WENDEL

2012 HALF-YEAR FINANCIAL REPORT

"The English language version of this text is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation."

2012 HALF-YEAR FINANCIAL REPORT

Interim management report 4

Net Asset Value (ANR) 13

First-half 2012 financial statements

1 – Condensed consolidated financial statements H1 2012 16

2 – Statutory Auditors' report 85

Certification 88

Interim management report – first half 2012

1 – Business overview

Consolidated results

(in millions of euros)	H1 2011	H1 2012	Δ
Consolidated subsidiaries	429.3	364.8	-15.0%
Financing, operating expenses and taxes	(159.4)	(123.8)	-22.4%
Net income from business sectors[1]	269.9	241.0	-10.7%
Net income from business sectors[1] Group share	174.8	139.0	-20.5%
Non-recurring income [2]	250.0	559.6	
Total net income	519.9	800.7	
Net income – Group share	452.5	724.8	+60.2%

1. *Net income before goodwill allocation entries and non-recurring items*
2. *Including goodwill allocation entries*

Net income from business sectors

(in millions of euros)	H1 2011	H1 2012	Δ
Unchanged scope			
Bureau Veritas	168.6	194.5	+15.3%
Materis	26.3	-0.8	
Stahl	6.7	13.1	+93.7%
Saint-Gobain (equity-accounted)	153.7	111.0	-27.8%
Sub-total	***355.4***	***317.8***	***-10.6%***
Changed scope			
Deutsch	33.9	24.9	
Oranje-Nassau Développement[2]	2.1	5.2	
Parcours	2.1	6.5	
Mecatherm	-	-1.5	
exceet (equity-accounted)	-	0.2	
Legrand (equity-accounted)	37.9	16.8	
Sub-total	***73.9***	***47.0***	
Total business sector contribution	**429.3**	**364.8**	**-15.0%**
Operating expenses	(18.8)	(22.8)	
Management fees and taxes	1.7	4.5	
Sub-total	(17.1)	(18.3)	+7.3%
Amortization, provisions and stock-option expenses	(3.1)	(3.7)	
Total operating expenses	**(20.2)**	**(22.1)**	**+9.3%**
Total net financial expense [3]	**(139.2)**	**(101.7)**	**-27.0%**
Net income from business sectors[1]	**269.9**	**241.0**	**-10.7%**
Net income from business sectors, Group share[1]	**174.8**	**139.0**	**-20.5%**

1. *Net income before goodwill allocation entries and non-recurring items*
2. *Includes Parcours, fully-consolidated from April 1, 2011, Mecatherm from October 4, 2011 and exceet (equity-accounted) from August 1, 2011*
3. *Includes currency impact on short-term financial investments*

The Supervisory Board met on August 29, 2012 to review Wendel's consolidated financial statements, as finalized by the Executive Board on August 23. The financial statements were subject to a limited review by the Statutory Auditors prior to publication.

Wendel's consolidated sales rose 12.9% to €3,259.9 million, with organic growth of 5.1%.

The overall contribution of the Group's companies to net income from business sectors was €364.8 million, reflecting a 15.0% decrease compared with H1 2011. This decrease came about for two reasons. Firstly, the scope of consolidation changed (decrease in Wendel's percentage holding in Legrand and sale of Deutsch in H1 2012); secondly, the earnings of Saint-Gobain and Materis declined. Given the acquisitions and sales carried out in 2011 and 2012, the decline in net income from business sectors was limited to 10.6% on the unchanged scope.

Expenses related to the financial structure and to operations declined for the seventh consecutive half-year period. At €123.8 million, they were 22.4% lower as a result of significantly reduced debt and positive currency effects.

Non-recurring income totaled €559.6 million vs. €250.0 million in H1 2011. In the first half of 2012, non-recurring income was boosted by the sale of Deutsch, which generated an accounting gain of €689.2 million. In the first half of 2011, non-recurring income had been buoyed by €426.7 million resulting from the sale of a block of Legrand shares.

As a result, Wendel's total attributable net income was €724.8 million in H1 2012, compared with €452.5 million in H1 2011.

