

PROSPECTUS



W E N D E L
I N V E S T I S S E M E N T

(incorporated as a société anonyme in France)

€300,000,000 4.375 per cent. Bonds due 2017

Issue price: 99.551 per cent.

The €300,000,000 4.375 per cent. Bonds due 2017 (the "**Bonds**") are issued outside France by Wendel Investissement (the "**Issuer**").

The Issuer may, at its option, and in certain circumstances shall, redeem all, but not some only, of the Bonds at any time at par plus accrued interest in the event of certain tax changes as described under "*Conditions of the Bonds - Redemption and Purchase*". Unless previously redeemed or cancelled, the Bonds will be redeemed at their principal amount on 9 August 2017.

PARTICULAR ATTENTION IS DRAWN TO THE SECTION HEADED "*RISK FACTORS*" BELOW.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") for approval of this Prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with respect to the issue of the Bonds.

Application has been made to admit the Bonds to listing and to trading on the regulated market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange is a regulated market for the purposes of the Investment Services Directive 93/22/EC.

The Bonds will be rated BBB+ by Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Bonds will be in bearer form and in the denomination of €50,000 each. The Bonds will initially be represented on issue by a temporary global bond (the "**Temporary Global Bond**"), without interest coupons, which will be deposited on or about 9 August 2005 (the "**Closing Date**") with a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System, ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Interests in the Temporary Global Bond will be exchangeable for interests in a permanent global bond (the "**Permanent Global Bond**" and, together with the Temporary Global Bond, the "**Global Bonds**"), without interest coupons, on or after 19 September 2005, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for Bonds in definitive form in the denomination of €50,000 with interest coupons attached only in certain limited circumstances - see "*Summary of Provisions relating to the Bonds while represented by the Global Bonds*".

ABN AMRO
LEHMAN BROTHERS

CALYON CORPORATE & INVESTMENT BANK
SG CORPORATE & INVESTMENT BANKING

The date of this Prospectus is 5 August 2005

Responsibility Statement

The Issuer accepts responsibility for the information contained in this Prospectus and to the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

No person is or has been authorised to give any information or to make any representations other than those contained in this document in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Managers (as defined under "Subscription and Sale" below).

Neither the delivery of this document nor any offering or sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the Group (as defined in Condition 9) since the date hereof.

This document does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or the Managers to subscribe for, or purchase, any of the Bonds. This document does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Managers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers or any of them as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Bonds or their distribution.

Neither this Prospectus nor any other information supplied in connection with the Bonds or their distribution is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any other information supplied in connection with the Bonds or their distribution should purchase any of the Bonds. Each investor contemplating purchasing Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer or the Group.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Bonds and on distribution of this document, see "Subscription and Sale" below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must

inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in jurisdictions including, without limitation, the European Economic Area, France, The Netherlands, the United Kingdom and the United States, see "Subscription and Sale" below.

This Prospectus may not be used for any purposes other than those for which it has been published.

All references in this document to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

Stabilisation

In connection with the issue of the Bonds, Société Générale (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over-allot Bonds (provided that the aggregate principal amount of Bonds allotted does not exceed 105 per cent. of the aggregate principal amount of the Bonds) or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds.

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RISK FACTORS

Prior to making an investment decision, prospective purchasers of the Bonds should consider carefully, in the light of the circumstances and their investment objectives, the information contained in this entire Prospectus. Prospective purchasers should nevertheless consider, among other things, the risk factors set out below.

Risks relating to the Issuer

Equity risk

Annualised internal rate of return	Revalued net assets	CAC 40
August to December 2002	-14%	-21%
January to December 2003	21%	13%
January 2004 to March 2005	42%	15%

The Issuer's assets are equity interests in unlisted companies and, to a lesser extent, in listed companies. Active management of this portfolio involves regular, in-depth monitoring of the operating and financial performance of each subsidiary and associated company. As regards unlisted companies, management performance is monitored on a monthly basis and is then analysed with the company's management. At regular intervals, this is complemented by a forward-looking analysis rendered possible by genuine sector-based expertise acquired by sharing information with the company in question. This regular review makes it possible to analyse and anticipate developments in each subsidiary and associated company and to take appropriate decisions.

This company-specific approach is completed by a general analysis of risk allocation between the different sectors of the economy in order to take advantage of appropriate asset diversification from the point of view of both the sector and resistance to the economic environment. This diversification also ensures a proper balance between growth stocks and yield stocks.

The value of listed and unlisted assets is linked to the performance of the stock markets. Therefore, and as explained above, the method chosen to value shares in unlisted companies is based on multiples for comparable listed companies. As for shares in listed companies, these are marked to market.

An indication of the stock market risk is provided by the table above, which compares the changes in the re-valued net assets of the Issuer from August 2002 to March 2005 with the performance achieved by the CAC 40 index over the same period. This comparison is based on the annualised internal rate of return and supposes that dividends are reinvested.

Liquidity risk

The analysis of the liquidity risk below covers all the debt of WENDEL Investissement and the main subsidiaries consolidated under the full method. This debt, which amounted to 2,890 million euros, represents 95 per cent. of the gross debt as reported on the consolidated balance sheet as at 31 December 2004.

(in thousands of euros)										Analysis of debt by residual maturity			Analysis of commitments by residual maturity		
Total amount	Amount not used	Amount used	Currency	Maturity	Repayments	Interest rate	Within 1 year	From 1 to 5 years	Over 5 years	Within 1 year	From 1 to 5 years	Over 5 years			
WENDEL Investissement															
Capgemini exchangeable bonds	-	-	279,020	EUR	June 2009	Bullet	Fixed	2.000%		279,020					
Valeo exchangeable bonds			369,606	EUR	May 2005	Bullet	Fixed	3.750%	369,606						
WENDEL Investissement bonds			600,000	EUR	February 2011	Bullet	Fixed	5.000%			600,000				
WENDEL Investissement bonds			400,000	EUR	November 2014	Bullet	Fixed	4.875%			400,000				
Bank loan	350,000	350,000	-	-	August 2008	Revolver	Variable	Euribor + spread				350,000			
Other loans and accrued interest			40,734	EUR	2005				40,734						
			1,689,360						410,340	279,020	1,000,000	-			
											350,000	-			
WINVEST 5															
Bank loan (1)	350,000	-	350,000	EUR	June 2006	Revolver	Variable	Euribor + spread		350,000					
Bank loan (1)	50,000	33,675	16,325	EUR	June 2006	Revolver	Variable	Euribor + spread	54	16,271		33,675			
			366,325						54	366,271	-	-			
											33,675	-			
BUREAU VERITAS GROUP															
Bank loan (1)	300,000	269,400	30,600	EUR	December 2009	Instalment	Variable	Euribor + spread		30,600	29,933	239,467			
Bank loan (1)			302,474	USD	December 2011	Bullet	Variable	Libor + spread				302,474			
Bank loan (1)	400,000	87,526	10,000	EUR	December 2011	Bullet	Variable	Euribor + spread			10,000				
Bank loan (1)	250,000	229,576	20,424	GBP	December 2009	Revolver	Variable	Libor + spread		20,424					
Other loans and accrued interest			21,380	EUR	2005		Variable	Euribor + spread	21,380						
			384,878						21,380	51,024	312,474	29,933			
											239,467	87,526			
EDITIS GROUP															
High yield bonds	-	-	150,000	EUR	October 2014	Bullet	Fixed	8.375%			150,000				
Bank loan	93,282	-	93,282	EUR	September 2011	Instalment	Variable	Euribor + spread	9,100	51,257	32,925				
Bank loan	83,860	-	83,860	EUR	September 2012	Bullet	Variable	Euribor + spread			83,860				
Bank loan	83,860	-	83,860	EUR	September 2013	Bullet	Variable	Euribor + spread			83,860				
Bank loan	100,000	69,640	30,360	EUR	September 2011	Revolver	Variable	Euribor + spread	30,360			69,640			
Bank loan	40,000	40,000	-	-	September 2011	Instalment	Variable	Euribor + spread				28,000			
Bank overdraft	6,000		5,285	EUR	2005		Variable	Euribor + spread	5,285			12,000			
Other loans and accrued interest			2,902	EUR	2005				2,902						
			449,549						47,647	51,257	350,645	-			
											28,000	81,640			
Total			2,890,112						479,421	747,572	1,663,119	29,933			
											651,142	169,166			

(1) Global drawing rights limited to 950 million euros

Interest rate hedges	Nominal	Currency	Maturity	Interest received/paid
WENDEL Investissement				
WENDEL Investissement bonds	95,675	EUR	February 2011	3.885% / 3-month Euribor
WENDEL Investissement bonds	400,000	EUR	February 2011	3.885% / 7-year CMS (floor of 3.43% and ceiling of 3.85%)
WENDEL Investissement bonds	100,000	EUR	February 2011	4.055% / 7-year CMS (floor of 3.32% and ceiling of 4.02%)
	595,675			
EDITIS GROUP				
Bank loan	65,250	EUR	September 2007	3-month Euribor / 2.925%
Bank loan	65,250	EUR	September 2007	3-month Euribor / Residual CMS -0.35% (floor of 2% and ceiling of 3.5%)
	130,500			

Financial covenants

Bank loans of the Issuer (not used as at 31 December 2004) and of Winvest 5

These loans require compliance with financial covenants based principally on the market value of the Issuer's assets and the amount of the net debt. For the purpose of these covenants, net debt is calculated by reference to a consolidation scope limited to the financial holding companies, and therefore excludes the debt of the operating companies as well as the debt arranged at the level of the holdings acquired by the Group. This means therefore that the debt of the following groups has been excluded: Editis, Bureau Veritas (including Winvest 5), Legrand, Stallergènes, Oranje-Nassau and Wheelabrator Allevard. These covenants, which are controlled on a quarterly basis, are detailed below:

- (i) the net debt of the Issuer and its financial holding companies must not exceed 50 per cent. of the gross revalued assets after tax and excluding cash balances;
- (ii) the net debt of the Issuer and its financial holding companies must not exceed €1,700 million; and
- (iii) the unsecured gross debt of the Issuer and its financial holding companies must not exceed 50 per cent. of available gross revalued assets (namely assets that have not been pledged or sequestered) increased by the cash balances of the Issuer and its financial holding companies.

For details of the revalued gross assets of the Issuer refer to the section of the Annual Report dealing with revalued gross assets. Likewise, refer to the relevant section of the Annual Report for details of the net debt taken into account. Refer to the notes to the consolidated balance sheet for details of the cash balances of the Issuer and its financial holding companies (Note 8 to the 2004 Annual Report of the Issuer, page 76), of the gross debt (Note 11 to the 2004 Annual Report of the Issuer, pages 79-80), and of unavailable assets and secured loans (Note 15 to the 2004 Annual Report of the Issuer, page 84).

At 31 December 2004, all covenants were respected.

Bank loans of Bureau Veritas

These loans require compliance with the following financial covenants:

- (i) last twelve month ("LTM") earnings before interest, tax, depreciation and amortisation ("EBITDA") must represent no less than 5.5 times net interest expenses, this ratio being calculated on a 12-month sliding basis; and
- (ii) the consolidated net debt of Bureau Veritas must represent less than 3.65 times LTM EBITDA.

These ratios will be controlled on a half-yearly basis as from 30 June 2005.

The loan agreements entered into by Bureau Veritas contain the usual restrictions for this type of corporate loan. Certain transactions such as mergers, the disbanding of the tax group, asset disposals, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks and changes in shareholders are forbidden, restricted or require prior approval on the part of the lenders.

Bank loans of Editis

These loans require compliance with the following financial covenants:

- (i) the consolidated net debt of Editis must represent less than 5.7 times LTM EBITDA;
- (ii) the cash flow after capital expenditure must represent more than one time debt servicing (i.e. interest on the debt, plus capital repayments), this ratio being calculated on a 12-month sliding basis;
- (iii) LTM EBITDA must represent no less than two times net interest expenses, this ratio being calculated on a 12-month sliding basis;
- (iv) the consolidated net debt of Editis (excluding high yield bonds) must represent less than 3.7 times LTM EBITDA; and
- (v) capital expenditure must not exceed €40.4 million.

These ratios are controlled quarterly. At 31 December 2004, all covenants were respected.

