareholder in voting rights with unchanged governance rights.

Allied Universal – Total growth[3] of 11.3 % in the first half of 2017

(Allied Universal has been consolidated by the equity method since August 1, 2016, when merger between AlliedBarton and Universal Services of America was finalized. In accordance with IFRS 5, AlliedBarton's activities in the first three months of 2016 are presented in the income statement under "Net income from operations to be accounted for by the equity method ").

Allied Universal's first-half 2017 revenue totalled $2,589.6 million, up 11.3% from pro forma H1 2016, of which 1.6% was organic growth. This organic revenue growth reflects net new customer wins and the retention and increasing spend of existing clients. The organic growth does not reflect the negative impact of one fewer day in H1 2017 versus H1 2016 or the strong organic growth of businesses acquired since the beginning of 2016; factoring in these items, pro forma organic revenue growth would have been 3%.

External growth was 9.7%, reflecting the impact of acquisitions completed since the merger, including Apollo, FJC Security and Source Security & Investigations. Since the beginning of 2017, Allied Universal has continued to pursue its acquisition strategy, purchasing the security services division of Yale Enforcement Services, select contracts from Lankford Security, and Alert Protective Services, representing total annualized revenue of over $50 million.

H1 2017 adjusted EBITDA totaled $187.3 million, or 7.2% of sales[4]. The post-merger integration process is moving forward as expected, and nearly all planned actions to realize cost savings have been taken. The resulting synergies are reflected in Allied Universal's earnings, with over 90% of the anticipated ca. $100 million in savings already visible

[1] Tower count is more than 22,700 excluding managed services and WIP as of June 30, 2017

[2] Source : IMF

[3] Reflects pro forma growth as if the merger had been completed on January 1, 2016.

[4] Adjusted EBITDA as per credit agreement documentation, excluding pro forma adjustments for acquisitions and unrealized synergies.

in the monthly June 2017 income statement. As a reminder, the total synergies are expected to have a full-year impact in the LTM income statement by mid-2018.

Lastly, in April 2017, Allied Universal successfully re-priced one tranche of its First Lien Term Loan facilities. With this re-pricing, Allied Universal reduced the annual interest expense on its outstanding credit facilities by ca. $11 million.

Saint-Gobain – Significant progress in results across the board.

(Equity method until May 31, 2017, unconsolidated since then)

Saint-Gobain's first-half 2017 reported sales increased 4.4% year-on-year to €20,409 million, including a positive 0.1% currency impact resulting mainly from the depreciation of the euro against the Brazilian real and US dollar, offset by the fall in pound sterling. The positive 0.8% group structure impact essentially reflects the consolidation of acquisitions made in Asia and emerging countries (Emix, Solcrom, Tumelero), in new niche technologies and services (H-Old, Isonat, France Pare-Brise), and to further strengthen Saint-Gobain's positions in Building Distribution (particularly in Nordic countries).

On a like-for-like basis, sales increased 3.5%, driven both by prices (up 1.8%), which continued to rise in a more inflationary cost environment, and by volumes (up 1.7%). Volumes increased across all Business Sectors and regions, with a slightly negative calendar impact over the first half (around +3% in Q1 and around -3.5% in Q2).

Saint-Gobain's operating income climbed 7.1% on a reported basis and 6.6% like-for-like. The operating margin widened to 7.2% vs. 7.0% in first-half 2016.

On June 27, 2017, Saint-Gobain experienced an important cyber-attack, which led to information system downtime and supply chain disruptions. IT systems were quickly restored and all operations had returned to normal by July 10. All efforts were made to ensure the continuity of the business and in particular to keep any impact on customers to a minimum. The cyber-attack is not expected to have any impact on commercial relations going forward.

The cyber-attack is estimated to have had a negative impact of €220 million on first-half 2017 sales and of €65 million on first-half operating income. Over the full year, the negative impact is estimated at less than €250 million on sales and €80 million on operating income.

- **Innovative Materials** sales increased 4.1% like-for-like, driven by Flat Glass. There was another significant improvement in the Business Sector's operating margin, up to 12.3% from 11.2% in first-half 2016.
- **Construction Products (CP)** sales were up 3.7% like-for-like over the first half. The operating margin for the Business Sector was 9.3% compared to 9.4% in the same period of 2016, affected by the cyber-attack and by a timelag between pricing and cost increases.
- **Building Distribution** like-for-like sales rose 3.2%. Trading in France continued to recover, spurred by brisk momentum in new-builds and with positive pricing. Nordic countries were particularly hard hit by the cyber-attack, although Norway and Sweden still delivered good gains. Germany, which was also hard hit, contracted slightly, while France was affected albeit to a lesser extent. The UK continued to enjoy a steady pace of growth, driven by prices. Spain and the Netherlands posted further strong growth, while a tough macroeconomic environment continued to affect Brazil. The operating margin was 2.7%, compared to 2.8% in first-half 2016, squeezed by supply chain disruptions resulting from the cyber-attack.