H1 2012 earnings brought consolidated shareholders' equity to €4,028 million as of June 30, 2012, vs. €3,298 million as of December 31, 2011.

Results of Group companies

Bureau Veritas – sales up 14.7% over the six months and adjusted operating income up 13.9%
(Full consolidation)

H1 2012 revenue rose 14.7% to €1,861.6 million. The increase broke down as follows:

- Organic growth of 8.1% including:
  - double-digit growth in Industry, Commodities and Government Services & International Trade businesses (around 50% of Group revenue),
  - healthy growth levels in the Consumer Products, Certification and In-Service Inspection & Verification businesses (around 30% of revenue),
  - and a more difficult environment, as expected, in the Marine and Construction businesses (20% of revenue).
- A 3.4% positive impact from exchange rate fluctuations due to the strength of the majority of currencies against the euro, and especially the US and Australian dollars and the Chinese Yuan,
- A 3.2% positive impact from changes in the scope of consolidation prompted by the consolidation of acquisitions, primarily AcmeLabs (Commodities), TH Hill (Industry), Tecnicontrol (Industry) and HuaXia (Construction).

Since the beginning of the year, the group made 12 acquisitions based on attractive valuations, enabling it to consolidate its technical expertise in buoyant market segments (oil drilling, geochemical testing of minerals, electronics products testing, automotive segment) and to increase the size of its network in key regions such as North America, Latin America and Germany. These acquisitions are set to provide combined revenue of more than €200 million on the basis of full-year 2012 estimates and represent additional growth of around 6% relative to the group's 2011 revenue.

Adjusted operating profit rose by 13.9% to €295.6 million in H1 2012 compared with €259.5 million in H1 2011. Adjusted operating margin expressed as a percentage of revenue totaled 15.9% in H1 2012, compared with 16.0% in H1 2011. As expected, the slight 10bp narrowing stemmed from changes in the mix with an increase in the weight of businesses with margins still below the group average (Industry and Commodities).

Considering H1 achievements and despite a challenging economic environment, Bureau Veritas should deliver strong growth in 2012 revenue and operating profit, in line with the targets set out in the BV2015 strategic plan[1].

(1) 2012-2015 financial targets in the "*BV2015: Moving forward with confidence*" strategic plan:

- Revenue growth: 9-12% on average per year, on a constant currency basis:
  - Two-thirds from organic growth: 6-8% on average per year
  - One-third from acquisitions: 3-4% on average per year
- Improvement in adjusted operating margin: 100-150bps relative to 2011
- Growth in adjusted EPS: 10-15% on average per year between 2011 and 2015

Materis – Favorable first half, owing to emerging markets, amid difficult economic conditions. Two strategic acquisitions
(Full consolidation)

Against a difficult economic backdrop, Materis posted sales of €1,043.1 million in the first half of 2012, up 2.0%. 0.2% of growth was organic (volume/mix effects: -4.5%; price effects: +4.7%). Changes in scope generated a positive impact of 0.7%, essentially from the integration of Elite in the United States and PK in Thailand in the Mortars division, as well as the acquisition of independent paints distributors in France and Italy. Currency fluctuations had a positive impact of 1.0%.

Organic growth was driven by upbeat business conditions in emerging market countries (up 10%) and significant price increases, which offset lackluster volumes in mature economies. Over the past few years, Materis's strategy of targeted acquisitions and its emphasis on sales and marketing have

enabled the company's various divisions to figure among the best performers in their respective sectors:

- Growth at **Kerneos (Aluminates)** (1.9% and 2.1% contraction organically) was driven by significant price increases, favorable currency effects and robust volumes in chemicals for the building industry in the United States, the United Kingdom, Germany, Scandinavia, and China. These factors offset the slowdown in steel production in Europe;
- Favorable growth at **Chryso (Admixtures)** (3.1% and 5.2% organically), was due to brisk business in emerging market countries (India, South Africa, Morocco, Turkey, Eastern Europe) and a relaunch of the business in the United States. It was also boosted by price increases, which offset a contraction in end markets in Southern Europe and an unfavorable currency effect;
- **Parex Group (Mortars)** continued to post robust growth (8.5% and 5.2% organically), benefiting from healthy business growth in emerging economies and the beginnings of a recovery in the United States, price increases, favorable scope and currency fluctuations. These increases more than offset a sharp decline in Spain and a slight contraction in France (with an unfavorable base of comparison in terms of rainfall);
- **Materis Paints** contracted in the first half of the year (2.8% and 3.6% organically), as the difficult economic climate in Southern Europe took its toll and sales were flat in France. These factors partially offset vigorous price increases intended to pass on the sharp rise in titanium dioxide costs in 2011, good performance in Argentina, and the consolidation of independent distributors. The Paints division has implemented a high impact action plan that should generate savings of €19 million in 2012 and €35 million by 2014.

Materis carried out two strategic acquisitions: Suzuka, leader in the Chinese market for organic texture coatings, which enables Parex Group to round out its significant presence in that country (800 points of sale), and the Greek company Elmin, Europe's leading exporter of monohydrate bauxite, which ensures Kerneos long-term access to one of its key raw materials.
Materis's EBITDA totaled €129.7 million (12.4% of sales) and its adjusted operating income was €95.9 million (9.2% of sales).
In May 2012, Wendel announced the successful rescheduling of Materis's bank debt, capping negotiations with a pool of 199 lenders launched in September 2011, 18 months before the first repayment dates. The agreement postponed the 2013-15 maturities to 2015-16 and increased the company's sources of liquidity. 90% of senior loans, 99% of second-lien maturities and 100% of mezzanine debt were postponed under the agreement. Concurrently, Wendel and its co-shareholders injected €25 million in equity to finance Materis's expansion (acquisitions and capital expenditures), and made an interest-bearing, €25 million credit facility available. This facility could be increased in 2013 to €50 million under certain conditions.
Finally, Wendel and Materis have received proposals from potential acquirers for several of Materis's businesses, but because of the economic context in Europe, it was not possible to complete a transaction at satisfactory terms.

Stahl – Good first half, with strong growth in sales

(Full consolidation)

In H1 2012, Stahl posted a 7.2% rise in sales to €184.6 million. Organic growth came in at 6.2%, after stepping up in the second quarter to 7.3%.
Sales of the "Leather products" activities rose 4.6%, benefiting from increased activity within the automotive segment, North America in particular. The non-automotive segments continued to suffer from the high hide prices, with sales growth in South America and India being offset by lower activity in North America and in some areas in Asia. "High-performance coatings" activities posted strong performance in all geographic regions, with overall growth of 13.1%.
Adjusted operating income came to €24.4 million, up 15.2%, with a margin of 13.2% (vs. 12.3% in H1 2011). Operating margin is benefiting from the higher sales levels, a favorable currency effect and a plan to selectively reduce fixed costs in some regions.
Stahl's net financial debt stood at €187.7 million as of the end of June 2012.

Saint-Gobain – Sales down 0.8% like-for-like in H1 2012

(Equity method)

After a broadly satisfactory first quarter in line with the economic scenario anticipated by Saint-Gobain early in the year, the second quarter was hit by a deterioration in the economic climate in Western Europe. This was particularly pronounced from May onwards, and was exacerbated by fewer working days than in 2011 (one day less; three days less in France in May), and by very average weather

conditions. Sales were down 2.3% on a like-for-like basis (down 4.2% in terms of volumes and up 1.9% in terms of prices). With the exception of High-Performance Materials (HPM) and Packaging (Verallia), all of Saint-Gobain's Business Sectors and Divisions suffered from a slowdown in the residential new-build and automotive markets in Western Europe. In addition, Asia and emerging countries showed no tangible signs of recovery in this second quarter. Flat Glass – which generates almost all of its sales in Western Europe and in Asia and emerging countries – was particularly hard hit by these adverse market conditions.
On a more positive note, the gradual recovery in residential construction across North America continued apace, while industrial output and capital spending performed well.
Amid a tougher economic environment than at the beginning of 2012, and in view of the hike in raw material and energy costs in this first half, sales prices remained a clear priority for Saint-Gobain throughout the six months to June 30, and gained 2.2% (2.6% excluding Flat Glass).
Overall, like-for-like sales for Saint-Gobain slipped 0.8% in the first six months of 2012, with volumes down 3.0% and prices up 2.2%.
Despite profitability gains in North America, Saint-Gobain's operating margin narrowed to 7.0% for first-half 2012 compared to 8.2% for the same period in 2011, due mainly to sluggish sales volumes (chiefly in Western Europe) and to a price/cost spread in Flat Glass.