The loan agreement entered into by Editis contains habitual restrictions for this type of LBO credit. Certain transactions such as mergers, the disbanding of the tax group, asset disposals, guarantees given, acquisitions, additional debt, payment of dividends, share buybacks, changes in shareholders are forbidden, restricted or require prior approval on the part of the lenders.

Interest rate risk

	Total	Bearing variable interest rates
Financial liabilities	3,048,945	1,174,835
Interest rate instruments	-	(34,825)
Financial assets	(1,058,881)	(963,662)
Net amount at 31 December 2004	1,990,064	176,348

The above analysis of financial assets and liabilities shows a structure comprised mainly of items bearing fixed interest rates. For those items bearing variable interest rates, these rates are generally set for a period of less than 12 months.

Based on the consolidated accounts at 31 December 2004, a one per cent. increase in these variable interest rates would have a negative impact of around €2 million on the consolidated profit before tax.

Foreign exchange risk

Companies controlled by the Issuer, particularly Bureau Veritas, Oranje-Nassau and Wheelabrator Allevard, carry on their activities in different countries and, therefore, own assets in these countries and generate part of their earnings in currencies other than the euro. Most of the foreign exchange risk is concentrated at the oil activities of Oranje-Nassau and at Bureau Veritas.

Oranje-Nassau

As part of its oil activities, Oranje-Nassau has assets and liabilities denominated in US Dollars and generates a substantial part of its earnings in this currency. The effects of fluctuations in exchange rates on the consolidated profit and loss account of the Issuer are felt at two levels.

Based on output in 2004 (7.8 million barrels oil equivalent) and the average sale price (30.6 US Dollars per barrel), a five per cent. change in the euro's exchange rate against the US Dollar would have resulted in a variance of around €10 million in sales and a variance of around €3 million in the net profit generated by this activity.

In addition, changes in the value of the company's US Dollar denominated assets and liabilities resulting from changes in the euro-US Dollar exchange rate are dealt with as financial items in the consolidated profit and loss account. In this respect, the Issuer recorded a foreign exchange loss of €5.9 million in 2004. More generally, a five per cent. fluctuation in this exchange rate has an impact of around €4 million.

Bureau Veritas

As Bureau Veritas is present in many countries throughout the world, most of its operations are conducted in currencies other than the euro. The Issuer estimates that around 50 per cent. of the cash flow is denominated in US Dollars or in currencies that are highly correlated to this currency. On this basis, a five per cent. fluctuation in the euro/US Dollar exchange rate would have an impact of around €8 million on the operating profit. However, this exposure is offset by debt of around USD 410 million carried by Bureau Veritas.

Wheelabrator Allevard

Given the organisation adopted by the Wheelabrator Allevard group, most of the companies carry out their business mainly in their local currency. Since the Group's export markets are also export markets for most of its competitors, the risk of erosion in competitiveness resulting from exchange rate fluctuations is slight. At operating profit level, the currency risk is limited mainly to the effect of translating the local currency accounts into euros. It is estimated that a five per cent. change in the euro/US Dollar exchange rate would not have a significant impact on the assets and financial situation of the Issuer.

Wendel Investissement

To reduce its exposure to fluctuations in the euro/US Dollar exchange rate, the Issuer has entered into various contracts for the forward sale of US Dollars. In 2004, these contracts generated a foreign exchange gain of €11 million. A five per cent. change in the euro's exchange rate against the US Dollar would result in a foreign exchange gain or loss of around €8 million on the basis of open positions at as 31 December 2004 (see Note 14 to the 2004 Annual Report of the Issuer, page 83).

Legal risk and litigation

Particular regulations applicable to the Group and dependence

Given the diverse activities carried on by the Issuer and the subsidiaries it controls, and their geographical location, there is no specific regulation capable of being applied uniformly. The Group is not directly subject to any particular regulation that might affect the normal conduct of its business. To

the Issuer's knowledge, there is no imminent change in laws or regulations or development in case law that could have a significant impact on the Group's activities.

Each company ensures that it complies with the requirements specific to its activity. For the conduct of its business, Bureau Veritas benefits from numerous authorisations, recognitions and accreditations from governments and international organisations, that are renewed periodically. To the Issuer's knowledge, there is no problem relating to the renewal of any of these that might have a significant impact on the activities of Bureau Veritas. In connection with its book publishing and distribution activities, Editis is subject to regulations relating to the application of uniform sales prices, and to the applicable label, copyright, and privacy legislation.

The Issuer and the subsidiaries it controls are not dependent on any patent or licences, or on any industrial, commercial or financial supply agreement. To the best of the Issuer's knowledge, no company in the Group has entered into any agreement of this type that would have a significant impact on its activity should it expire or be terminated.

Litigation

In the normal course of business, the Issuer and the companies it controls are involved in legal proceedings and are regularly subject to tax, labour or administrative inspections.

A provision is set aside every time a risk is determined and the cost associated with this risk can be estimated. The methods for determining provisions and for accounting for liabilities comply with applicable accounting standards. Provisions set aside represent the best estimate of the financial consequences for the Group of ongoing litigation based on available information.

Provisions for disputes on the consolidated balance sheet amounted to €85.4 million, of which €62.2 million is attributable to Bureau Veritas. In the normal course of business, Bureau Veritas is party to more than 4,000 disputes and legal proceedings intended to bring into play its professional liability. Editis is party to a number of disputes in the normal course of its business, mainly labour and copyright disputes.

At the present time, the main legal matter concerns the discovery of pollution at a site located near Rouen, possibly caused by the steelmaking activities of Hauts Fourneaux de Rouen ("**HFR**"), a company that was in operation until 1967. The Prefect of Seine Maritime, alleging a business connection between HFR and Sofiservice (a Group subsidiary), issued a prefectural decree in 1998, ordering Sofiservice to conduct an environmental study and rehabilitate the site. This decree was overturned by order of the Administrative Court, but this decision was itself overturned by the Administrative Court of Appeal in October 2002, which ordered that an environmental study be undertaken. The appeal lodged by Sofiservice was rejected by decision of the Council of State (*Conseil d'Etat*), which is France's highest administrative jurisdiction, on 10 January 2005. Provisions set aside were maintained at 31 December 2004 on the basis of the environmental study performed pursuant to the ruling issued by the Court of Appeal.

Other than the foregoing, the Issuer has no knowledge of any dispute, ruling or legal proceeding that may substantially affect or has recently had a substantial impact on the financial situation, results and activity of the Issuer and the subsidiaries it controls.

Insurance

As part of its risk management policy, the Issuer has taken out policies with leading insurance companies.

In particular, these policies cover the following risks:

- (i) damage to property (buildings and/or tenant's liability risk) and contents (approximately €11 million in coverage), especially physical damage to property;
- (ii) third-party operating liability (approximately €7 million in coverage), especially bodily harm, material damages and consequential damage incurred by third parties;
- (iii) motor fleet and travel insurance covering company employees; and
- (iv) liability insurance for company directors and officers. This policy covers the Issuer's directors and officers, its representatives on the boards of subsidiary and associated companies, and persons considered directors or officers in fact or in law, who might be held responsible for a professional error in connection with their management, supervision or administration.

Moreover, every company controlled by the Group directly manages its own insurance policy and has risk coverage that is perfectly adapted to its specific needs.

Risks relating to the Bonds

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of France or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Bonds in accordance with the Conditions.

Because the global bonds are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Bonds will be represented by the global bonds except in certain limited circumstances described in the Permanent Global Bond. The global bonds will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Permanent Global Bond, investors will not be entitled to receive Bonds in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the global bonds. While the Bonds are represented by the global bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a global bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the global bonds.

Credit Rating

The Bonds have been assigned a rating of "BBB+" by Standard & Poor's. The ratings assigned to the Bonds by the rating agencies are based on the Issuer's financial situation, but take into account other relevant structural features of the transaction, including, *inter alia*, the terms of the Bonds, and reflect only the views of the rating agencies. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this paragraph, and other factors that may affect the value of the Bonds. The ratings address the likelihood of full and timely payment to the Bondholders of all payments of interest on each interest payment date and repayment of principal on the final payment date. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the rating agencies as a result of changes in or unavailability of information or if, in the rating agencies' judgement, circumstances so warrant. A credit rating and/or a corporate rating is not a recommendation to buy, sell or hold securities. Any adverse change in an applicable credit rating could adversely affect the trading price for the Bonds.

Modification

The conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

Change of law

The conditions of the Bonds are based on the laws of England in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

INCORPORATION BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the competent authority in Luxembourg are incorporated by reference in this Prospectus, copies of which are available free of charge at the specified offices of the Paying Agent and the Issuer:

the annual reports of Wendel Investissement for the 2003 and 2004 financial years which contain, respectively, the audited consolidated annual financial statements of Wendel Investissement as at, and for the years ended, 31 December 2003 and 2004.

Document references

Wendel Investissement audited annual consolidated financial statements for the financial year ended 31 December 2003	Annual Report 2003, pages 49-91
Balance Sheet relating to the above	Annual Report 2003, pages 54 and 55
Profit and Loss Accounts relating to the above	Annual Report 2003, page 56
Notes relating to the above	Annual Report 2003, pages 59-91
Accounting principles relating to the above	Annual Report 2003, page 59
Audit Report relating to the above	Annual Report 2003, page 92
Wendel Investissement audited annual consolidated financial statements for the financial year ended 31 December 2004	Annual Report 2004, pages 53-100
Balance Sheet relating to the above	Annual Report 2004, pages 58 and 59
Profit and Loss Accounts relating to the above	Annual Report 2004, page 60
Notes relating to the above	Annual Report 2004, pages 63-100
Accounting principles relating to the above	Annual Report 2004, page 63
Audit Report relating to the above	Annual Report 2004, page 101
Wendel Investissement subsidiaries included in its consolidated group as at 31 December 2004	Annual Report 2004, pages 95-100
Statement by the statutory auditors on the 2004 Annual Report	Annual Report, page 187

CONDITIONS OF THE BONDS

The 4.375 per cent. Bonds due 2017 (the "**Bonds**" which expression shall in these terms and conditions (the "**Terms and Conditions**" or the "**Conditions**"), unless the context otherwise requires, include any further bonds issued pursuant to Condition 13 and forming a single series with the Bonds) of Wendel Investissement, a French *société anonyme* registered under the number RCS 572 174 035 (the "**Issuer**") are issued in an aggregate principal amount of €300,000,000 on 9 August 2005. The Bonds are issued outside France subject to and with the benefit of an Agency Agreement dated 9 August 2005 (such agreement as amended, supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer and Société Générale Bank & Trust as fiscal agent and paying agent (the "**Fiscal Agent**" and, together with any other paying agents appointed from time to time, the "**Paying Agents**" which term shall include successors).

The Bonds were issued pursuant to a resolution of the Supervisory Board of the Issuer adopted on 12 July 2005, a resolution of the Executive Board of the Issuer dated 20 July 2005 and a decision of the Chairman (*Président du Directoire*) of the Issuer dated 5 August 2005.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours upon prior request by the holders of the Bonds (the "**Bondholders**") and the holders of interests in the coupons appertaining to the Bonds (the "**Couponholders**" and the "**Coupons**" respectively) at the specified office of each of the Paying Agents. The Bondholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

(1) Form and Denomination

The Bonds are in bearer form, and, in the case of definitive Bonds, shall be serially numbered, in the denomination of €50,000 each with Coupons attached on issue. The holder of each Coupon, whether or not such Coupon is attached to a Bond, shall be subject to and bound by all the provisions contained in such Bond.

(2) Title

Title to the Bonds and to the Coupons will pass by delivery.

(3) Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Bond or Coupon as the absolute owner for all purposes (whether or not the Bond or Coupon shall be overdue and notwithstanding any notice of ownership, trust or interest in it or writing on the Bond or Coupon or any notice of previous loss or theft of the Bond or Coupon) and no person shall be liable for so treating the holder.

2. STATUS OF THE BONDS

The Bonds and the Coupons are direct, unconditional and (subject to the provisions of Condition 3) unsecured and unsubordinated obligations of the Issuer and (subject to the

provisions of Condition 3) rank and will rank *pari passu*, without any preference among themselves (subject to such exceptions as are from time to time mandatory under French law) with all other outstanding, unsecured and unsubordinated obligations, present and future, of the Issuer.