The Group continued to pursue its strategic priorities during the first half, in line with its strategy confirmed at the investor day on May 17, 2017:

- €170 million in additional cost savings vs. first-half 2016;
- 18 acquisitions in the first half and six being finalized in July, including Glava, Kirson and TekBond;
- buyback of 3.5 million shares, in line with the Group's long-term objectives.

After a first half in line with expectations, the economic environment should remain supportive for Saint-Gobain in the second half of 2017:

- gradual improvement of construction markets in France;
- continued upbeat trends in other Western European countries, despite less visibility in the UK;
- positive market conditions in North American construction;
- further good organic growth in Asia and emerging countries, despite ongoing difficulties in Brazil.

Saint-Gobain confirms with confidence its 2017 objective of a like-for-like increase in operating income.

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation. In particular, it has invested in France (Mecatherm), Germany (exceet), Japan (Nippon Oil Pump) and the United States (CSP Technologies), as well as in Africa (Tsebo, Saham group and SGI Africa).

Mecatherm – Slight improvement in order intake in H1, sales and EBITDA declined, as expected, despite an improvement in operating performance

(Full consolidation)

As expected and announced at the beginning of the year, Mecatherm's H1 2017 sales (€42.8 million) declined sharply (-31.1%), principally because new orders had slowed in H1 2016 and because a significant order from North Africa was canceled, with an impact of €9 million on H1 2017 sales. As a result of the decline in sales and despite better operating performance illustrated by higher margins on new contracts, EBITDA declined in H1 2017 to €2.7 million, vs. €7.4 million in the year-earlier period.

Order intakes, which had rebounded in H2 2016, slowed in H1 2017, but were still up by 3.2% in the first part of this year. Sales and marketing activity now has momentum, with a high number of possible new business deals under consideration. Customers' investment decisions are being postponed, however, and Mecatherm's legacy market —"standard" bread in mature countries—is slowing down. The Soft & Pastry segment, on which Mecatherm is developing more and more, is experiencing strong growth. Finally, Mecatherm is successfully developing its service business to meet growing demand from its long-standing customers for more versatile equipment and more diverse bread products. Services have grown 33.3% since the beginning of the year and reached a record high.

In this context of more difficult order intake, full-year 2017 sales will post a decline. Wendel is working in close collaboration with Mecatherm's management to prepare Mecatherm for the changes taking place in the industrial bread market. Wendel and Mecatherm also aim to boost order intakes in a sustainable manner and set them on a growth track.

CSP Technologies – Total growth of 3.1%, good contribution of newly integrated Maxwell Chase

(Full consolidation)

CSP Technologies posted sales of $64.5 million in H1 2017, representing total growth of 3.1% compared with H1 2016, mainly as a result of the full quarter impact of Maxwell Chase, acquired in mid-March 2016. Organic growth was down 4.4% (vs -5.1% in Q1), impacted mainly by the anticipated decrease in confectionary sales (a customer partially insourced its production in Q2 2016) and lower diabetes & cups sales. These reductions in organic sales were however partly offset by significant growth in OTC, new business and Maxwell Chase. Foreign exchange rate fluctuations had a negative impact of 0.9%.

CSP generated adjusted EBIT[1] of $13.5 million in H1 2017, or 20.9% representing a -140bps decrease compared to H1 2016. At constant exchange rate, EBIT margin increased +250bps to 24.8% driven mainly by a sales mix in H1 2017 that was partly offset by a slight increase in raw material.

Finally, on March 2, 2017, CSP announced that it had repriced and upsized its "Term Loan B" facility. As part of the transaction, the size of the existing Term Loan was increased by $12 million to a total of $178 million, and the interest rate was reduced by 75 basis points to Libor + 525 bps.

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[1] Before restatement of goodwill allocation.