- Along the lines of the first quarter, **Innovative Materials** sales fell 3.1% on a like-for-like basis over the first half, reflecting challenging market conditions in Flat Glass. High-Performance Materials delivered timid growth gains amid robust trading on most industrial markets worldwide - except automotive in Western Europe and solar power. Hit by slack profitability in Flat Glass, the operating margin for the Business Sector narrowed to 8.4% from 12.5% one year earlier.
- **Construction Products (CP)** sales inched down 0.3% on a like-for-like basis, hit by the slowdown in sales volumes in Western Europe and in Asia, particularly in the second quarter. As a result, the operating margin fell to 8.8% from 9.7% in first-half 2011.
- **Building Distribution** reported a slight 0.6% decrease in like-for-like sales as organic growth retreated in the second quarter (2.5%), with sales growth in Germany, Scandinavia and the US more than offset by sluggish trading in France and the UK along with persistent difficulties in Southern Europe and Benelux. The operating margin for the Business Sector improved, up to 3.9% from 3.6% in first-half 2011.
- **Packaging (Verallia)** delivered 3.0% organic growth over the first half, spurred by bullish trends in sales prices in its main markets. Trading remained robust in the US, France and Germany, but slackened in Southern and Eastern Europe. The operating margin fell to 10.8% of sales versus 12.4% in first-half 2011, mainly reflecting difficulties in Southern Europe and the time lag before higher costs were reflected in prices.

To address the deterioration in the economic environment observed in the second quarter of 2012, Saint-Gobain:
- continued to give priority to sales prices, which rose 2.2% over the first half (and 2.6% excluding Flat Glass),
- rolled out new cost cutting measures (particularly in Flat Glass), with cost savings in the first half totaling €170 million in Western Europe and in Asia and emerging countries (chiefly in Flat Glass and Pipe), For the year as a whole, this program will lead to cost savings of €500 million, and its full-year impact (in 2013) will be €750 million (calculated on the 2011 cost base),
- slashed its operating working capital requirements (WCR), with a gain of 5.1 days (€340 million) over the last 12 months, representing an improvement of 21% in cash generated (free cash flow + change in operating WCR) over the past 12 months, at €1,367 million,
- put any new acquisition projects on hold (after having completed the acquisitions signed in late 2011 during the first half of 2012, for example Brossette).
This action plan will be pursued and firmly reinforced throughout the second half of 2012.
Given the deterioration in the global economy since the start of the year, for full-year 2012 Saint-Gobain is now expecting:
- a measured rise in its sales prices;
- a limited decline in its volumes;
- second-half operating income to be moderately down on operating income for first-half 2012;
- continuing high levels of free cash flow and a strong balance sheet.

Legrand – 5.5% total growth in sales. Adjusted operating margin at 20.5%
(Equity method)

Reported figures set sales for the first half at €2,223.7 million, a year-on-year rise of 5.5%.
At constant scope of consolidation and exchange rates, the change in sales was -1.3%, impacted by a high basis for year-on-year comparison, notably in France.

The impact of changes in the scope of consolidation in the first half of 2012 was +5.4% and exchange rates had a positive effect of 1.5%.
Adjusted operating income came to 20.5% of sales or 20.8% excluding acquisitions. This good operating performance reflects:
- the quality and soundness of Legrand's market positions,
- the responsiveness of teams to highly differentiated changes in business trends,
- Legrand's ability to keep pricing management under control.

These strong operating results, combined with careful management of capital employed, enabled Legrand to generate solid free cash flow up 17.2% compared to the first half of 2011.