3. NEGATIVE PLEDGE

(1) Negative Pledge

So long as any of the Bonds remains outstanding (as defined in the Agency Agreement), the Issuer will not, and will ensure that no Principal Subsidiary (as defined below) shall, create or permit to subsist any mortgage, charge, lien, pledge or other security interest (*sûreté réelle*) upon the whole or any part of the Issuer's or such Principal Subsidiary's present or future undertaking, business, assets or revenues to secure any Relevant Indebtedness (as defined below), unless at the same time or prior thereto the Issuer's obligations under the Bonds and the Coupons either (a) are equally and rateably secured by such mortgage, charge, lien, pledge or security interest (*sûreté réelle*) or (b) have the benefit of such other security, guarantee or indemnity or other arrangement as shall be approved by a simple majority in an ordinary resolution of the general assembly of the Bondholders provided that the quorum at any meeting for passing such resolution will be one or more persons present holding or representing more than 25 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Bonds held or represented by him or them. For the avoidance of doubt, any escrow arrangement is not a security interest (*sûreté réelle*) and does not fall within the scope of this negative pledge provision.

(2) Interpretation

For the purposes of these Conditions:

- (a) **"Relevant Indebtedness"** means (i) any present or future indebtedness for borrowed money for, or in respect of, or represented by any notes (excluding, for the avoidance of doubt, notes constituting promissory notes and bills of exchange issued in the ordinary course of trade), bonds (*obligations*), debentures, debenture stock, loan stock or other securities (including *titres de créances négociables*) which are for the time being, or are likely to be or capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity or other like obligation granted in respect of any such indebtedness; and
- (b) **"Principal Subsidiary"** shall have the meaning given to it in Condition 9.

4. INTEREST

(1) Interest Payment Dates

The Bonds bear interest from and including 9 August 2005 (the **"Interest Commencement Date"**) at the rate of 4.375 per cent. per annum, payable annually in arrear on 9 August in each year (each, an **"Interest Payment Date"**). The first payment representing a full year's interest shall be made on 9 August 2006.

(2) **Interest Accrual**

Each Bond will cease to bear interest from and including the due date for redemption unless, upon due presentation, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of the payment. In such event, interest will continue to accrue at such rate (both before and after judgment, as the case may be) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Bond up to that date have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Bonds has been received by the Fiscal Agent and notice to that effect has been given to the Bondholders in accordance with Condition 11.

(3) **Calculation of Broken Interest**

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "**Accrual Date**") to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

5. PAYMENTS

(1) **Payments in respect of Bonds**

Payments of principal and interest in respect of each Bond will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Bond, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agent(s).

(2) **Method of Payment**

Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque.

(3) **Missing Unmatured Coupons**

Each Bond should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7(3)) in respect of the relevant Bond (whether or not the Coupon would otherwise have become void pursuant to Condition 8).

(4) **Payments subject to Applicable Laws**

Payments in respect of principal and interest on Bonds are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7.

(5) **Payment only on a Presentation Date**

A holder shall be entitled to present a Bond or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date.

Presentation Date means a day which (subject to Condition 8):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Bond or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a euro account as referred to above, is a TARGET Settlement Day.

In this Condition:

Business Day means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; and

TARGET Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

(6) **Initial Paying Agent**

The name of the initial Paying Agent and its initial specified office is set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of a Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain:

- (a) a Fiscal Agent;
- (b) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law (of a country whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; and
- (c) so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, a Paying Agent having its specified office in Luxembourg.

Notice of any termination or appointment and of any changes in specified offices shall be given to the Bondholders promptly by or on behalf of the Issuer in accordance with Condition 11.

6. REDEMPTION AND PURCHASE

(1) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Bonds at their principal amount on 9 August 2017.

(2) Redemption for Taxation Reasons

(a) If, as a result of any change in, or amendment to, the laws or regulations of the Republic of France or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after 9 August 2005, the Issuer would, on the next Interest Payment Date, be required to pay Additional Amounts (as defined, and as provided or referred to in Condition 7(2)), and the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, at any time, having given not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all the Bonds, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that the due date for the redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds or, if such date is past, as soon as practicable thereafter.

(b) Prior to the publication of any notice of redemption pursuant to paragraph (a) above, the Issuer shall deliver to the Fiscal Agent a certificate signed by the Chairman (*Président du Directoire*) of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of the change or amendment.

(3) Special Tax Redemption

If the Issuer would on the next Interest Payment Date be prohibited by any law or regulation of the Republic of France from making the payment of the Additional Amounts as provided or referred to in Condition 7(2), the Issuer shall, in lieu of making any such payments, at any time, having given not less than 7 nor more than 45 days' notice to the Bondholders in accordance with Condition 11, redeem all outstanding Bonds at their principal amount, together with accrued interest to the date fixed for redemption, provided that the due date for the redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Bonds or, if such date is past, as soon as practicable thereafter.

(4) Purchases

The Issuer, or any of its Subsidiaries (as defined in Condition 9), may at any time purchase Bonds (provided that all unmatured Coupons appertaining to the Bonds are purchased with the Bonds) for cash consideration or otherwise (including, without limitation, by means of exchange) in the open market or otherwise, at any price and on any conditions, subject to

compliance with any applicable laws. If purchases are made by tender, tenders must be available to all Bondholders alike.

(5) **Cancellations**

All Bonds which are (a) redeemed or (b) purchased by or on behalf of the Issuer will forthwith be cancelled, together with all relative unmatured Coupons attached to the Bonds and accordingly may not be reissued or resold.

(6) **Notices Final**

Upon the expiry of any notice as is referred to in paragraph (2) or (3) above, the Issuer shall be bound to redeem the Bonds to which the notice refers in accordance with the terms of any such paragraph.

7. **TAXATION**

(1) **Payment without Withholding**

The Bonds will be issued outside France for the purposes of Article 131 *quater* of the *Code général des impôts* (French general tax code) and, therefore, interest and other revenues in respect of the Bonds and Coupons will benefit from the exemption provided for in such Article from deduction of tax at source. Accordingly, such payments do not give the right to any tax credit from any French source.

(2) **Additional Amounts**

If French law should require that any payments of principal and/or interest in respect of the Bonds and/or Coupons by the Issuer be subject to withholding or deduction for or on account of any present or future taxes, duties or assessments of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Republic of France or any political sub-division or any authority thereof or therein having power to tax, the Issuer shall, to the fullest extent permitted by French law, pay such additional amounts ("**Additional Amounts**") as shall be necessary in order that the net amounts received by the holders of the Bonds or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Bonds or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Bond or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable for such Taxes in respect of such Bond or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Bond or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an Additional Amount on presenting the same for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 5(5)); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law (of a country whether in or outside the European Union) implementing or complying with, or introduced in order to conform to, such Directive; or

- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

(3) **Interpretation**

- (a) In these Conditions "**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Bondholders by the Issuer in accordance with Condition 11.
- (b) Any reference in these Conditions to any amounts in respect of the Bonds shall be deemed also to refer to any Additional Amounts which may be payable under this Condition.

8. PRESCRIPTION

Bonds and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Bonds or, as the case may be, the Coupons, subject to the provisions of Condition 5.

9. EVENTS OF DEFAULT

The holder or holders of at least 10 per cent. of the principal amount then outstanding of the Bonds may give notice to the Fiscal Agent at its specified office that the Bonds of such holders are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with interest accrued to the date of repayment, if any of the following events (each such event, an "**Event of Default**") shall have occurred and be continuing:

- (i) if default is made in the payment when due of any amount due in respect of the Bonds, and such default shall not have been remedied within 7 days thereafter; or
- (ii) if default is made in the performance of, or compliance with, any obligation of the Issuer in respect of the Bonds other than as referred to in paragraph (i), and (except in any case where the failure is incapable of remedy when no continuation as mentioned before or notice as is hereinafter mentioned will be required) such default shall not have been remedied within 30 calendar days after receipt by the Issuer of written notice of such default given by the Fiscal Agent (following the service at its specified office of a notice by any Bondholder); or
- (iii) any other present or future indebtedness of the Issuer for or in respect of borrowed money (i) becomes due and payable (*exigible*) prior to its stated maturity by reason of the occurrence of a default, event of default or other similar condition or event (however described) with equivalent effect or (ii) is not repaid on or before its due date or within any applicable grace period or (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any borrowed money, provided that in each case the aggregate amount of the relevant indebtedness, guarantees or indemnities in respect of which one or more of the

events mentioned above in this paragraph have occurred equals or exceeds €80,000,000 or its equivalent in any other currency unless such default is contested in good faith by the Issuer before a competent court or by other appropriate proceedings in which case such event shall not constitute an event of default under this paragraph (iii) so long as the dispute has not been finally adjudicated upon; or

- (iv) the Issuer makes any proposal for a general moratorium in relation to its debts; or applies for the appointment of a *mandataire ad hoc* or a conciliator (*conciliateur*) in each case in the context of insolvency concerns; or enters into an amicable settlement (*règlement amiable*) with its creditors pursuant to articles L.611-3 to L.611-6 of the French *Code de Commerce*; or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for the transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer; or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or is granted a moratorium of payments; or if the Issuer makes any conveyance, assignment or other arrangement for the benefit of, or enters into a composition with, all or a substantial number of its creditors with a view to a restructuring or rescheduling of its indebtedness; or
- (v) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (each a "**Reorganisation Event**") either (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) whereby the undertaking and assets of the Issuer are transferred to or otherwise vested in one or more companies within the Group, provided that in the case of (i) above, if the requisite majority for the passing of an Extraordinary Resolution of the Bondholders in respect of the proposed Reorganisation Event is not attained, no event of default shall occur under these Terms and Conditions if the Issuer either (a) makes any further or modified proposal in relation to the Reorganisation Event (including, without limitation, the provision of guarantees or other comfort) as is approved by an Extraordinary Resolution of the Bondholders and the Reorganisation Event is subsequently implemented in accordance with such proposal or (b) promptly notifies the Bondholders in accordance with Condition 11 of its intention to repay, and repays the Bonds in full at the earliest practicable date following the initial meeting of the Bondholders and in any case prior to the implementation of the proposed Reorganisation Event; or
- (vi) any security interest (*sûreté réelle*) such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person), unless the amount secured by any such security interest (*sûreté réelle*) which is the subject of the enforcement does not exceed in aggregate €80,000,000 (or its equivalent in any other currency or currencies), provided that such steps taken to enforce any such security interests shall not be discharged, withdrawn or stayed within 120 calendar days; or
- (vii) a distress, attachment, execution or other similar legal process is levied, enforced or sued out on or against all or material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 120 calendar days, unless the amount which is the subject of any such distress, attachment, execution or other similar legal

process does not exceed in aggregate €80,000,000 (or its equivalent in any other currency or currencies); or

- (viii) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) necessary to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds admissible in evidence in the courts of the Republic of France is not taken, fulfilled or done; or
- (ix) the Issuer makes any change to the general nature of its business, namely the management and holding of shares within a diversified portfolio of investments, from that carried on at the issue date of the Bonds, provided such change has (or is capable of having) a material adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds, or the Issuer ceases to be the Holding Company of the Group, unless any such change is approved by an Extraordinary Resolution of the Bondholders; or
- (x) it is or will become unlawful or illegal for the Issuer to perform or comply with any one or more of its material obligations under the Bonds.

For the purposes of these Conditions:

"Group" shall mean the Issuer and its Subsidiaries for the time being;

"Holding Company" shall mean, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

"Person" includes any individual, company, corporation, firm, partnership, joint-venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not having separate legal personality);

"Principal Subsidiary" shall mean, in relation to any Person or entity at any time, any other Person or entity (whether or not now existing) as defined in Article L.233-1 of the French *Code de commerce* (commercial code);

"Subsidiary" shall mean, in relation to any Person or entity at any time, any other Person or entity (whether or not now existing) controlled directly or indirectly by such Person or entity within the meaning of Article L.233-3 of the French *Code de commerce* (commercial code).

10. REPLACEMENT OF BONDS AND COUPONS

Should any Bond or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent acting as Replacement Agent (as defined in the Agency Agreement), upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition.