Tsebo – Organic growth of 7.3%, driven by strong sales growth within Facilities Management, Cleaning, Catering and Protection; results further enhanced by positive FX impact and by three acquisitions

(Full consolidation since February 1, 2017)

Tsebo's first-half 2017 sales reached $269.3 million, up 25.0% from H1 2016. Tsebo benefited from strong organic growth (+7.3%) driven by ongoing developments within the facilities management, cleaning, catering and protection divisions, and favourable exchange rate fluctuations (+14.3%), in particular the South African Rand's appreciation against the U.S. Dollar. Growth was also supported by a positive scope change (+3.4%) with acquisitions completed in protection (Malandela in February 2016), leasing solutions (Sovereign Seeker in April 2016) and cleaning (Superclean in January 2017).

Tsebo's EBITDA was $18.6 million in H1 2017, an increase of 18.5% compared to the previous year. EBITDA margin decreased to 6.9% compared to 7.3% in the previous year, partly due to the integration of newly acquired businesses and progressive ramp up of new pan-African facility management contracts.

On June 30, 2017, Women Development Bank Investment Holdings (Pty) Limited (WDBIH) finalised the acquisition of an effective 25% stake in Tsebo's main South African subsidiary (TSG). Established in 1996, WDBIH is a South African women-founded, led and operated investment holding company. Combined with Tsebo Empowerment Trust's ownership in TSG, this transaction allows Tsebo to retain the highest achievable rating on the South African DTI's generic BEE scorecard, and to perpetuate its history of enduring partnerships with women investment groups.

Since the end of the quarter, Tsebo has continued its pan-African growth strategy by completing its first transaction as part of the Wendel Group. The acquisition of Rapid Facilities Management Pty Ltd in Nigeria, an established facilities management services provider with strong leadership, became unconditional on 1 September 2017. This acquisition further establishes Tsebo in the attractive Nigerian market, where Tsebo already has a number of clients.

Nippon Oil Pump – Strong profitable growth of 9.3% in all geographies & products

(Full consolidation)

During the first half of 2017, Nippon Oil Pump's sales totalled ¥2,924 million, up 9.3% from the same period last year, consisting of organic growth of 9.5% and a currency effect of -0.2%.

Sales of the Vortex filter-pumps for the coolant unit market increased by 39.8%, while sales of conventional products also performed with strength: sales of both trochoid pumps and hydraulic motors increased by 4.5% and 19.2% respectively.

Following last year's challenging environment, NOP's management executed aggressive cost reduction and price increase policies, which, combined with increased quantity, has resulted in a significantly improved level of profitability: EBITDA margin improved by almost 6 points from 15.8% in H1 2016 to 21.7% in H1 2017.

exceet – Operational Results and Business Alignment moving ahead.

(Equity method) Following the sale of the IDMS division and in accordance with IFRS 5, the H1 2016 results of this division have been included in "Net income from discontinued operations and operations held for sale" in exceet's financial statements.

In H1 2017, exceet's sales totaled €71.1 million, up 8.7%, of which 8.1% was organic. Q2 2017 sales of exceet group amounted to EUR 35.7 million – marking their highest quarterly level since 2013. H1 EBITDA was €4.5 million (6.3% of net sales), up 28.4% compared to H1 2016.

As published on May 2and July 5, 2017, the two potential buyers of the stakes of exceet's existing core shareholders refrained from further negotiations and therefore will not make a tender offer.

exceet's business performance in Q2 2017 overall confirmed the encouraging start to the year despite the currently still lagging level of activities in the PCB business. Management remains confident the company will deliver the growth and profitability prospects indicated in last year's annual report.

Saham Group – Good performance in insurance activities and customer relationship centers

(Not consolidated)

The Saham group's consolidated H1 2017 revenue was MAD 6.485 billion, up 8.0% from H1 2016. Organic growth was 12.5% (constant structure and currencies).

Consolidated revenue from insurance activities (Saham Finances division) were up 8.6% in H1 2017, with organic growth of 12.0%. All insurance entities saw increases in gross premiums during the period, with 10.9% organic growth in Morocco (41% of gross premiums), a significant rebound in Angola (34.2% organic growth at Saham Angola Seguros) and 12.1% organic growth in the rest of Africa. Currency fluctuations had a negative impact of 3.6% on the division's consolidated H1 2017 revenue, mainly due to the devaluation of the Nigerian naira at the end of June 2016. The devaluation hit Continental Re particularly hard. Continental's total revenue declined by 13.8%, despite organic growth of 18.4%.

As announced in December 2016, Sanlam increased its stake in Saham Finances. Through this transaction, finalized on May 10, 2017, the South African group invested $329 million to increase its holding from 30.0% to 46.6%.

