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# First Half Results 2005

September 22, 2005



- Main events in 2005
- Consolidated net income as of June 30, 2005
- Performance of business sectors
- Investment capacity
- Net asset value
- Prospects

## Acquisitions

- February** ■ **Legrand** acquires Zucchini and OnQ
  - March** ■ **Bureau Veritas** acquires LP2A, Casella and Clayton
  - June** ■ **Editis** acquires le Cherche Midi Editeur
  - July** ■ Success of **Oranje-Nassau's** takeover bid for Edinburgh Oil and Gas
- } **€330 million**

## Strengthening of investment capacity

- April** ■ Sale of **1.8%** of the capital of **bioMérieux**
  - July** ■ Announcement of the sale of **Wheelabrator Allevard** EV for **€ 415 million**
  - August** ■ Sale of **7.1%** of the capital of **Valeo**
  - **WENDEL Investissement** bond issues : **€ 300 million**, 12 year maturity
- } **€580 million**

## INDUSTRY (\*)

<b>Legrand</b>	<b>E</b>	<b>37.4%</b>
<b>Oranje-Nassau</b>	<b>FC</b>	<b>100%</b>
<b>Stallergènes <sup>(1)</sup></b>	<b>FC</b>	<b>48.5%</b>

## MEDIA & SERVICES

<b>Bureau Veritas</b>	<b>FC</b>	<b>99.2%</b>
<b>Editis</b>	<b>FC</b>	<b>100%</b>

## NON-STRATEGIC HOLDINGS

<b>Valeo <sup>(1)</sup></b>	<b>U</b>	<b>2.8%</b>
<b>Capgemini <sup>(1)</sup></b>	<b>U</b>	<b>2.4%</b>
<b>Neuf Cegetel</b>	<b>U</b>	<b>2.9%</b>
<b>bioMérieux <sup>(1)</sup></b>	<b>U</b>	<b>1.2%</b>

<sup>(1)</sup> : Listed - E : Equity method ; FC : Full consolidation ; U : Unconsolidated

*(\*) Sale of Wheelabrator Allevard shares planned for the beginning of October 2005*

- Value of equity: **€ 330 million**
- Enterprise value: **€ 415 million**, i.e. **8.7 x** EBITDA 2004  
Average valuation of comparable companies, period 2002-2005 :  
**6.6 x** EBITDA
- Signing in **July 2005** **with no representation and warranties**
- Closing, transfer and payment at the **beginning of October 2005**

2005	June	July	August	Sept. 15.
Number of Shares sold (millions)	1,1	2,2	1,7	1,0

Number of shares held  
(millions of shares)

Beginning of 2005	8.2
Shares sold	(6.0)
Remaining shares September 15, 2005	<b>2.2</b>

## Share price 2002 / 2005



**Proceeds (\*) €224 million**

**Per share(\*) € 37.2**  
(\*) including dividend of € 1.1

**Capital gain estimated at €38 million**

2005 consolidated financial statements

# Group consolidated net income

(millions of euros)	June 30, 2005	June 30, 2004
Income from consolidated business sectors (*)	166.4	119.9
Dividends from unconsolidated companies	9.2	8.6
Financing	(32.7)	(24.1)
Operating expense and tax	(11.7)	(6.7)
<b>Net income from business sectors (*)</b>	<b>131.2</b>	<b>97.7</b>
Sale of Trader and bioMérieux	5.3	177.5
Other non-recurring items	19.9	26.1
Total net income	156.4	301.3
<b>Net income, Group share</b>	<b>150.4</b>	<b>298.5</b>

(\*) Net income before non-recurring items and impact of the allocation of goodwill



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# CONSOLIDATED NET INCOME AS OF JUNE 30, 2005



# Net income from business sectors

(millions of euros)	June 30, 2005	June 30, 2004	6/30/05 / 6/30/04
Bureau Veritas	62.0	21.7	+186%
Legrand	46.1	38.9	+19%
Oranje-Nassau	45.5	30.4	+50%
Stallergènes	7.1	4.5	+58%
Wheelabrator Allevar	12.6	12.2	+3%
Dividends from unconsolidated companies	9.2	8.6	+7%
Financing, operating expense and tax	(44.4)	(30.8)	+44%
<b>Subtotal</b>	<b>138.1</b>	<b>85.5</b>	<b>+62%</b>
Editis	(6.9)	-	
bioMérieux	-	12.2	
<b>Net income from business sectors (*)</b>	<b>131.2</b>	<b>97.7</b>	<b>+34%</b>

(\*) Net income before non-recurring items and impact of the allocation of goodwill



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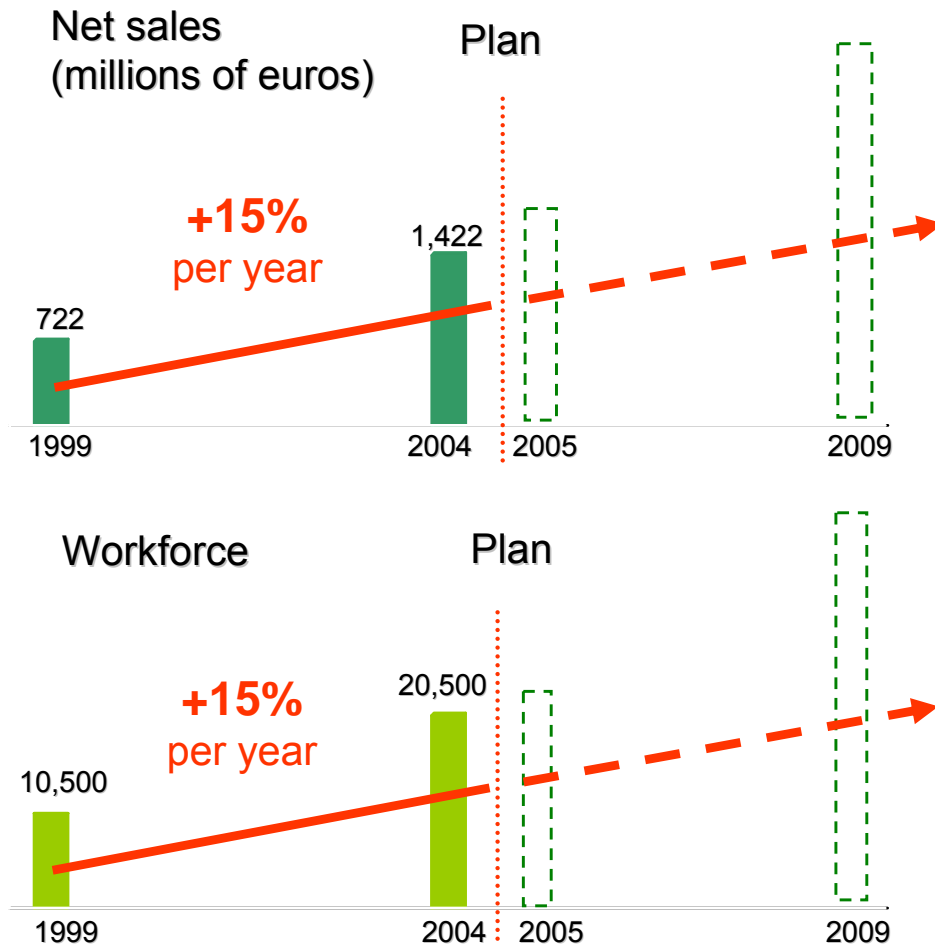
# PERFORMANCES OF BUSINESS SECTORS