11. NOTICES

All notices to the Bondholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide and, so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in one daily newspaper published in Luxembourg. It is expected that publication will normally be made in Europe in the *Financial Times* and in Luxembourg in the *d'Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

12. MEETINGS OF BONDHOLDERS AND MODIFICATION

(1) Provisions for Meetings

The Agency Agreement contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 25 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Bonds held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 50 per cent., or at any adjourned meeting not less than 25 per cent., of the principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Bondholders will be binding on all Bondholders, whether or not they are present at the meeting, and on all Couponholders.

(2) Modification

The Fiscal Agent may agree, without the consent of the Bondholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which does not materially prejudice the interests of the Bondholders. Any modification shall be binding on the Bondholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 11.

13. FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further bonds, having terms and conditions the same as those of the Bonds, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Bonds.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

15. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(1) Governing Law

The Agency Agreement, the Bonds and the Coupons are governed by, and will be construed in accordance with English law.

(2) Jurisdiction

The Issuer irrevocably agrees for the benefit of the Bondholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection therewith may be brought in the courts of England.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(3) Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Fleetside Legal Representative Services Limited, 9 Cheapside, London EC2V 6AD (or at such other office for the time being as has been notified to the Bondholders in accordance with Condition 11) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person with an office in London as its agent for that purpose.

(4) Other Documents

The Issuer has in the Agency Agreement submitted to the jurisdiction of the English courts and appointed an agent in England for service of process, in terms substantially similar to those set out above.

OVERVIEW OF PROVISIONS RELATING TO THE BONDS WHILE REPRESENTED BY THE GLOBAL BONDS

*The following is an overview of the provisions to be contained in the Temporary Global Bond and the Permanent Global Bond (together the "**Global Bonds**") which will apply to, and in some cases modify, the Terms and Conditions of the Bonds while the Bonds are represented by the Global Bonds.*

1. **Exchange**

Interests in the Temporary Global Bond will be exchangeable for interests in the Permanent Global Bond on or after 19 September 2005, upon certification as to non-U.S. beneficial ownership.

The Permanent Global Bond will be exchangeable in whole but not in part (free of charge to the holder) for definitive Bonds only if any of the following events occurs (each an "**Exchange Event**"):

- (a) an Event of Default (as set out in Condition 9) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bonds in definitive form.

The Issuer will promptly give notice to Bondholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Bond, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Bond for definitive Bonds on or after the Exchange Date (as defined below).

On or after the Exchange Date, the holder of the Permanent Global Bond may or, in the case of (c) above, shall, surrender the Permanent Global Bond to, or to the order of, the Fiscal Agent. In exchange for the Permanent Global Bond the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Bond, the Issuer will procure that it is cancelled and the relevant definitive Bonds delivered to, or to the order of, the Fiscal Agent.

For these purposes, "**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. **Payments**

On and after 19 September 2005, no payment will be made on the Temporary Global Bond unless exchange for an interest in the Permanent Global Bond is improperly withheld or refused. Payments of principal and interest in respect of Bonds represented by a Global Bond will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of such Global Bond to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Bond by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Bonds. Payments of interest on the Temporary Global Bond (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. **Notices**

For so long as all of the Bonds are represented by a Global Bond and such Global Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 11, provided that, for so long as the Bonds are listed on the Luxembourg Stock Exchange, notice will also be given by publication in a daily newspaper published in Luxembourg (which is expected to be the *d'Wort* or the *Tageblatt*) if and to the extent that the rules of the Luxembourg Stock Exchange so require. Any such notice shall be deemed to have been given to the Bondholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. **Accountholders**

For so long as all of the Bonds are represented by a Global Bond and such Global Bond is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Bonds (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders and giving notices to the Issuer pursuant to Condition 9 other than with respect to the payment of principal and interest on the principal amount of such Bonds, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Bond in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Bond.

5. **Prescription**

Claims against the Issuer in respect of principal and interest on the Bonds represented by a Global Bond will be prescribed (in accordance with Condition 8) after 10 years (in the case of principal) and 5 years (in the case of interest) from the Relevant Date (as defined in Condition 7(3)).

6. **Cancellation**

Cancellation of any Bond represented by a Global Bond and required by the Terms and Conditions of the Bonds to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Bond on the relevant part of the schedule thereto.

7. **Euroclear and Clearstream, Luxembourg**

Bonds represented by a Global Bond are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Bonds and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Bonds are held.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds, amounting to approximately €297,603,000, will be applied by the Issuer for its general corporate purposes and/or to refinance its existing debt.

The total expenses relating to the admission to trading are estimated to be €9,645.

DESCRIPTION OF WENDEL INVESTISSEMENT

Information about the Issuer

The Issuer was registered and incorporated in France as a *société anonyme* on 4 December 1871 for a period of 99 years, subsequently extended to 1 July 2064. The Issuer is registered in the Paris Company Registrar (*Registre du Commerce et des Sociétés*) under number 572 174 035.

On the date the Reference Document was filed, the Issuer was a public limited company (*Société Anonyme*) incorporated under French law, with a Supervisory Board and an Executive Board and governed by the Commercial Code (*Code de Commerce*).

The registered office of the Issuer is 89, rue Taitbout, 75009 Paris, France; telephone number is +33 1 42 85 30 00.

Key dates

- 1975 Creation of Marine-Wendel through the Wendel group's takeover of the Marine-Firminy holding company.
- 1977 Creation of CGIP, which regroups Wendel group assets in sectors other than steel.
- 1978 Creation of the cement group Cedest.
- 1982 Acquisition of an equity interest in Cap Gemini Sogeti.
- 1983 Sale of equity interest in Creusot-Loire.
- 1988 Merger of Carnaud and Metalbox to form CMB Packaging, the European leader in its field.
- 1989 Partnership with the Mérieux family to create bioMérieux Alliance.
- 1993 Diversification of Marine-Wendel through the acquisition of Reynolds.
- 1994 Sale of Cedest and acquisition of 100 per cent. of the capital of Wheelabrator Alleward.
- 1995 Merger of CMB Packaging with Crown Cork and Seal to create the world's largest packaging manufacturer. Acquisition of a 20 per cent. equity interest in Bureau Veritas. Marine-Wendel acquires Stallergènes.
- 1996 Acquisition of 20 per cent. of the capital of Valeo.
- 1997 CGIP strengthens its position in services. Cap Gemini (30 per cent.), Bureau Veritas (34 per cent.). Acquisition of a 22 per cent. equity interest in Afflelou
- 1998 Sale of Crown Cork and Seal. Acquisition of a 29 per cent. equity interest in Trader.com. Sale of 28.4 per cent. of the capital of Stallergènes when floated on the stock market.
- 1999 Sale of Reynolds. Marine-Wendel invests in AOM Participations.

- 2000 Merger of Cap Gemini and Ernst & Young. Sale of Afflelou. Marine-Wendel invests in Boucle Locale Radio.
- 2001 Acquisition of 5 per cent. of the capital of LDCOM, which replaced the investment in Boucle Locale Radio.
- 2002 Creation of WENDEL Investissement. Merger of Marine-Wendel and CGIP. Partial sale of equity interest in Valeo. Acquisition of 37.4 per cent. of the capital of Legrand. Progressive sale of interest in Capgemini.
- 2004 Sale of Trader Classified Media. bioMérieux floated on the stock exchange and sale of shares. Acquisition of Editis. Equity interest in Bureau Veritas increased to 99 per cent.

Events and portfolio transactions in 2004

- January: Sale of 2.4 million Capgemini shares.
- April: Sale of interest in Trader Classified Media.
- July: bioMérieux floated on the stock exchange and partial sale of shares.
- September: Equity interest in Bureau Veritas increased from 33 per cent. to 66 per cent.
- October Acquisition of 100 per cent. of the capital of Editis.
- November: Celebration of Wendel's three-hundredth anniversary.
- December Equity interest in Bureau Veritas increased from 66 per cent. to 99 per cent.

Financial highlights

Millions of euros	2004	2003	2002
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Income from business sectors

Legrand	99,1	48,4	3,4
Oranje-Nassau	59,9	53,9	35,5
Bureau Veritas	41,5	36,1	33,4
Wheelabrator Allevard	22,1	13,9	17,5
Stallergènes	10,3	7,8	5,3
Editis	6,7	-	-
Dividends unconsolidated companies	8,6	7,7	11,0
bioMérieux, Silliker	13,3	25,5	20,2
Trader Classified Media	-	11,7	9,5
Financial expense	(46,5)	(37,7)	(24,0)
Taxes, General operating expense	(12,1)	(10,4)	(11,3)
Income from business sectors	202,9	156,9	100,5

Income

Income from business sectors	203	157	101
Non-recurring items	138	152	(929)

Consolidated net income, group share	281	253	(650)
---------------------------------------------	------------	------------	--------------

Investments and disposals

Investments	1,915	290	756
Disposals	855	446	446

Per share data (euros)

Income from business sectors	3,6	2,8	2,2
Consolidated net income, group share	5,0	4,5	(14,2)
Net dividend	1,15	1,05	1,0*

* For the 2002 reporting period, which lasted 18 months, a dividend of 2.10 euros was paid, including an advance of 1.10 euros paid in June 2002 and a dividend of 1.00 euro paid in June 2003.

Business Overview

Legrand

A global specialist in products and systems for electrical installations and information networks.

Profile:

More than 130,000 products

Based in almost 60 countries

26,000 employees

Almost 5% of net sales invested in R&D

French GAAP

millions of euros	2002 pro forma	2003	2004
Net sales	2 933	2 762	2 926
Operating income ⁽¹⁾	383	405	479
Consolidated net income (loss) - group share	Not comparable	(127)	(28)

Data for 2002 and 2003 concern FIMEP, which has become Legrand Holding

(1) EBIT before amortization of goodwill and acquisition adjustments.

Strong growth in net sales

In 2004, Legrand reported net sales of €2,926 million, up 6.0 per cent. from 2003. On a constant consolidation and foreign exchange basis, the group's growth, stood at 8.8 per cent., one of the best performances in ten years. These results demonstrate Legrand's capacity to take full advantage of the recovery and win market share. Foreign exchange fluctuations had an unfavourable impact of 2.6 per cent. in 2004.

The very positive trend in sales was particularly due to the continued bolstering of marketing and sales teams and to the regular launch of new innovative products that enabled the group to outstrip the growth of its markets.

Strong commercial positions

Legrand is a world leader in low-tension cable networks with a global market share of 15 per cent., and in switches and connectors, with a global market share of 18 per cent. In this sector, Legrand offers solutions for the principal world standards (France, United States, United Kingdom, Germany, China, etc.) and has many lines that meet specific national standards (Brazil, Switzerland, etc.).

Legrand's capacity to launch new innovative products regularly and to reinforce its commercial clout in markets with high potential enables the group to strengthen its leadership and continue to win market share.

Greater profitability

Operating income, before amortization of goodwill and accounting for acquisitions, was €479 million, representing an increase of 18 per cent. over 2003, and 16.4 per cent. of net sales, up 170 basis points from 2003.

The strong growth in margins was due to the continuation in 2004 of the efforts to increase profitability launched in 2002, and to the significant rise in net sales.

Significant reduction in net debt

In 2004, net financial debt was down €355 million (15 per cent.) from the end of 2003. The very favourable trend in the group's net debt since 31 December 2002, with a reduction of net debt in the amount of €628 million, allowed Legrand to refinance the senior line of credit it had negotiated in 2002 under conditions that made it possible to reduce the annual interest expense by approximately €16 million.

In 2004, the group generated operating cash flow of €412 million and reduced capital employed by optimizing industrial investments and reducing its working capital requirements to 14 per cent. of net sales.

Innovation and growth

In 2004, Legrand launched some 15 new products, including the In One by Legrand offering, the first WIFI wall plug and the new line of XL3 commercial distribution cabinets.

In addition, Legrand bolstered its marketing and sales teams by almost 3 per cent. to more than 3,800 people. This investment in marketing and sales teams was particularly marked in countries with strong growth potential.

In terms of acquisitions, in November 2004, Legrand announced that it had signed an agreement to acquire the activities of Van Geel, a European specialist in metallic cabling systems, and in January 2005, it signed an agreement to take over Zucchini, an Italian leader in prefabricated electric network systems. These acquisitions (both of which are subject to the approval of the relevant authorities) mark a return to Legrand's targeted acquisition strategy that aims to develop the group's market position and technological expertise.