Customer relationship centers posted organic growth in aggregate revenue[1] of 14.7% compared with H1 2016, but overall growth of only 1.0% due to the devaluation of the Egyptian pound at the end of 2016, which affected the results of group subsidiary Ecco. The negative impact on aggregate revenue of the Offshoring division was 13.7%. In Morocco, sales to new economy and e-commerce customers offset the decline in volume deriving from historical telecom operators. Business is growing in Côte d'Ivoire and Senegal, where volume is up with e-commerce customers, as well as at Ecco (notably in Egypt), which posted organic growth of 42.7%.

Saham Group is also pursuing the growth and development of its Healthcare, Education and Real Estate businesses, with priority on Morocco.

SGI Africa – 2 shopping malls in operation and 6 projects underway

(Equity method since August 1, 2017)

SGI Africa has already 2 shopping malls in operation, in Abidjan (Côte d'Ivoire): PlaYce Marcory (opened in December 2015) is 100% commercialized, and welcomed over 1.5 million visitors during H1; PlaYce Palmeraie (opened in June 2017) is over 95% commercialized, with traffic in line with expectations. There are also 6 other projects underway, in Côte d'Ivoire (1), Cameroon (3) and Senegal (2), at different stages of advancement. The next opening is expected in Douala (Cameroon) before the end of 2017.

Wendel has not yet invested beyond its initial equity contribution (€25m), but is expected to do so in the coming months, to contribute its 40% share of the projects pipeline equity financing requirements.

As of August 25, 2017, Wendel's net asset value stood at €165.8 per share.

Net asset value was €7,824 million or €165.8 per share as of August 25, 2017 (see Appendix 1 below for details), representing a 12-month rise of 13.7% from €145.8 per share as of August 26, 2016. The discount to NAV was 21.7% as of August 25, 2017.

As of December 31, 2016, net asset value was €7,248 million, or €153.9 per share.

Compared with May 5, 2017, NAV was down by 4.0%, principally for the following reasons:

- decline in Bureau Veritas: the average 20-trading-day price declined from €20.6 to €19.7 and the number of shares declined during the second quarter;
- decline in the dollar: assets and liabilities denominated in currencies other than the euro are converted at the exchange rate in effect as of the NAV calculation date. The exchange rate used to convert assets and liabilities denominated in dollars as of August 25, 2017 was 1.181 USD/EUR vs. 1.096 USD/EUR as of May 5, 2017. This fluctuation was only partially offset by cross currency swaps (€800 million) implemented in 2016.

[1] Sum of 100% of the revenue of Saham group's Offshoring division.

Other significant events since the beginning of 2017

Rebalancing and portfolio turnover

Continued divestment of Saint-Gobain shares

On June 2, Wendel announced the successful sale of 20 million Saint-Gobain shares, or 3.6% of the share capital, for a total of around €1 billion. Wendel now holds 2.5% of Saint-Gobain's share capital and approximately 4.5% of its voting rights. The existing corporate governance agreements will remain in effect[1]. This sale, as well as gradual share sales of 0.3% since May 19, 2017, at an average price of €50.113 per share, represented total proceeds of €1.085 billion for Wendel. This amount complements the resources already available to Wendel to implement its 2017-20 investment strategy.

The sale of Saint-Gobain shares also led to an accounting gain of €84.1 million in Wendel's 2017 financial statements. This capital gain was calculated on all of the Saint-Gobain shares Wendel held before the sale, in line with accounting rules currently in force.

Wendel has finalized the acquisition of 65%[2] of the share capital of Tsebo.

Following the September 2016 announcement that Wendel had signed an agreement to acquire Tsebo, Wendel announced on February 1, 2017 that it had obtained all necessary authorizations and had completed the acquisition of 65%[2] of the share capital of Tsebo Solutions Group, the pan-African leader in corporate services, for a total enterprise value of ZAR 5.25 billion (ca. €362 million[3]).

Wendel has invested €159 million[4] in Tsebo via Oranje-Nassau Développement and holds a 65%[2] stake in the company, alongside Capital Group Private Markets (35%[2]). After the agreement to acquire Tsebo was signed, Wendel implemented hedging contracts that led to a net gain of €3.5 million.

The transaction was also financed by bank borrowings of ZAR 1.85 billion from Standard Chartered Bank, Investec Bank and Nedbank. Tsebo also has a ZAR 150 million revolving credit and a ZAR 325 million line of credit to finance future acquisitions. Wendel and Capital Group Private Markets will continue to support Tsebo's acquisition strategy through additional investments, if necessary.