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# BUREAU VERITAS

## Objective : double the company's size in five years



### Organic growth : 6% per year

- ▶ Invest in growth markets
- ▶ Increase market share
- ▶ Expand the service portfolio

### Acquisitions : ~ €100 million /year on average

- ▶ Identify appropriate targets
- ▶ Integrate new acquisitions rapidly
- ▶ Enhance performance to match BV's

### Performance

- ▶ Operating margin of 15%
- ▶ Attain critical size for key activities
- ▶ Manage and optimize risk

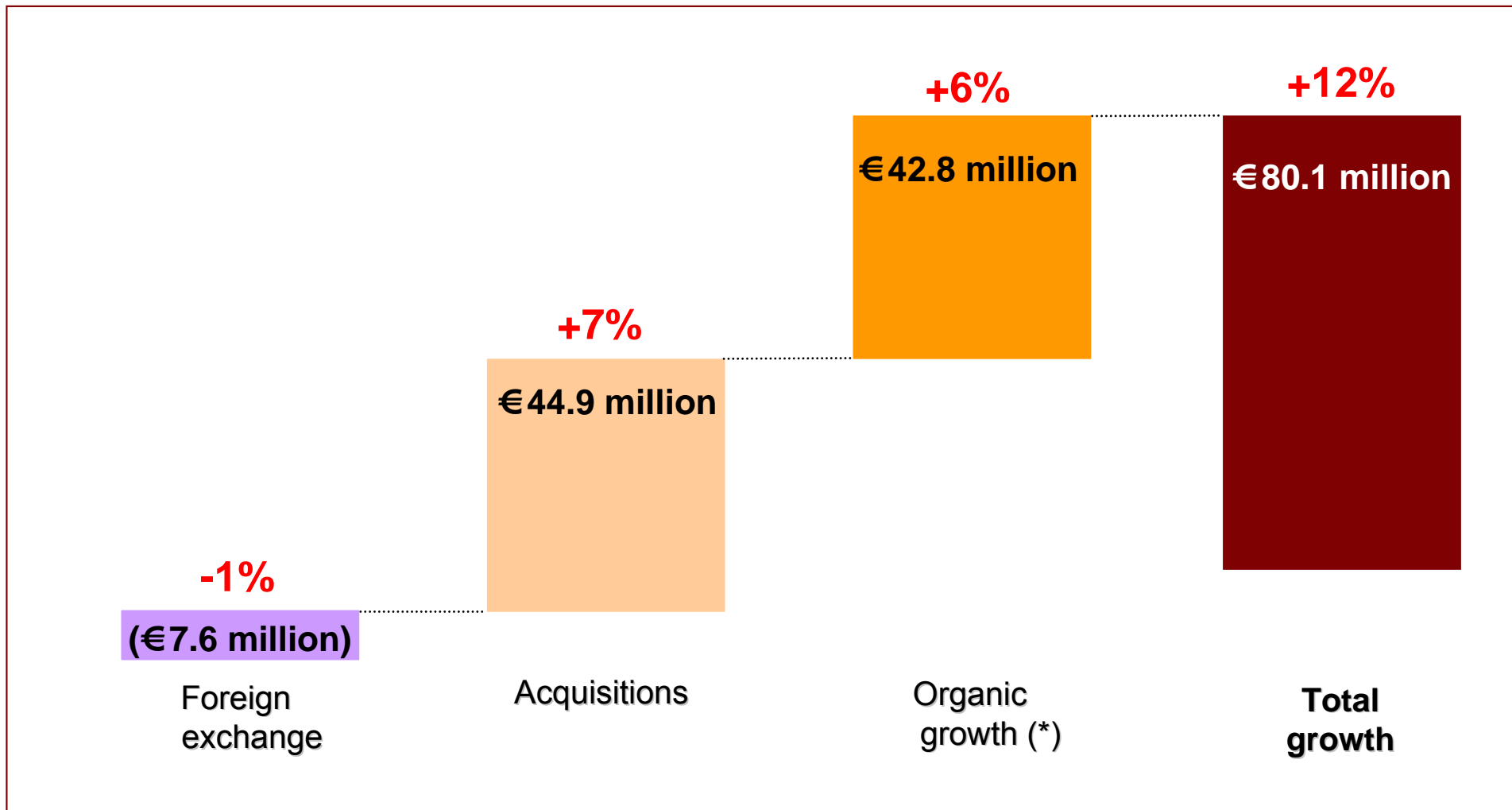
### Human resources

- ▶ Maintain the high level of quality in services rendered
- ▶ Develop management capacity : launch of BV Academy

(millions of euros) <i>IFRS</i>	June 30, 2005	June 30, 2004
Net sales	771 +12%	691
Operating income	111.0	101.1
<i>% of net sales</i>	14.4%	14.6%
Net financial charges	(9.4)	(0.9)
Net income excluding non-recurring items in WENDEL financial statements	62.5	64.0
<b>% of capital held</b>	<b>99.2%</b>	<b>33.9%</b>
<b>Contribution to WENDEL's net income from business sectors (*)</b>	<b>62.0</b>	<b>21.7</b>
Net debt in BV	397	(58)
Residual net debt from acquisition	375	-
Acquisitions in the first half of 2005 : <b>€115 millions</b> (€ 52 million in 2004)		