Prospects

The good results reported in 2004 will enable Legrand to continue to move forward in 2005. The group will continue to launch new products and bolster its sales teams, and it will pursue its active external growth policy.

millions of euros
French GAAP

Assets	12/31/02	12/31/03	12/31/04	Shareholders' Equity and Liabilities	12/31/02	12/31/03	12/31/04
Tangible assets	1 02	915	816	Shareholders' equity	690	443	355
Intangible assets and long-term investments	3 09	2 87	2 671	Additional capital	1 150	1 210	1 273
Other long-term investments	291	126	86	Provisions	205	227	225
Working capital requirements	509	458	424	Other long-term debt	280	168	179
				Financial debt	2 590	2 320	1 965
	4 92	4 37	3 997		4 920	4 370	3 997

Oranje-Nassau – Energy and Real Estate

The Dutch group Oranje-Nassau is active in two business sectors: energy and real estate. In the energy sector, Oranje-Nassau invests in the exploration and production of oil and natural gas in the North Sea, North Africa and the Middle East. Its real estate holdings are primarily comprised of offices, commercial properties and showrooms, most of which are located in the Netherlands. Oranje-Nassau is also the holding company for several equity interests of the Issuer, as well as for miscellaneous direct financial investments.

<i>millions of euros</i>	2002	2003	2004
Net sales	190	221	215
Operating income	87	102	115
Consolidated net income - group share*	52*	107	395

* Excluding non-recurring items from intra-group sales.

Energy

The high price of oil in 2004 was linked to a significant increase in world demand, in particular in China. The hike in prices also reflected political tensions in the Middle East and Venezuela and social unrest in Nigeria, which slowed production.

The average price of a barrel of Brent was USD 38.20, up 33 per cent. from the average price recorded in 2003. Translated into euros, the average price of a barrel rose 20 per cent. from €25.40 to €30.60 owing to the appreciation of the euro vis-à-vis the US Dollar.

In 2004, Oranje-Nassau produced 7.8 million barrels of oil, compared with 8.5 million in 2003, a level comparable to that of 2002, which was 7.3 million barrels. Net sales from Energy activities rose from €204 million to €209 million, reflecting the increase in the price of oil offset by an 8 per cent. decline in production.

The Norwegian government granted Oranje-Nassau pre-qualified status, allowing the company to acquire licenses in oil deposits in Norway.

Three major development projects were completed. Two concerned the expansion of activities at the West Franklin and James oil fields, and the third involved the installation of a water injection system at the Pierce deposit in the British North Sea sector. Two of the three of exploration wells were successful and reserves were discovered.

During the year, the company pursued its strategic efforts to refocus its activities by selling its 3.5 per cent. equity interest in the Gryphon oil deposit. This disposal, which took place on 1 January 2005, made it possible to take full advantage of the favourable environment of energy prices.

No acquisition took place in 2004, given the continued increase in the price of oil deposits.

Real estate

Oranje-Nassau manages 67,000 m² of rental properties with an occupancy rate that remains high (more than 90 per cent.). Net revenues from real estate activities totalled €10.1 million in 2004, compared with €11.5 million the previous year. Rental income rose from €10.5 million in 2003 to €9.1 million in 2004, owing to the disposals conducted at the end of 2004. Net income after taxes stood at €5.1 million, down €1.0 million from the previous year.

The major program launched to upgrade company properties continued to be a focus, and the renovation and expansion of the office buildings in Arnheim and Utrecht are nearing completion.

Investment

In 2004, Oranje-Nassau sold its equity interest in Hyva. In addition, Oranje-Nassau sold half of its stake in Navteq when the company was floated on the stock exchange. These disposals generated €29 million in capital gains.

Finally, Oranje-Nassau, which owned 31 per cent. of the capital of the Dutch company Trader Classified Media sold all its shares in the first half of the year. This company, which in addition to direct financial investments regroups several equity interests of the WENDEL group, acquired a 25 per cent. interest in Legrand, another WENDEL group company. These investments explain the rise in equity holdings from €123 million to €577 million on the asset side of the balance sheet.

The cash flow generated enabled the group to reduce net debt and at the end of 2004, the group had net cash of €28 million.

Prospects

Oranje-Nassau is well positioned to take advantage of lower energy prices so as to focus again on investment.

(millions of euros)

<i>Assets</i>	12/31/02	12/31/03	12/31/04	<i>Shareholders' equity and liabilities</i>			
				12/31/02	12/31/03	12/31/04	
Real estate	130	113	104	Shareholders' equity	243	256	547
Energy	179	110	77	Provisions	115	94	93
Investment	156	123	577	Financial debt	105	18	(28)
				Working capital resources	2	(22)	146
	465	346	758		465	346	758

Wheelabrator Allevard

World Leader in Abrasive Pellets

Wheelabrator Allevard is engaged in two main activities: abrasive pellets and diamond tools. Abrasive pellets are composed of small beads of steel, mainly used to clean and prepare metal surfaces, as well as to cut granite slabs.

Wheelabrator Allevard also manufactures diamond tools for sawing and cutting granite, marble and cement.

With 1,390 employees, 15 production facilities and sales in more than 100 countries, Wheelabrator Allevard's share in the world market of abrasive pellets exceeds 40 per cent.

<i>millions of euros</i>	2002	2003	2004
Net sales	288	284	345
Operating income	36	27	37
Consolidated net income (loss) - group share	2	(4)	21

Good adaptation to trends in the abrasive pellets market

The market environment was generally favourable to the Wheelabrator Allevard group's activity in 2004, with a significant increase in the production of steel (up approximately 9 per cent.), and growth in the construction market of almost 3 per cent. The strong demand for steel, principally from China, nevertheless led to a sharp rise of more than 50 per cent in the price of scrap metal during the year. The price of energy and the cost of sea freight also rose significantly in 2004 and weighed on the group's production and distribution costs. Conversely, the price of synthetic diamonds, which is a major factor in determining the price of diamond tools, continued to decline.

Under these conditions, Wheelabrator Allevard reported a 21 per cent. increase in net sales to €345 million in 2004.

The group succeeded in controlling costs, benefiting from the restructuring measures taken in 2003 with the shutdown of unprofitable production units in the United Kingdom and the United States. Operating income thus rose 37 per cent., from €27 million to €37 million.

In 2003, there was a net loss, group share, of €4 million, owing to major restructuring charges. In 2004, the group posted net income of €21 million, including €1.5 million in non-recurring income from the sale of assets.

The group invested €8 million in industrial projects and bought the 40 per cent. minority interests of its diamond tool subsidiary in Germany.

Working capital requirements were kept under control and reduced by €2 million between the end of 2003 and 31 December 2004. This allowed Wheelabrator Allevard to reduce its consolidated net financial debt significantly, from €77 million at the end of 2003 to €54 million at the end of 2004. The debt-to-equity ratio stood at 40 per cent. **as of 31 December 2004**, compared with 61 per cent. at the end of the previous year.

Development and prospects

In 2005, the group intends to pursue the advances of 2004, in particular by reducing production costs in abrasive pellets, a sector in which major new industrial investments will promote the group's international strategy.

The diamond tools branch will continue to integrate the Winterstone subsidiaries and will exploit all possible commercial synergies with abrasive pellets. The diamond tools activity will make a progressively greater contribution to Wheelabrator Allevard's growth and results.

(millions of euros)

<i>Assets</i>	12/31/02	12/31/03	12/31/04	<i>Shareholders' Equity and Liabilities</i>			
				12/31/02	12/31/03	12/31/04	
Tangible assets	79	71	59	Shareholders' equity	137	126	135
Intangible assets and long-term investments	57	54	57	Provisions	16	23	13
Working capital requirements	90	101	86	Financial debt	73	77	54
	226	226	202		226	226	202

Stallergènes

Europe's leading pharmaceutical laboratory specialized in allergenic immunotherapy

Stallergènes has made its reputation as a dynamic player, and often a precursor, in the fight for the prevention and cure of allergies, colds and allergy-related asthma.

The Stallergènes group focuses its development on the French market and internationally through subsidiaries (Germany, Spain, Italy, Portugal and Belgium) and distributors (Eastern Europe, North Africa, etc.).

With 500 employees and sales in 30 countries, the Stallergènes group treated 2 million patients treated in ten years. More than 10 per cent. of net sales is invested in research and development.

<i>millions of euros</i>	2002	2003	2004
Net sales	75	86	95
Operating income	11	13	16
Consolidated net income - group share	5	7	10

Decisive progress in sublingual treatment in Germany

Germany is the world's largest allergenic immunotherapy market, accounting for approximately 30 per cent. of the global market. In 2004, sublingual treatments gained significant market share and bolstered their reputation in the medical community and with health authorities.

As the international leader in sublingual treatments and Germany's largest allergenic immunotherapy provider, Stallergènes increased its market share by two percentage points, from 10 per cent. to 12 per cent. The laboratory obtained from Germany's Paul-Ehrlich Institute the first registrations of sublingual specialties – Staloral 300 (birch) and Staloral 300 (3 trees).

Sustained growth

The Company reported growth in business of 11 per cent. The development of a complete line of individualized products and services helped boost the allergy immunotherapy market. Since 2004, Stallergènes offers all its patients in France the possibility of paying only the part of the price not covered by Social Security, thereby enabling the greatest number to access a simple treatment that could cure allergy and, in this country, business was up 15 per cent.

In Germany, the rise in net sales was limited by a difficult regulatory environment, which obliged the pharmaceutical industry to reduce prices.

Parallel efforts in product innovation and strict management

In 2004, Stallergènes increased its research and development expenditures by almost 50 per cent., doubling the search for new products in two years. At the same time, the efforts made to improve productivity and control costs led to an increase of more than 30 per cent. in the operating margin and net income, as well as to a decrease of almost 40 per cent. in working capital requirements.

At the end of 2004, Stallergènes had practically wiped out its debt, thereby responding to management's commitment to pursue both the creation of a "pipeline of innovative and promising products" and the development of profitability, each supporting the other.

Preparation for the next generation of pill-based treatments

In 2004, Stallergènes launched a European phase II/III efficiency study of an allergenic grass pollen pill. The results of the study will be announced at the end of 2005, and will make it possible to confirm the commercial potential of the allergenic pill.

This pill, designed for daily use, will contain one or several allergens, and will be easier to prescribe and use than existing treatments, while maintaining sublingual applications. Its future success is expected to contribute to market expansion when the product is introduced in 2007.

Prospects

Stallergènes forecasts double-digit growth in business in 2005 and further development in both profitability and product innovation.

millions of euros

<i>Assets</i>	12/31/02	12/31/03	12/31/04	<i>Shareholders' Equity and Liabilities</i>			
				12/31/02	12/31/03	12/31/04	
Tangible assets	13	14	15	Shareholders' equity	33	39	45
Intangible assets and long-term investments	27	26	26	Provisions	1	2	1
Working capital requirements	10	10	6	Net financial debt	16	9	1
	50	50	47		50	50	47

Bureau Veritas

Certification and quality control

Bureau Veritas is a service provider that offers companies a range of technical services and solutions in certification, compliance, training and consulting. Bureau Veritas has more than 200,000 clients in 140 countries, almost 20,000 employees and more than 600 offices and laboratories.

<i>millions of euros</i>	2002	2003	2004
Net revenues	1 145	1 284	1 422
Operating income	137	170	200
Consolidated net income – group share	86	95	101

Solid growth in business and results in 2004

In 2004, Bureau Veritas reported solid results in terms of both growth in business and an increase in profitability. Net revenues totaled €1,422 million in 2004, up 11 per cent. from 2003, in spite of the impact of the depreciation of the US Dollar. This increase was largely the result of significant organic growth in addition to the fruits of a sustained acquisition strategy. Growth in business was accompanied by a 17 per cent. rise in operating income to €200 million. In ten years, operating profitability has improved constantly, rising from 3 per cent. of net revenues in 1995 to 14 per cent. in 2004. Consolidated net income, group share, totalled €101 million.

At the end of the year, Bureau Veritas contracted debt in order to take advantage of the impact of financial leverage, and net financial debt amounted to €271 million.

Good performance reported in all divisions

Good operating results were reported by all group divisions, which expanded their activities and increased margins in 2004. Industry & Infrastructures, which accounts for almost two-thirds of the group's business, reported growth of 10 per cent., with revenues of €921 million. Bureau Veritas pursued its acquisition policy and consolidated its positions in two strategic markets: the United States and Eastern Europe.