Disposal of 2.8 million Bureau Veritas shares purchased in November 2016

In November 2016, Wendel purchased an additional 2.8 million Bureau Veritas shares that it did not intend to keep over the long term. The shares were purchased because Wendel believed their price had fallen too far, and was able to buy them at an average price of €17.05 per share. Wendel had indicated that these shares would be resold when the share price reflected the gradual increase expected from the strategic plan and growth initiatives. After a first quarter with organic growth of 1.9% and growth of 4.6% from strategic initiatives, Wendel felt this momentum was underway. The 2.8 million shares were sold in Q2 at an average price of €21.50. Wendel thus achieved a cash gain of €12.4 million. In accordance with IFRS 10, the accounting capital gain (€52 million) has been recognized in shareholders' equity in Wendel's consolidated financial statements. Following this transaction, Wendel now holds 40.6% of Bureau Veritas' share capital and 56.1% of theoretical voting rights.

Gross debt reduced, maturity extended and cost of debt reduced

- Wendel repaid all of the bonds maturing on August 9, 2017, bearing interest at 4.375% and with a par value of €507 million.

This transaction has enabled Wendel to continue reducing the average cost of its bond debt to 2.74% on average, vs. 4.3% as of the beginning of 2016. The average maturity of Wendel's debt as of August 25, 2017 was 4.6 years.

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[1] Pursuant to the governance agreements in effect with Saint-Gobain, Wendel has reduced its representation on the Board of Directors from three seats to one.

[2] Percentage ownership before co-investment by Tsebo's managers of approximately 2.5% of share capital.

[3] EUR/ZAR = 14.4955 as of January 31, 2017.

[4] After taking currency hedging into account.

In addition, during the summer of 2017, Wendel obtained agreement from its banks to increase the size of its syndicated credit to €750 million and to extend the maturity date by two years, subject to their approval. As of the date the financial statements were finalized, the legal documentation for this agreement had not yet been signed. This undrawn line of credit can ensure the payment, if necessary, of the nearest maturities, while giving Wendel sufficient flexibility to take advantage of investment opportunities.

During H1 2017, Wendel also canceled the undrawn, €500 million bank line of credit with margin calls that would otherwise have matured in March 2020.

Agenda

11/30/2017

2017 Investor Day / Publication of NAV and trading update (pre-market release).

03/22/2018

2017 Full-Year Earnings/ Publication of NAV (pre-market release)

05/17/2018

2018 Shareholders' Meeting / Publication of NAV and trading update (before Shareholders' Meeting)

09/06/2018

H1 2018 earnings / Publication of NAV (pre-market release).

11/29/2018

2018 Investor Day / Publication of NAV and trading update (pre-market release).

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Appendix 1: NAV at August 25, 2017: €165.8 per share

(in millions of euros)			08/25/2017
Listed equity investments	Number of shares	Share price (1)	**4,162**
Bureau Veritas	177.2 million	€19.7	3,497
Saint-Gobain	14.2 million	€46.9	664
Unlisted investments and Oranje-Nassau Développement (2)			4,535
Other assets and liabilities of Wendel and holding companies (3)			146
Cash and marketable securities (4)			1,863
Gross asset value			**10,706**
Wendel bond debt and accrued interest			-2,882
Net Asset Value			**7,824**
Of which net debt			*-1,019*
Number of shares			*47,195,153*
Net Asset Value per share			**€165.8**
Average of 20 most recent Wendel share prices			€129.8
Premium (discount) on NAV			**-21.7%**

(1) Average of 20 most recent closing prices calculated as of August 25, 2017.

(2) Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles, Allied Universal) and Oranje-Nassau Développement (NOP, Saham, Mecatherm, exceet, CSP Technologies, SGI Africa, Tsebo and indirect investments and debt). IHS's valuation is calculated solely on the basis of EBITDA so as to take into account the fast-growing nature of IHS's business. The Sanlam/Saham transaction was finalized on May 10, 2017 and has been included in the NAV calculation since May 5, 2017. The sale of Constantia Flexibles' Labels division to MCC was taken into account in the August 25 NAV calculation.

(3) Includes 1,495,057 Wendel shares held in treasury as of August 25, 2017.

(4) Cash and marketable securities of Wendel and holding companies as of August 25, 2017, composed of €1,508 million in available cash and €354 million in liquid financial investments.

Assets and liabilities denominated in currencies other than the euro have been converted at exchange rates prevailing on the date of the NAV calculation.