## Investments of €115 million with operations bolstered in the USA and the UK

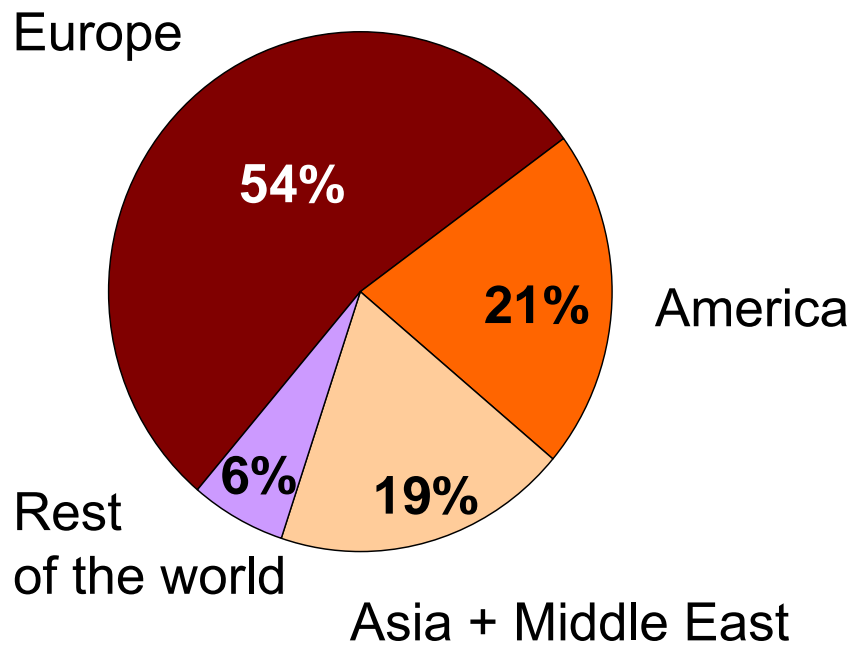
Companies	Country	Net sales in €millions
<b>CLAYTON GROUP SERVICES Inc</b> (laboratory testing, conformity advisory and evaluation)	<b>USA</b>	<b>55</b>
<b>CASELLA CONSULTING LTD.</b> (solutions for the environment, safety and healthcare)	<b>UK</b>	<b>45</b>
<b>LINHART PETERSON POWERS ASSOCIATES</b> (inspection and advisory for local governments)	<b>USA</b>	<b>17</b>
<b>CURTIS –STRAUSS</b> (certification and testing of electromagnetic, telecom and security products)	<b>USA</b>	<b>6</b>
<b>CE BTP</b> (inspection of electrical installations in the construction industry)	France	<b>6</b>
<b>Four other companies</b> (inspection and certification)	France and Europe	<b>&lt; 5</b>



(\*) on a constant consolidation and foreign exchange basis

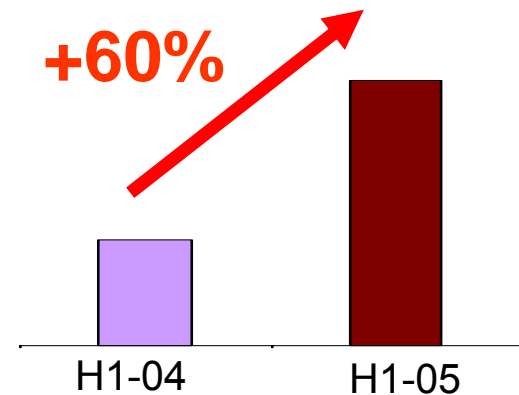
## Net sales by geographic region

First half 2005

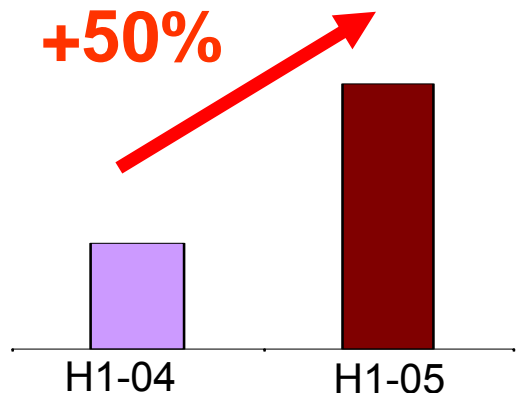


## Operations bolstered in the USA and the UK

USA



GB





- **Supervisory board of 8 members**  
**5 members represent the WENDELGroup**  
J-B. Lafonta Chairman, E-A. Seillière et 3 members of the Executive Committee  
**3 independent members**  
A. Cardoso, J. Charruau et P. Louis-Dreyfus
- **3 Committees**  
Compensation and Appointments  
Audit  
Risks
- **Executive board**  
F. Piedelièvre Chairman  
F. Tardan



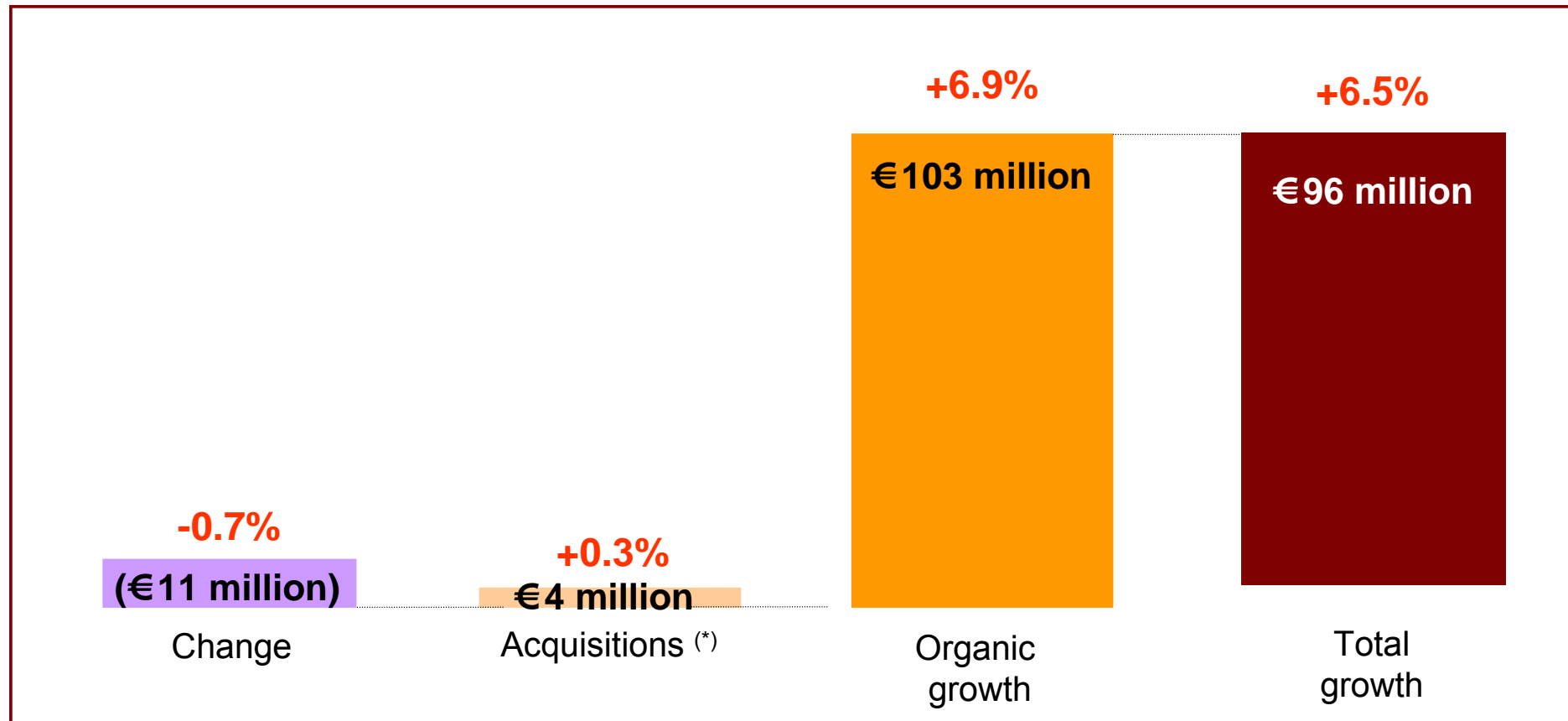
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LEGRAND