The Industry & Infrastructures division made a major contribution to the increase in the group's net income, as a result of an upturn in performance in the United States and the United Kingdom and optimized margins in France, Latin America and the Middle East/India/Russia region.

The Maritime division profited from the dynamism of the shipbuilding industry. Net revenues were €166 million, up 10 per cent. from 2003.

The Consumer Goods division reported very satisfactory results in 2004. Organic growth was 17 per cent. on a constant foreign exchange basis, and operating income rose sharply. The division built its growth by relying on three geographic zones: the United States, Europe and Asia, by bolstering its worldwide network of laboratories and inspectors, and by developing new commercial relations in Europe and China.

The Government Contracts and International Trade division reported net revenues of €170 million in 2004, up 18 per cent. from 2003.

Significant business development in America

In North America, growth stood at 25 per cent., with net revenues of €247 million in spite of the impact of the exchange rate. The development of business in this part of the world was boosted by the acquisition of three companies. Latin America also reported 25 per cent. growth, with net revenues of €103 million.

In Europe, including France, business was up almost 8 per cent., generating net revenues of €833 million. Organic growth was 7 per cent. in 2004.

In Africa, Bureau Veritas recorded net revenues of €77 million, representing an increase of 6 per cent. and accounting for a little more than 5 per cent. of the group total.

In Asia, business generated net revenues of €162 million, up 3 per cent. from 2003.

Introduction of an efficient model

In the group's internal organization, the year 2004 marked the launch and implementation of a new management tool, the BV Business Model. This tool is designed to structure and federate the strategic initiatives and action plans conducted in the group. It will be decisive in enabling the company to take advantage of growth opportunities and further improve operating performance in the years to come.

Good position from which to pursue growth

In 2005, Bureau Veritas should benefit from its position in industrialized countries and from growth opportunities in emerging countries. The introduction of a client-oriented organization and a proactive approach with key accounts should make it possible to win new market share and develop a service offering with higher value added.

millions of euros

Assets	12/31/02	12/31/03	12/31/04	Shareholders' Equity and Liabilities	and 12/31/02	12/31/03	12/31/04
Tangible assets	60	62	71	Shareholders' equity	288	347	23
Intangible assets and long-term investments	299	294	318	Provisions	111	118	134
Working capital requirements	64	72	39	Net financial debt	24	(37)	271
	423	428	428		423	428	428

Editis

French publishing house

Editis, with 2,300 employees and more than 30 publishers, is France's second largest publishing group and is active in four publishing segments: Literature, Education, Reference and Services. Recognised for the quality and eclecticism of its editorial content, the group is a leader in France and the French-speaking world. Its distribution subsidiary, Interforum, ranks as a European leader. The business comprises distribution (38 per cent.), literature (32 per cent.) and education and reference (30 per cent.)

<i>millions of euros</i>	2004* pro forma	2004 4Q
Net revenues	717	213
Operating income	58	18
Consolidated net income (loss) - group share	-	(23,5)

* Activities acquired on a full year basis.

Year of change

The year 2004 marked the beginning of a new period for Editis. At the end of 2002, Lagardère acquired the activities of Vivendi Universal Publishing. On 7 January 2004, the European Commission authorized Lagardère to keep a number of VUP's assets, and the rest were put up for sale. These activities then took the name Editis, and they were acquired by the Issuer on 30 September 2004.

Dynamic Development Returns

In 2004, Editis pursued the strategic organic development of its publishers with the launch in September of a new international illustrated department, Fitway publishing, as a part of Editions Presses-Solar-Belfond, and the signing in October of a licensing agreement between Presses-Solar-Belfond and Lonely Planet. This agreement enables Presses-Solar-Belfond to become France's third largest tourism publisher.

The year 2004 was also particularly rich for Univers Poche. Each of its publishers came up with bestsellers, thereby burnishing the brand's image and strengthening its position in a very competitive environment. Plon-Perrin and La Découverte also reported very good results.

In the Education segment, Nathan continued to grow as it gained market share in textbooks and developed its game and youth publishing activities. Retz maintained its results compared with 2003, already a record year for this publisher. CLE improved its performance in the export market.

In 2004, the distribution subsidiary Interforum Diffusion optimized its market and sales organization by creating a fifth bookstore team, reflecting the group's strategy to encourage closer ties with bookstores.

Editis also strengthened Interforum's productivity by launching the Miniload inventory storage system in September. This system makes medium quantities of books readily available so orders can be filled rapidly and delivery accelerated.

Growth in Net Revenues and Cost Control

With proforma net sales of €717.4 million in 2004, compared with €696.4 million in 2003, Editis reported growth of 3 per cent.

The rise in net sales reflected:

- (i) the stable performance, in line with expectations, of Education and Reference activities, good results in the Youth division, and a repeat of the outstanding performances reported in Literature in 2003; and
- (ii) the dynamism of Distribution activities with the signing of new contracts in 2004.

Projects

Editis will pursue its development with a major objective – to confirm its leadership in French-language publishing. One of the year's main objectives in 2005 will involve accelerating compensation for the programmed departure of Dalloz, Dunod, Armand Colin and Larousse, publishers that are still distributed by Interforum in 2005, a project that was already far advanced in 2004.

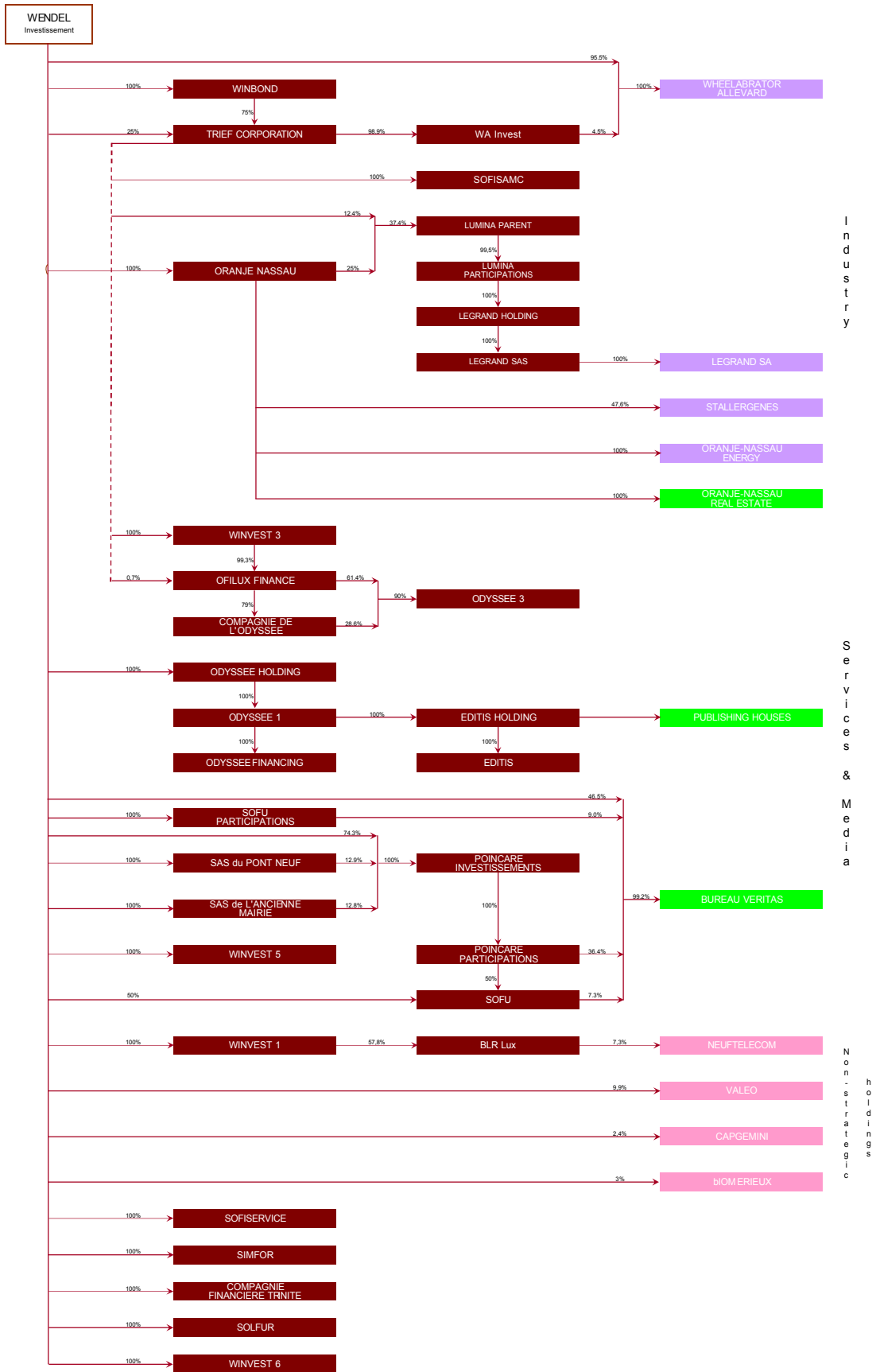
Another important development objective will be the expansion of existing editorial activity, the exploration of new editorial territories, in particular in the strong growth segments of comics and mangas, and lastly, of course, the search for new third-party publishers and the willingness to seize relevant acquisition opportunities.

millions of euros

Assets	12/31/04	Shareholders' Liabilities	Equity and	12/31/04
Tangible assets	47	Shareholders' equity		157
Intangible assets and long-term investments	527	Provisions		32
Working capital requirements	17	Net financial debt		402
	591			591

Organisational structure

Legal structure
as of December 31, 2004



Administrative, management and supervisory bodies

Supervisory Board

1. Ernest-Antoine SEILLIERE – Chairman of the Supervisory Board

Chairman of the board of directors and managing director of SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES – SLPS

Chairman of the board of directors of:

- (i) LEGRAND HOLDING
- (ii) LUMINA Parent (Luxembourg)

Chairman of the Supervisory Board of ORANJE-NASSAU GROEP B.V. (Pays-Bas)

Vice-Chairman of the board of directors of CAPGEMINI

Member of the board of directors of SOFISAMC (Swiss)

Member of the Supervisory Board of:

- (i) BUREAU VERITAS
- (ii) EDITIS HOLDING
- (iii) GRAS SAVOYE & CIE (S.C.A.)
- (iv) HERMES INTERNATIONAL (S.C.A.)
- (v) PEUGEOT S.A.

2. Jean-Pierre BERGHMANS

Chairman of the Board of Directors of Groupe LHOIST Limelette (Belgium)

Chairman of Conseil Belgium de INSEAD (Belgium)

Member of the Board of Directors and Committee Member of INSEAD (France)

3. Didier CHERPITEL

Chairman of the Supervisory Board of ATOS ORIGIN

Member of the Board of Directors of FOUNDATION OF THE RED CROSS

4. Jean-Marc JANODET

Chairman of the Board of Directors of:

- (i) SOFISAMC (Switzerland)
- (ii) TRIEF CORPORATION (Luxembourg)

Member of the Board of Directors of SOLFUR

Member of the Supervisory Board of:

- (i) BANQUE de NEUFLIZE

(ii) ORANJE-NASSAU GROEP BV (Netherlands)

Permanent representative of COMPAGNIE FINANCIERE DE LA TRINITE to the Board of Directors of STALLERGENES

5. **Edouard de L'ESPEE**

Member of the board of directors and managing director of CALYPSO ASSET MANAGEMENT S.A.

Member of the board of directors of:

- (i) CONCORDE ASSET MANAGEMENT Ltd
- (ii) SOCIETE LORRAINE DE PARTICIPATIONS SIDERURGIQUES (SLPS)
- (iii) THEOFINANCE Plc

External Consulting Member of the Board of Directors of PRAETOR MANAGEMENT COMPANY S.A.