If co-investment conditions are realized, there could be a dilutive effect on Wendel’s percentage ownership. These items have been taken into account in the calculation of NAV. See page 259 of the 2016 Registration Document

Appendix 2: Conversion from accounting presentation to economic presentation

(in millions of euros)	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	OND	Equity-method investments			Holdings	Total
						Saint-Gobain	IHS	Allied Universal		
Net income from operations										
Net sales	**2,360.1**	**734.3**	**382.6**	**354.3**	**337.1**				-	**4,168.4**
EBITDA(1)	**n.a.**	**90.5**	**30.7**	**87.4**	**n.a.**					
Adjusted operating income(1)	**359.4**	**52.1**	**17.4**	**79.5**	**31.5**			**-0.1**		
Other recurring operating items	-	-1.0	-0.9	-4.2	11.1			-		
Operating income	**359.4**	**51.1**	**16.5**	**75.3**	**29.6**			**-0.1**	**-32.3**	**499.5**
Finance costs, net	-46.6	-35.5	-9.5	-12.2	-14.0			-	-84.1	**-202.1**
Other financial income and expense	-14.0	-0.9	-0.3	-4.8	-1.4			0.0	17.8(2)	**-3.5**
Tax expense	-101.5	-10.2	1.2	-15.8	-8.7			0.6	-3.5	**-137.9**
Share in net income of equity-method investments	0.5	-0.1	-	-	0.8	40.7	2.7	5.3	-	**50.0**
Net income from discontinued operations and operations held for sale	0.0	31.1	-	-	-	-	-	-	-	**31.1**
Recurring net income from operations	**197.8**	**35.4**	**7.9**	**42.6**	***6.4***	**40.7**	**2.7**	**5.7**	**-102.1**	**237.1**
Recurring net income from operations – non-controlling interests	120.8	17.2	0.6	10.9	1.8	-	0.0	0.0	-	**151.4**
Recurring net income from operations – Group share	**77.0**	**18.2**	**7.3**	**31.6**	**4.6**	**40.7**	**2.7**	**5.7**	**-102.1**	**85,7**
Non-recurring net income										
Operating income	-73.2	-37.0	-6.9	-13.8	-42.9	-	-	-	-0.1	**-173.8**
Net financial income (expense)	-	-1.7	-37.2	36.0	-0.8	-	-	-	11.8	**8.1**
Tax expense	21.5	6.0	2.0	-5.5	2.1	-		-		**26.1**
Share in net income of equity-method investments	-	-	-	-	-3.9	-4.7	-10.3(4)	-27.1	84.1(5)	**38.1**
Net income from discontinued operations and operations held for sale	-5.7	-4.0	-	-	-	-	-	-	-	**-9.7**
Non-recurring net income	**-57.4**	**-36.7**	**-42.0**	**16.7**	**-45.5**	**-4.7**	**-10.3**	**-27.1**	**95.8**	**-111.2**
of which:										
– Non-recurring items	-27.9	-14.1	-41.7	22.6	-15.9	-4.7	-4.2	-7.4	95.8	2.5
- Impact of goodwill allocation	-29.5	-22.6	-0.3	-5.9	-8.7	-	-	-19.7	-	-86.8
- Asset impairment	-	-	-	-	-20,9(3)	-	-6.0	-	-	-26.9
Non-recurring net income, non-controlling interests	-33.9	-14.5	-4.1	4.4	-8.8	-	0.1	-0.1	0.1	**-56.8**
Non-recurring net income – Group share	**-23.6**	**-22.2**	**-37.8**	**12.3**	**-36.7**	**-4.7**	**-10.4**	**-27.0**	**95.7**	**-54.4**
Consolidated net income	**140.4**	**-1.3**	**-34.1**	**59.3**	**-39.0**	**36.0**	**-7.6**	**-21.4**	**-6.3**	**125.8**
Consolidated net income, non-controlling interests	86.9	2.7	-3.5	15.3	-6.9	-	0.1	-0.1	0.1	**94.6**
Consolidated net income – Group share	**53.5**	**-4.0**	**-30.6**	**44.0**	**-32.1**	**36.0**	**-7.7**	**-21.3**	**-6.5**	**31.3**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This €17.8 million amount corresponds to dividends received from Saint-Gobain after the date of deconsolidation.
(3) This line item includes €17.8 million in asset impairment on Mecatherm.
(4) This line item includes €-31.7 million in dilution losses on IHS.
(5) This €-84.1 million amount is related to the sale of Saint-Gobain shares.