(millions of euros) IFRS	June 30, 2005	June 30, 2004
Net sales	<b>1,583</b>	1,486
	<b>+6.5%</b>	
Ebitda before non-recurring items (*)	<b>349.8</b>	341.0
<i>% of net sales</i>	<b>22.1%</b>	<b>22.9 %</b>
EBITA before non-recurring items (*)	<b>274.2</b>	260.5
<i>% of net sales</i>	<b>17.3%</b>	<b>17.5 %</b>
Net income excluding non-recurring items in WENDEL's financial statements (*)	<b>123.3</b>	<b>104.0</b>
Net debt	<b>1,928</b>	<b>2,016</b>
Net debt / EBITDA before non-recurring items (*) 12 months	<b>3.0 X</b>	<b>3.2 X</b>

- ▶ Organic growth in the first half of 2005: **+6.9%**
- ▶ Higher EBITA before non-recurring items (\*) in spite of a rise in commercial investments and R&D expenditures designed to spur growth and of a sharp increase in the price of raw materials

(\*) and before accounting for acquisitions



► High organic growth

(\*) *Excluding Van Geel and Zucchini consolidated as of the end of 2005 and including the other changes in consolidation*

(millions of euros)	Net sales	Organic growth (*)
France	451	5.6%
Italy	327	3.4%
Rest of Europe	304	7.8%
USA - Canada	286	10.2%
Rest of the World	215	9.9%
<b>Total</b>	<b>1,583</b>	<b>6.9%</b>

- ▶ Significant volume of business in France
- ▶ Rise in net sales in Italy in an unfavourable environment
- ▶ Satisfactory growth in eastern Europe and in mature markets in northern Europe
- ▶ Continued strong growth in the USA and Canada
- ▶ Sustained improvement in the rest of the world

(\*) on a constant consolidation and foreign exchange basis

## **Bolstering of marketing and sales teams**

- ▶ Increase workforce by 4% to more than 4,000 (First half 2005/First half 2004)
- ▶ Reinforce commercial network, in particular in the **USA** and **Canada** and in the **Rest of the World**

## **Launch of new products**

- ▶ Axolute: new line of high-performance equipment in **Italy**
- ▶ Miro: residential offering in the **USA**
- ▶ Sagane: integration of Wi-Fi access point in **France**

## **Return to external growth operations**

- ▶ **Van Geel** : leader in the **Netherlands** and a European specialist in metal cable management systems
- ▶ **Zucchini** : Italian leader in prefabricated busbar systems, an activity complementary to cable management
- ▶ **OnQ** : American leader in structured wiring for residential buildings, rounding out the group's coverage of the strong growth market for residential remote control



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EDITIS

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## Objectives defined in September 2004

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## Accomplished at the beginning of 2005

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Regain leadership in French-language publishing

9% increase in semiannual net sales

Support acquisition projects

Acquisition of Le Cherche Midi in June 2005

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Improve profitability

Operating income +25%

Become a major player in book distribution in France

Signing of 20 new contracts since September 2004

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(millions of euros) <i>French GAAP</i>	June 30, 2005	June 30, 2004
Net sales	320 +9%	294
EBITDA	22.4	20.7
Operating income	12.8	10.3
% of net sales	4.0% +25%	3.5 %
Net income excluding non-recurring items in WENDEL's financial statements (*)	(6.9)	not significant
Net debt	452	402 (**)

- Satisfactory rise in net sales in a declining market
- Increase of **50 basis points** in the operating margin
- Gains in productivity reinvested in development
- Higher debt : seasonality of cash flow and acquisition of Le Cherche Midi