6. **François de MITRY**

Member of the board of directors and Chief Executive Officer of INTERMEDIATE CAPITAL GROUP Plc

Member of the board of directors of:

- (i) DANIVAL SAS
- (ii) HOLDING SIA SAS
- (iii) SEBIA INTERNATIONAL SAS

7. **Grégoire OLIVIER**

Chairman of the Board of Directors and Chief Executive Officer of SAGEM COMMUNICATION

Member of the Executive Board of SAFRAN

Member of the Supervisory Board of IMERYS

8. **Guy de WOUTERS**

9. **François de WENDEL**

Executive Vice-Président of CROWN FOOD EUROPE

Chairman of the Board of Directors of Crown Emballage France SAS

Chairman of the Board of Directors and Chief Executive Officer of:

- (i) Carnaud Maroc
- (ii) Eole

Member of the Supervisory Board of:

- (i) Crown Magyarorszag Cosmagoloipari Kfr (Hungary)
- (ii) Crown Packaging Slovakia, s.r.o.

Member of the Board of Directors and Chief Executive Officer of Crown Netherlands Investments BV

Member of the Board of Directors of:

- (i) Burelle SA
- (ii) Crown Cork Kuban (Russia)
- (iii) Crown Cork & Seal de Portugal Embalagens SA
- (iv) Crown Packaging UK Plc
- (v) Faba Sirma Spa (Italy)
- (vi) Fa.Ba Sud (Spain)
- (vii) Société Lorraine de Participations Sidérurgiques (SLPS)

Co-manager of:

- (i) Crown Europe Group Services
- (ii) Crown Nahrungsmitteldosen Deutschland GmbH

Executive Board

1. Jean-Bernard LAFONTA – Chairman of the Executive Board

Chairman of the Supervisory Board of:

- (i) BUREAU VERITAS
- (ii) EDITIS HOLDING
- (iii) POINCARÉ INVESTISSEMENTS

Member of the Board of Directors of:

- (i) LEGRAND HOLDING
- (ii) LEGRAND SA
- (iii) LUMINA PARENT (Luxembourg)
- (iv) VALEO

Member of the Supervisory Board of ORANJE-NASSAU GROEP BV (Netherlands)

Manager of GRANIT (SARL)

2. Bernard GAUTIER

Chairman of the Board of Directors of LINEIS

Vice Chairman of the Supervisory Board of EDITIS HOLDING

Member of the Supervisory Board of ALTINEIS (SCPI)

Member of the Board of Directors of:

- (i) WHEELABRATOR ALLEVARD
- (ii) TFM
- (iii) COMMUNICATION MEDIA PARTNER

Manager of:

- (i) BG Invest
- (ii) BJPG Conseil
- (iii) SCI La République

The business address of the members of the administrative, management or supervisory bodies is 89, rue Taitbout, 75009 Paris, France.

Administrative, management and supervisory bodies' conflicts of interests

There are no conflicts of interests between any duties of the members of the executive board or the supervisory board of the Issuer and their private interests or other duties.

Board practices

Audit Committee

The Audit Committee is composed of three members:

1. **Jean-Marc JANODET**, Chairman of the Audit Committee (member of the Supervisory Board of the Issuer).
2. **Grégoire OLIVIER** (member of the Supervisory Board of the Issuer).
3. **Edouard de l'ESPÉE** (member of the Supervisory Board of the Issuer).

Responsibilities of the Audit Committee

The Committee's responsibilities are:

- (i) to guarantee the pertinence of the choice and proper application of the accounting methods employed;
- (ii) to check the accounting of any significant transactions conducted by the Issuer;
- (iii) to ensure that internal data collection and control procedures make it possible to guarantee the quality and sincerity of the Issuer's accounts;
- (iv) to control all accounting and financial information contained in documents to be issued by the Issuer before they are published;
- (v) to inform the Supervisory Board of any observations it considers pertinent from an accounting and financial point of view, in particular when the semi-annual and annual parent company and consolidated financial statements are submitted for approval;

- (vi) to pilot the procedure to select the Issuer's auditors and submit the result of the selection to the Supervisory Board; and
- (vii) to review the audit and consulting fees paid by the Issuer and the companies in the group over which it exercises control to the company's auditors and their networks and report to the Supervisory Board.

Organization and procedures

The Audit Committee meets as frequently as it deems necessary, and at least twice a year, prior to the Supervisory Board's review of the semi-annual and annual financial statements.

Committee meetings may be organized by conference call or videoconference. The presence of at least half of the members constitutes a quorum.

The Audit Committee has access to all the means it deems necessary to conduct its business. In particular, it may interview the accounting staff as well as the auditors and, if it so desires, independently of the presence of the company's management.

After every committee meeting, a report is drawn up and sent to the Supervisory Board.

Corporate governance

The Issuer complies in all material respect with French corporate governance regulation applicable to it.

Major shareholders

Current ownership of the capital and voting rights

As at 31 March 2005, the share capital consisted of 55,993,036 shares (including shares issued in respect of options exercised from 1 January 2005 to 31 March 2005), while voting rights totalled 70,672,234. Double voting rights are granted to fully paid-up shares that have been registered with the Company for at least two years in the name of the same shareholder.

As at the above date, 21,547,688 shares enjoyed double voting rights.

To the best of the Issuer's knowledge, the main shareholders as at 31 March 2005 were:

	% of the capital	% of the voting rights
Wendel-Participations *	36.4	55.5
Arnhold & Bleichroeder	10.1	7.7
Own shares	9.0	-
Group Saving Plan	0.2	0.2
Free float	44.3	36.6

** Pursuant to Article L.233-10 of the Code de Commerce, this figure includes Wendel-Participations, SLPS and group directors and managers (respectively 35.0 per cent., 1.0 per cent. and 0.4 per cent. of the capital and 53.5 per cent., 1.5 per cent. and 0.5 per cent. of voting rights).*

To the best of the Issuer's knowledge:

- (a) no other shareholder owns 5 per cent. or more of the Issuer's capital; and

- (b) the Board of Directors owns or represents 399,982 shares in the Issuer, i.e. 0.7 per cent. of the capital and 0.8 per cent. of the voting rights, it being added that all the directors are natural persons.

The Issuer made a Simplified Purchase Offer in order to buy back 2,500,000 shares representing 4.5 per cent. of the capital. This offer ran from 16 December 2004 to 7 January 2005. Determining the shareholder structure as at 31 December 2004 would not have been meaningful, some shareholders having opted to contribute all or part of their shares to the offer. Consequently, this was done at the end of January after the offer closed.

Based on this work, it was possible to determine that the shareholder structure of the Issuer was as follows:

	% of the capital
Wendel-Participations	36.4
Natural persons	25.5
Foreign institutional investors	20.9
French institutional investors	8.2
Own shares	9.0

As at 31 January 2005, there were more than 37,300 shareholders.

Significant changes in the shareholder structure over the last three years

	30 June 2001		31 December 2002		31 December 2003		31 January 2005	
	% of the capital	% of the voting rights	% of the capital	% of the voting rights	% of the capital	% of the voting rights	% of the capital	% of the voting rights
Wendel-Participations *	54.2	69.7	35.2	50.5	35.0	50.5	36.4	55.5
Arnhold & Bleichroeder	-	-	3.1	2.2	10.0	7.3	10.1	7.7
UBS Warburg**	12.5	8.0	15.1	11.0	15.0	11.0	-	-
Nomura International PLC	2.1	1.4	-	-	-	-	-	-
Templeton Global Investors	3.3	2.1	-	-	-	-	-	-
Tiger Management	2.8	1.8	-	-	-	-	-	-
Own shares	-	-	0.4	-	0.6	-	9.0	-
Group Savings Plan	-	-	0.1	0.1	0.2	0.2	0.2	0.2
Free float	25.1	17.0	46.1	36.2	39.2	31.0	44.3	36.6

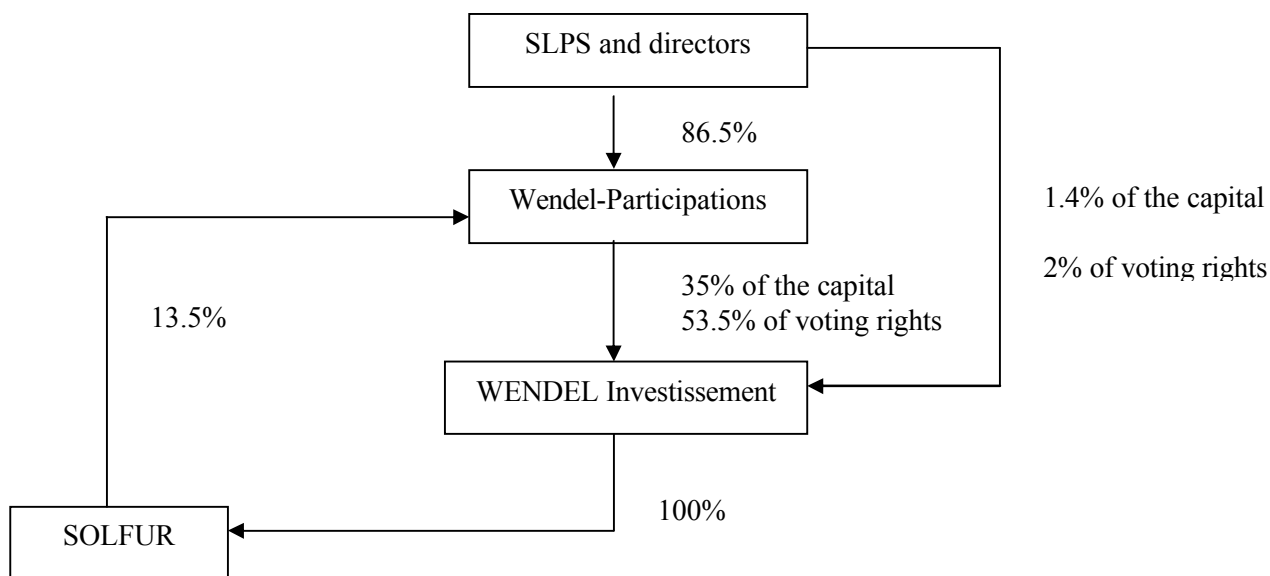
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* Includes Wendel-Participations, SLPS and group directors
 ** Included in free float as at 31 January 2005.

To the best of the Issuer's knowledge, no other shareholder controlled more than 2 per cent. of the capital or voting rights as at 31 January 2005.

Organisational chart as at 31 January 2005

Wendel-Participations and SLPS (which absorbed Sogeval on 2 December 2002) are holding companies.



SLPS is owned by 780 individual shareholders, members of the Wendel family.

Assets of Wendel-Participations and SLPS

SLPS owns shares in Wendel-Participations and in the Issuer. Wendel-Participations only owns shares in the Issuer.

Economic and financial ties with the Issuer

There are no financial and economic ties between Wendel-Participations and SLPS, on the one hand, and the Issuer on the other hand, other than those resulting from the ownership of shares, and which take the form of dividends.

There is an agreement on a brand license (exclusive license to use the brand WENDEL Investissement).

Other shareholders

Arnhold & Bleichroeder Advisers

By letter dated 16 December 2002, Arnhold & Bleichroeder Advisers informed the Issuer that it owned 1,720,526 shares in the Issuer, representing 3.08 per cent. of the capital.

By letter dated 24 March 2003, Arnhold and Bleichroeder Advisers informed the Issuer that it owned 3,144,126 shares in the Issuer, representing 5.62 per cent. of the capital, and had exceeded the threshold of 5 per cent. of the capital.

By letter dated 15 January 2004, Arnhold and Bleichroeder Advisers informed the Issuer that it owned 5,603,260 shares in the Issuer, representing 10.01 per cent. of the capital. The firm added to its threshold disclosure the following statement, to the effect that:

- (i) it was acting alone;
- (ii) it intended to continue to trade shares in the Issuer to take advantage of the difference between the share price and the firm's estimate of its intrinsic value, which is defined as the price that a strategic or financial investor would pay in cash to acquire the whole company;
- (iii) it had no intention of taking control of the Issuer;
- (iv) it did not intend to seek a place on the Board of the Issuer; and
- (v) it will support all initiatives that contribute to recognition of the Issuer's intrinsic value.

By letter dated 16 March 2004, Arnhold and Bleichroeder Advisers informed the Issuer that it had re-crossed the 10 per cent. disclosure threshold and owned 5,592,260 shares in the Issuer, representing 9.99 per cent. of the capital.

By letter dated 26 March 2004, this shareholder informed the Issuer that it had again gone over the 10 per cent. disclosure threshold and owned 5,602,260 shares in the Issuer, representing 10.01 per cent. of the capital. The firm added to its threshold disclosure a declaration of intent that was identical in all points to the previous declaration.

On 23 June 2004, this shareholder informed the Issuer that it again passed below the 10 per cent. disclosure threshold and owned 9.99 per cent. of the capital.

On 31 January 2005, this shareholder informed the Issuer that it had again gone over the 10 per cent. disclosure threshold and owned 5,464,560 shares in the Issuer, representing 10.12 per cent. of the capital and 7.26 per cent. of voting rights. The firm added to its threshold disclosure a declaration of intent that was identical in all points to the previous declaration.

Financial information concerning the Issuer's assets and liabilities, financial position and profit and losses

The Annual Report for year 2004 is incorporated herein by reference.

Additional information

Share capital

As at 20 July 2005, the share capital amounted to €216,813,800, divided into 54,203,450 shares with a par value of €4. All these shares are fully paid-up. The shares may be held in registered or bearer form at the shareholder's discretion.

Memorandum and articles of association

Purpose of the Issuer

Pursuant to Article 3 of the by-laws, the Issuer has the following purpose, in all countries, directly or indirectly:

- (i) all equity holdings in industrial, commercial and financial companies of whatever nature through the creation of new companies, transfers of subscriptions or purchases of shares or ownership rights, mergers, alliances, associations or otherwise; all transfers, exchanges or other operations concerning these shares, ownership rights and equity interests;
- (ii) the purchase, rental and operation of all equipment;
- (iii) the acquisition, sale and commercial use of all processes, patents or patent licenses;
- (iv) the acquisition, operation, sale or exchange of all real estate or real estate rights; and
- (v) generally, all commercial, industrial, financial, investment and real estate operations directly or indirectly related to the above-mentioned activities or to all similar or connected activities.

Material contracts

The material contracts correspond to the financing contracts described under "Risk Factors" above in the section "Liquidity Risk".

Documents on display

Copies of the most recently published annual report, consolidated, and financial statements and articles of association of the Issuer may be obtained free of charge at the specified office of the Issuer at 89, rue Taitbout, 75009 Paris, France.

RECENT DEVELOPMENTS

Recent Events - Holdings

Share buybacks

The simplified share buyback program initiated by the Issuer on 16 December 2004, and ended on 7 January 2005, resulted in the buyback of 2,500,000 shares at €55 per share. In a complementary operation, between January and the end of March 2005, the Issuer bought shares for a total of €141,893,000. Lastly, the Issuer cancelled 2,224,765 shares as decided by the Board of Directors on 18 January 2005. Including the treasury stock at the end of the year and the operations at the beginning of 2005, at the date of registration of this report, the Issuer owned 4,657,922 shares representing 8.6 per cent. of its capital (excluding shares reserved to the exercise of stock purchase options granted in the framework of the stock option plans).

Indebtedness

In order to benefit from favourable market conditions, the Issuer negotiated a new syndicated loan contract. This new €500 million loan has a maturity of five years, which may be extended to seven years. It has taken the place of the previous loan of €350 million that matured in August 2008. This new loan is not drawn as at 5 August 2005.

Moreover, Valeo exchangeable bonds (€ 369.6 millions) were redeemed in cash on 27 May 2005 (maturity date of bonds).

WENDEL Investissement grants exclusivity to LBO France on the sale of Wheelabrator Allevard

WENDEL Investissement has entered into exclusive negotiations with the French private equity firm LBO France with a view to divest of its subsidiary Wheelabrator.

Net sales – first semester

I – Sales

Consolidated sales (€m)	Reported First-half 2005	Pro forma (1) First-half 2004	<i>Change</i>	Reported First-half 2004
Bureau Veritas	771.4	691.3	+ 11.6%	-
Editis	319.6	294.2	+ 8.6%	-
Wheelabrator Allevard	182.2	167.6	+ 8.7%	167.6
Oranje-Nassau	118.8	110.3	+ 7.7%	110.3
Stallergènes	56.1	46.2	+ 21.5%	46.2
	1,448.1	1,309.6	+ 10.6%	324.1

(1) Pro forma accounts were prepared on a full-year basis to account for the acquisition in 2004 of Editis and of a controlling interest in Bureau Veritas.

Accounted for by the equity method (37%) (€m)	Reported First-half 2005	Reported First-half 2004	<i>Change</i>
Legrand	1,582.6	1,486.2	+ 6.5%

II – First-half 2005 sales analysis by subsidiary

Bureau Veritas

Sales increased by 11.6 per cent. in the first six months of 2005, comprising 6.2 per cent. organic growth, 6.5 per cent. growth from acquisitions and a negative currency effect of 1.1 per cent. The nine acquisitions made during the period by Bureau Veritas, including Clayton and LP2A in the US and Casella in the UK, represented an investment of around €110 million.

Editis

All activities contributed to the 8.6 per cent. growth recorded in the first half, a performance deemed entirely satisfactory in a lacklustre market. In particular, the second quarter of the year was marked by the publication of literary best-sellers in both paperback and hardback. The Distribution activities pursued their development, with around 20 new distribution contracts signed since WENDEL Investissement acquired the company.

Wheelabrator Allevard

The growth in sales seen in the first quarter continued through to the second quarter, giving growth over the first half-year of 8.7 per cent.

Oranje-Nassau

Despite lower production levels, higher oil prices enabled Oranje-Nassau to post a 7.7 per cent. rise in first-half sales.

Stallergènes

Sales growth came in at 21.5 per cent. in the first half of 2005, from organic growth of 20 per cent. and the consolidation of IPI acquired in March 2005. These gains were made both in France and in the rest of Europe.

Legrand

Legrand's sales reached €1,582.6 million in the first half of 2005, representing growth of 6.9 per cent. on a like-for-like basis. Reported sales rose by 6.5 per cent., following a 0.7 per cent. unfavourable currency effect over the period.

TAXATION

Taxation in France

The following is a summary of the Issuer's understanding of current taxation law and practice in France in relation to the Bonds. Prospective Bondholders who may be subject to tax in a jurisdiction other than France or may be unsure as to their tax position should seek their own professional advice.

The Bonds will be deemed issued outside France for the purposes of Article 131 *quater* of the *Code général des impôts* (French general tax code) and, therefore, interest and other revenues in respect of the Bonds and Coupons will benefit from the exemption provided for in such Article from deduction of tax at source.

Taxation in Luxembourg

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

General

Under Luxembourg tax law, there is currently no withholding tax on payments of principal, premium or interest, nor on accrued but unpaid interest, in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Bonds. As from 1 July 2005 Luxembourg will levy withholding tax on interest payments made by a Luxembourg paying agent to individual beneficial owners who are tax resident of (i) another EU Member State, pursuant to the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, or (ii) of certain non-EU countries and territories which have agreed to adopt similar measures to those provided for under the Council Directive 2003/48/EC. Responsibility for the withholding of such tax will be assumed by the Luxembourg paying agent and not by the Issuer.

Income Taxation of holders of Bonds

A Luxembourg holder of Bonds that is governed by the law of 31 July 1929, on pure holding companies, as amended, or by the laws of 30 March 1988 and 20 December 2002 on undertakings for collective investment, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, nor on gains realised on the sale or disposal of Bonds.

A corporate holder of Bonds, who is resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Bonds are attributable, must include any interest received or accrued, as well as any gain realised on the sale or disposal of Bonds, in its taxable income for Luxembourg income tax assessment purposes. The same obligation applies to an individual holder of Bonds, acting in the course of the management of a professional or business undertaking, who is resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg, to which the Bonds are attributable.

An individual holder of Bonds, acting in the course of the management of his/her private wealth, who is resident of Luxembourg for tax purposes, is subject to Luxembourg income tax in

respect of interest received under the Bonds. A gain realised by an individual holder of Bonds, acting in the course of the management of his/her private wealth, who is resident in Luxembourg for tax purposes, upon the sale or disposal of Bonds, is not subject to Luxembourg income tax, provided such sale or disposal took place more than six months after the Bonds were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax.

Net Wealth Taxation of holders of Bonds

Any holder of Bonds, whether such holder is resident in Luxembourg for tax purposes or, if not, such holder maintains a permanent establishment or a fixed place of business in Luxembourg to which the Bonds are attributable, is subject to Luxembourg wealth tax on such Bonds, except if the holder of Bonds is governed by the law of 31 July 1929, on pure holding companies, as amended, or by the laws of 30 March 1988 and 20 December 2002 on undertakings for collective investment, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles.

Other Taxes

Neither the issuance nor the transfer of Bonds will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of Bonds is a resident of Luxembourg for tax purposes at the time of his death, the Bonds are included in his taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Bonds if embodied in a Luxembourg deed or recorded in Luxembourg.

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

The Directive was implemented into French law by the Amended Finance Law for 2003 and by the Amended Finance Law for 2004, which impose on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest payments made as from 1 July 2005.

SUBSCRIPTION AND SALE

ABN AMRO Bank N.V., CALYON, Lehman Brothers International (Europe) and Société Générale (the "**Managers**") have, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 5 August 2005, jointly and severally agreed, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Bonds at the issue price of 99.551 per cent. of the principal amount of Bonds, less a combined management, underwriting and selling commission of 0.35 per cent. of the principal amount of the Bonds. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

France

Each of the Managers and the Issuer has acknowledged that the Bonds are being issued outside the Republic of France and has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, the Bonds to the public in the Republic of France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France, the Prospectus or any other offering material relating to the Bonds, and that such offers, sales and distributions have been and shall only be made in the Republic of France to qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in and in accordance with Articles L.411-1 and L.411-2 of the *Code monétaire et financier* and *décret* no. 98-880 dated 1 October 1998.

General

No action has been or will be taken by the Issuer or any of the Managers that would, or is intended to, permit a public offer of the Bonds or possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information relating to the Bonds in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

1. The Bonds were issued pursuant to a resolution of the Supervisory Board of the Issuer adopted on 12 July 2005, a resolution of the Executive Board of the Issuer dated 20 July 2005 and a decision of the Chairman (*Président du Directoire*) of the Issuer dated 5 August 2005.

Listing

2. Application has been made to admit the Bonds to listing and to trading on the regulated market of the Luxembourg Stock Exchange. A copy of this Prospectus together with the Annual Reports of the Issuer for 2003 and 2004 will be available for inspection on the web-site of the Luxembourg Stock Exchange at www.bourse.lu.

Clearing systems

3. The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The temporary International Securities Identification Number ("**ISIN**") for this issue is XS0224749100 and the Common Code is 022474910.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1885 Luxembourg.

No significant change

4. There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2004 and there has been no material adverse change in the financial position or prospects of the Issuer or the group since 31 December 2004.

Litigation

5. Except as disclosed under "Risk Factors" above, neither the Issuer nor any other member of the group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or group's financial position or profitability.

Accounts

6. The auditors of the Issuer are Ernst & Young Audit and PricewaterhouseCoopers Audit, who have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in France for each of the two financial years ended on 31 December 2003 and 2004. The auditors have no material interest in the Issuer.

Ernst & Young Audit is a member of the *Conseil régional des experts comptables de Paris* and the *Compagnie régionale des Commissaires aux comptes de Versailles*.

PricewaterhouseCoopers Audit is a member of the *Conseil régional des experts comptables de Paris* and the *Compagnie régionale des Commissaires aux comptes de Versailles*.

U.S. tax

7. The Bonds and Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Documents

8. Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the specified offices of the Paying Agent for the time being in Luxembourg so long as any of the Bonds remains outstanding:
 - (a) the *Statuts* of the Issuer;
 - (b) the audited consolidated financial statements of the Issuer in respect of the financial years ended 31 December, 2003 and 31 December, 2004. The Issuer currently prepares audited consolidated and non-consolidated accounts on an annual basis and unaudited consolidated interim accounts on a semi-annual basis; and
 - (c) the most recently published audited annual consolidated and non-consolidated financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer. The Issuer currently prepares unaudited consolidated interim accounts on a semi-annual basis;
 - (d) the Subscription Agreement and the Agency Agreement; and
 - (e) to the extent not referred to in (a) to (d) above, each of the documents referred to in "Incorporation by Reference" on page 3.

Re-offer yield

9. The re-offer yield of the Bonds is equal to 4,424%.

THE ISSUER

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Société Générale

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FISCAL AGENT AND PAYING AGENT

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To the Issuer as to French law

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*To the Managers as to
English law and French law*

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LISTING AGENT

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