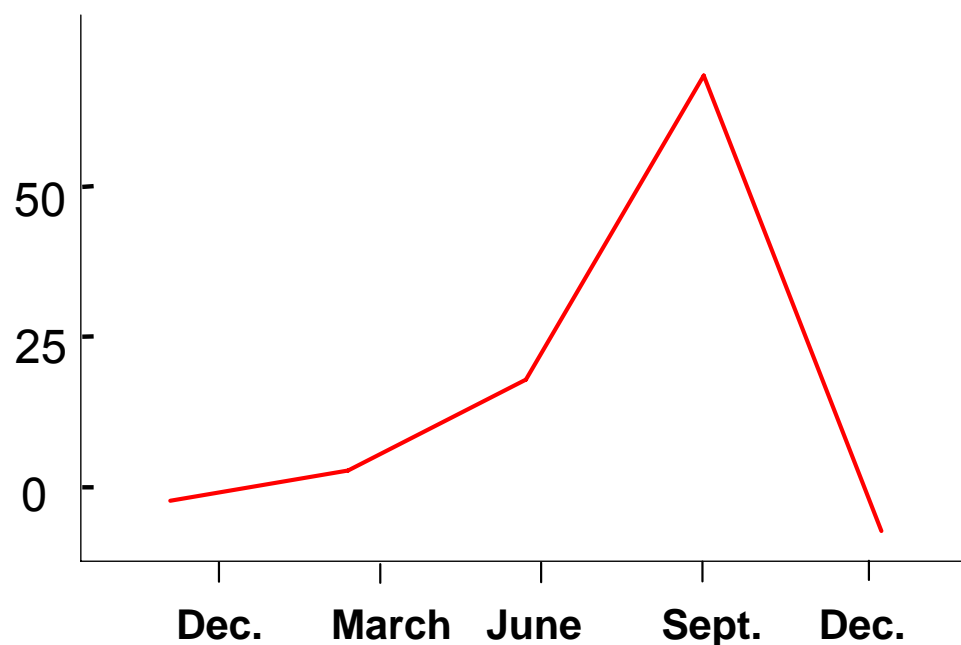
(\*) IFRS

(\*\*) December 31, 2004

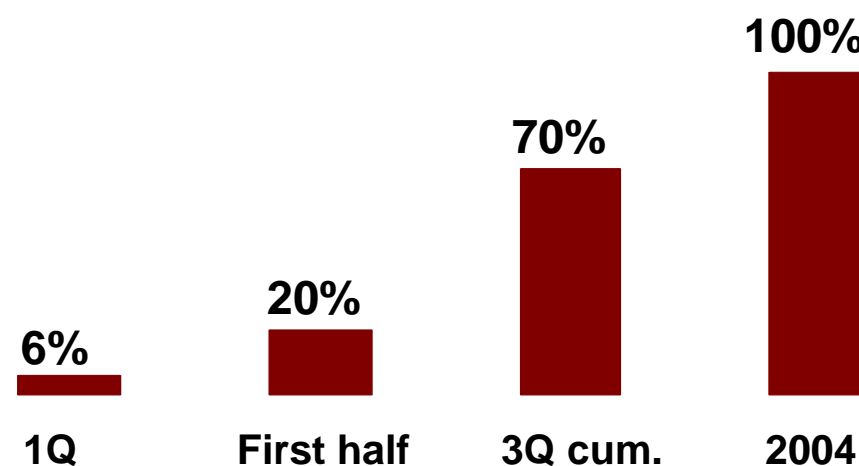
# Seasonal impact on business

## Working capital requirements in 2004

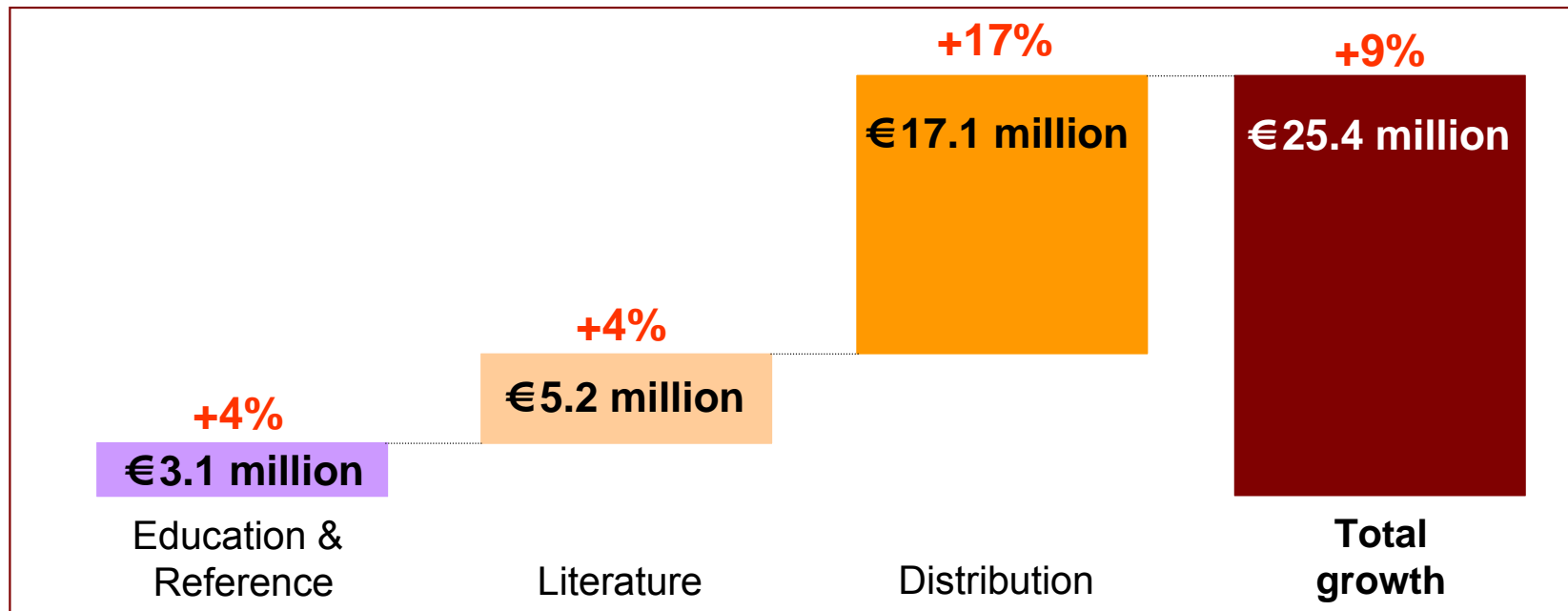
Millions  
of euros



## Percentage of quarterly operating income in total net income in 2004



## +9% increase in semiannual net sales



### Education and Literature :

- ▶ Many best-sellers (hardback and paperback)
- ▶ Good performance in education, reference and books for children
- ▶ Growth of school book linked to curriculum changes in lower grades and technical schools
- ▶ Broadening of editorial focus (Lonely Planet travel guides)

### Distribution :

- ▶ **17%** increase integrating the performance of best-sellers marketed from other publishers
- ▶ Approximately **20** new contracts signed since September 2004

## Best selling books in France in the first half of 2005

### Literature paperback

*Da Vinci Code* - Dan Brown - **Pocket**  
*La prochaine fois* - Marc Levy - **Pocket**  
*Et si c'était vrai...* - Marc Levy - **Pocket**  
*Si c'est un homme* - Primo Levi - **Pocket**



### Literature hardback

*Vous revoir* - Marc Levy - **Robert Laffont**  
*Bouche cousue* - Mazarine Pingeot - **Julliard**  
*Les demoiselles de Provence* - Patrick de Carolis - **Plon**  
*La mauvaise vie* - Frédéric Mitterand - **Robert Laffont**



### Education & Reference

*Nathan vacances – du CP vers le CE1* - Véronique Calle – **Nathan**  
*Les désastreuses aventures des Orphelins Baudelaire T10* - Lemony Snicket – **Nathan**  
*Star Wars – Tout sur la revanche des Sith* – **Nathan**  
*Le Petit Décodeur* – **Le Robert**

## Broadening Editis' publishing range

- Complementary offerings and recognized authors
  - ▶ Humor
  - ▶ General literature and poetry
  - ▶ Do-it-yourself and art books
- Well-known publisher
- Approximately 120 new books per year
- Net sales of almost € **9** million in 2004 with average annual growth of **8%** in the last 4 years





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# ORANJE-NASSAU

(millions of euros)	June 30, 2005	June 30, 2004
Net sales	119	110
Energy	114	105
Production (millions of boe)	3.4	4.2
Price per barrel (euros)	38.8	27.2
Real estate	5	5
Net income excluding non-recurring items in WENDEL's financial statements (*)	45.5	30.4
of which Energy	41.0	27.9

(\*) excluding Group companies held via Oranje-Nassau

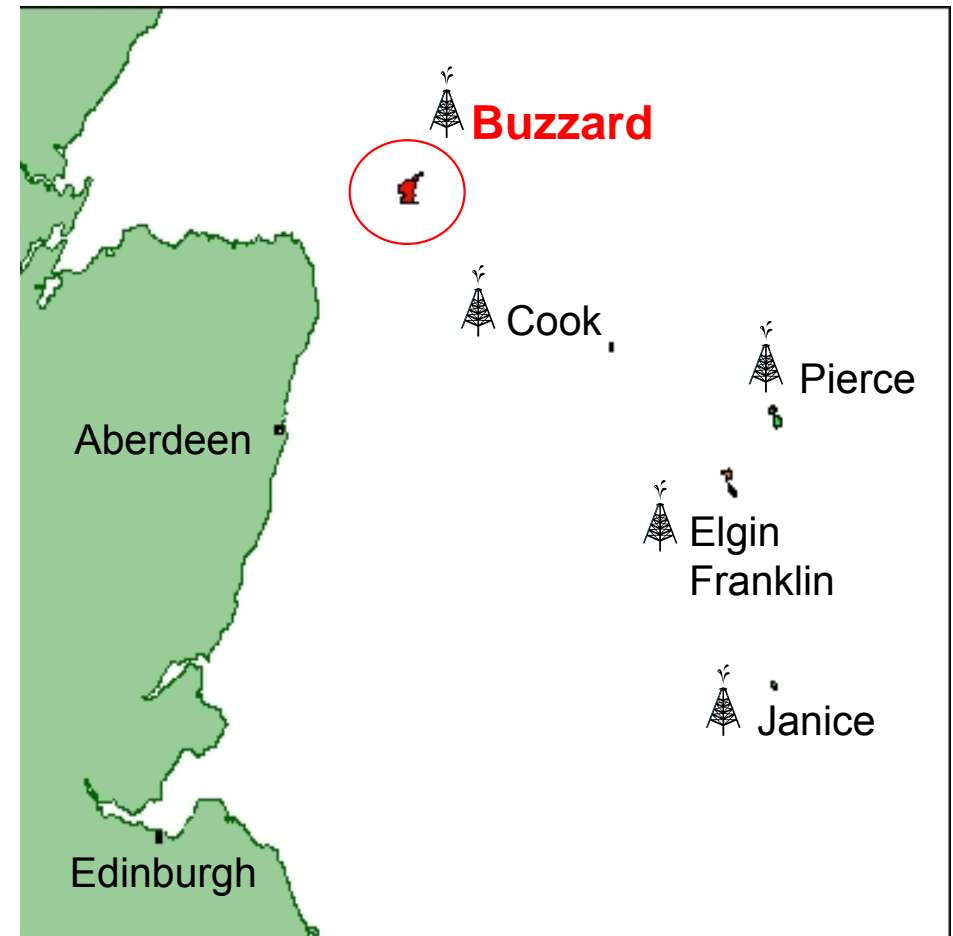
# Acquisition of Edinburgh Oil & Gas

## Reserves increased by +50%

- Assets: **2.6%** of the Buzzard oil field
  - Reserves: **13.8** million barrels  
(independent estimate)
  - Increase in reserves: **+50%**
  - Production planned : **2006/2007**
  - Depth of water: 100 meters
  - Facilities: 3 platforms and 2 underwater satellites
- 
- Other shareholders:
 

Nexen (operator)	43.2%
Petro Canada	
BG, Dyas	54.2%

Location of oil fields in which Oranje-Nassau has an interest





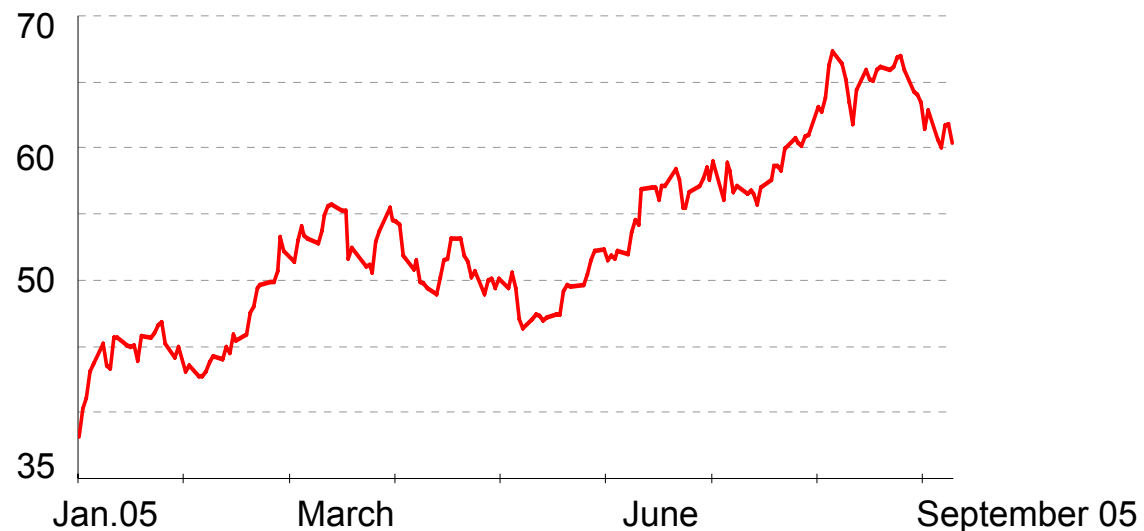
## Financing (millions of euros)

Investment	107
Development ('05-'06)	28
	<hr/>
	135
Oranje-Nassau resources	93
Financial debt	42
	<hr/>
	135

## Profitability

**Internal rate of return forecast:**  
**15%**

## Price of Brent (USD per barrel)





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# STALLERGÈNES

(millions of euros) <i>IFRS</i>	June 30, 2005	June 30, 2004
Net sales	56.1 +21%	46.2
Operating income	10.6	7.6
% of net sales	18.8%	16.4%
Net income excluding non-recurring items in WENDEL's financial statements	7.1 +58%	4.5
Net debt	25	7

- ▶ Organic growth (\*) in the first half of 2005 : +20%
- ▶ Solid fundamentals with the growth in attack treatments
- ▶ Ongoing expansion of R&D from 11% to 13% of net sales, linked to the pill program

(\*) on a constant consolidation and foreign exchange basis



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# INVESTMENT CAPACITY

Cash resources available after sale of  
Wheelabrator and Valeo

€ 800 million

Syndicated loan not drawn down

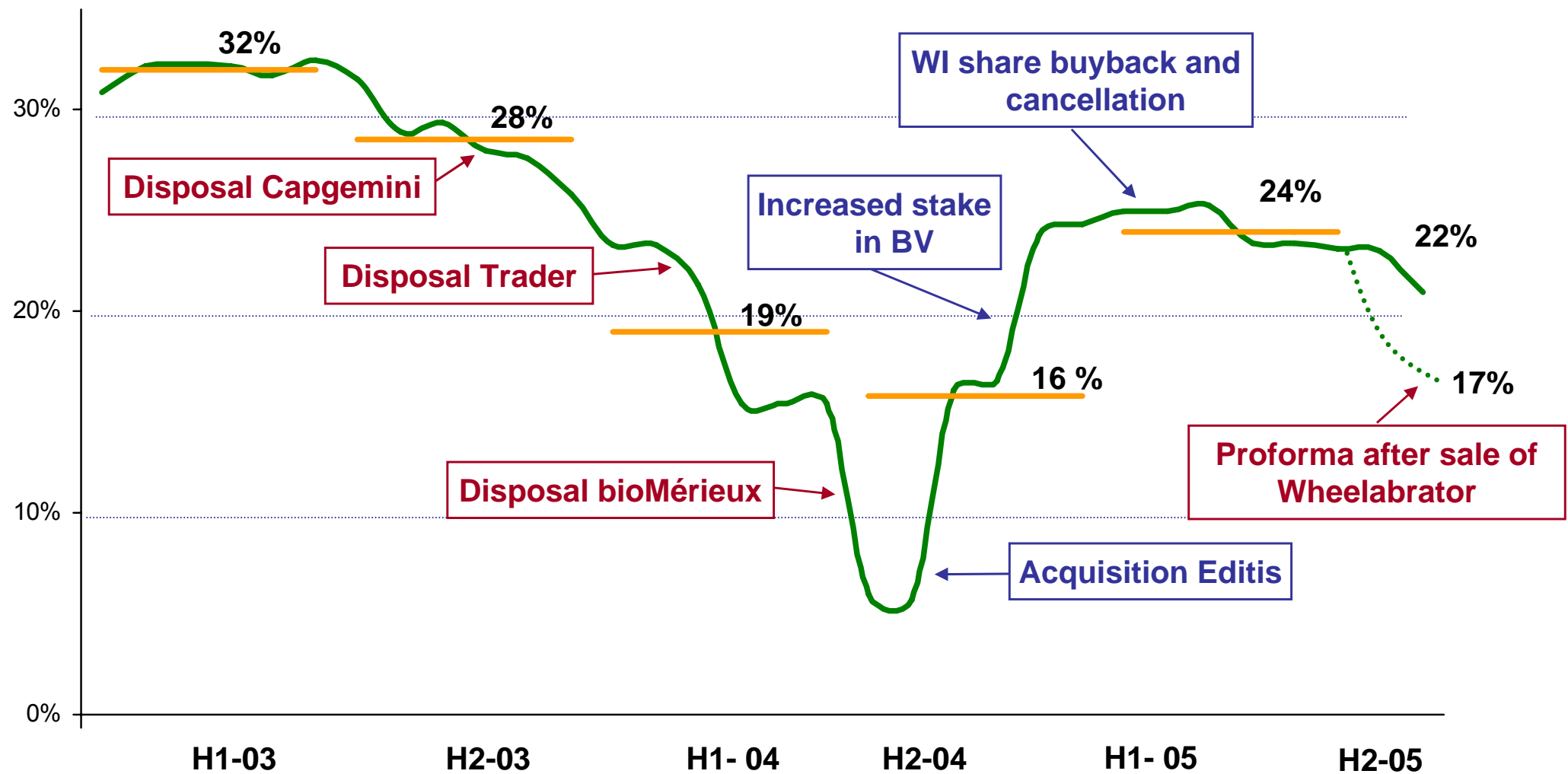
€ 500 million

**Equity investment capacity**

**€1,300 million**

Net debt (\*)

Gross asset value



(\*) Financial debt minus net cash flow of WENDEL Investissement and holding companies, excluding those whose debt is without recourse on WENDEL Investissement



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# NET ASSET VALUE

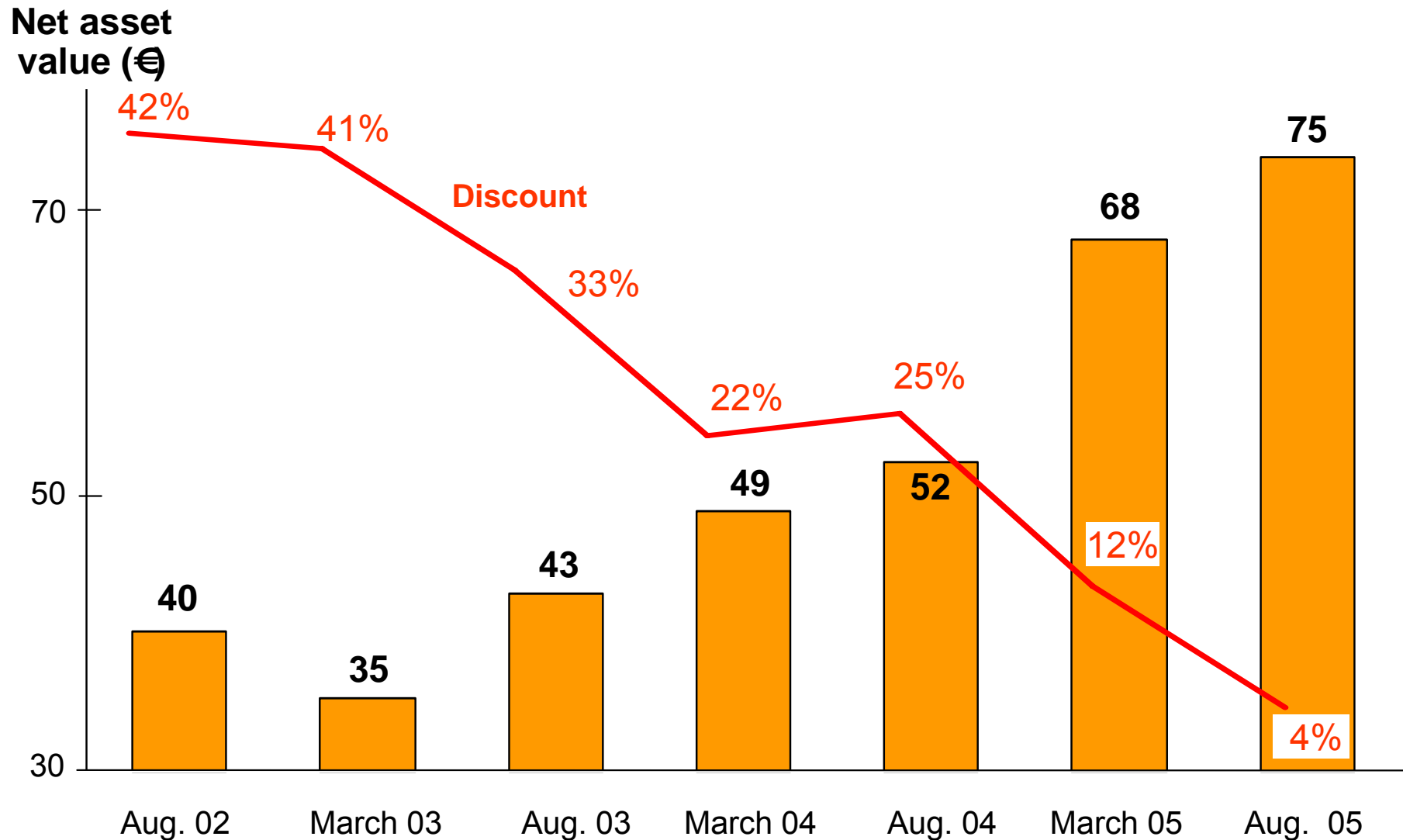
	millions of euros	% of gross assets
Unlisted assets	4,430	79%
Listed assets (*)	420	7%
WENDEL Treasury shares	340	6%
Net cash (**)	460	8%
<b>Gross assets</b>	<b>5,650</b>	<b>100%</b>
Gross financial debt	(1,600)	
<b>Net asset value</b>	<b>4,050</b>	
<b>Net asset value per share</b>	<b>75€</b>	

(\*) excluding the Valeo shares sold at the beginning of September 2005

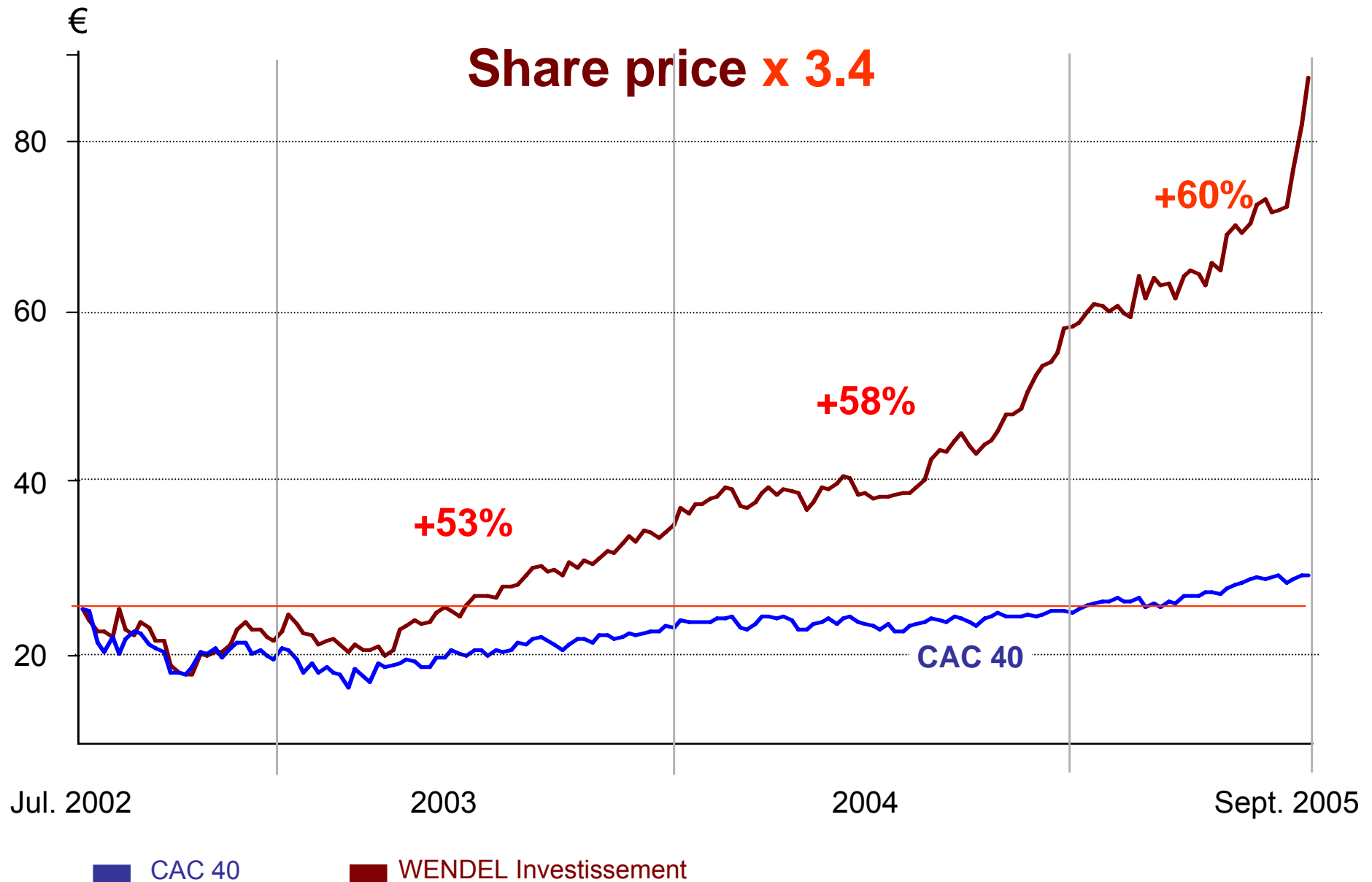
(\*\*) including the Valeo shares sold at the beginning of September 2005



# Strong growth in net asset value and elimination of the discount



# Strong growth in share price since the creation of WENDEL Investissement





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# PROSPECTS

## ■ Investment objectives presented in 2002

- ▶ Build leaders
- ▶ Invest > **€100 million** in equity
- ▶ Implement strategic decisions in active partnership with management
- ▶ **25%** of gross assets in listed companies

## ■ In 3 years, between August 2002 and August 2005

- ▶ the share's annualized<sup>(\*)</sup> performance **+49% /year**  
*can be attributed to:*
- ▶ the annualized performance<sup>(\*)</sup> of the NAV **+25% / year**
- ▶ the elimination of the discount **+19% /year**

(\*) Internal rate return between August 2002 and August 2005 including net dividends paid during the period

- **Environment in 2005**

Rise in price of unlisted assets

Attractive projects

- **Objectives in term of creation of value of shareholders**

Medium-term internal rate of return **> 15%** per year

Net return **~ 3%** and exceptionnal distribution