In line with its growth strategy, based on innovation and acquisition, Legrand devoted close to 5% of sales to R&D spending, and new products accounted for more than half of its investments. This has led to the launch of numerous new products since the beginning of the year, including:

- The Mingzhi surface-mounted wiring-device range in China,
- Home Network communication systems for home multimedia networks,
- New Sfera door-entry systems in Italy, soon to be deployed internationally,
- CCTV electronic security systems for the international market,
- Platinum floor sockets for European markets,
- The new generation of Practice flush-mounted emergency lighting units in France.

Legrand has also continued to expand its existing offer by adding new functions, in particular to wiring device ranges that include Céliane and Arteor, and energy distribution offers such as Puissance3.

In addition and in keeping with its strategy of targeted, self-financed acquisitions of small and mid-size companies offering growth potential and strong market positions, Legrand announced three acquisitions during the first half:

- Numeric UPS, India's market leader in low- and medium-power uninterruptible power supply systems,
- Aegide, market leader in Voice-Data-Image cabinets for data centers in the Netherlands, and a front-running European contender in this market,
- Daneva[(1)], Brazil's leader in connection accessories.

Legrand is thus continuing to strengthen its market positions, notably in new economies and new business segments.
Allowing for different dates for consolidation in Legrand's accounts, businesses acquired since July 2011 should boost 2012 sales by around 4.5%.

Based on these achievements and in the absence of marked worsening in the economic environment, Legrand confirms its targets for 2012:
- organic growth[(2)] in sales of about zero
- adjusted operating margin equaling or exceeding 19% of sales including acquisitions[(3)].

(1) A joint venture has been signed and is subject to the approval of Brazil's competition authorities
(2) At constant scope of consolidation and exchange rates.
(3) Small and mid-size bolt-on acquisitions

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in Parcours (France), exceet (Germany), Mecatherm (France) and Van Gansewinkel Groep (Netherlands).

Parcours – Robust growth in sales

(Full consolidation since April 2011)

Parcours reported sales of €141.0 million, up 6.3% compared with H1 2011. Between end-June 2011 and end-June 2012, Parcours' fleet expanded by 7.3% to 46,431 vehicles. This rate of growth was once again faster than the French industry average (2.6%). Parcours' vehicle leasing and maintenance businesses (73% of sales) advanced by 5.9%, while sales of used vehicles rose by 7.7%. Pre-tax ordinary income rose 12.7%[(1)] to €9.7 million over the period, representing a margin of 6.9%.

(1) H1 2011 pre-tax ordinary income restated and including volume bonuses spread out over the year so as to ensure comparability.

exceet – Sales growth of 16.1%
(Equity method since July 2011)

Even though the economic context was more challenging and delivery of a significant order was delayed in H1 2012, exceet saw its sales advance by 16.1%. Sales during the period rose to €90.6 million, while EBITDA contracted to €6.8 million as a result of €1.4 million in non-recurring items and negative effects related to the integration of acquired companies. During the first half of the year, exceet acquired two companies: Inplastor in Austria and AS Electronics in Germany.
For the remainder of 2012, exceet projects that visibility on its order book for the second half combined with efforts to reduce costs will lead to sales growth in excess of 20% and a return to a double-digit EBITDA margin, barring any further deterioration in the economy.

Mecatherm – Sharp decline in sales in H1 2012 resulting from the volatile economic environment
(Full consolidation since 4th quarter of 2011)

The Mecatherm group's sales totaled €29.6 million in the first half of 2012, down significantly from the year-earlier period, before it was acquired by Wendel and adopted IFRS. As expected, the volatile economic context prompted certain customers in mature economies to postpone their investments, even though a large volume of business was already in the pipeline. Emerging markets, meanwhile, continued to post growth. At €0.8 million, EBITDA registered the impact of the group's dip in sales.
Wendel and Mecatherm have launched an ambitious, long-term growth plan called "Mecatherm 2020". This plan aims to build upon Mecatherm's R&D-driven technical leadership, render its sales efforts more efficient, in particular by launching new products and services and carrying out targeted acquisitions, and improve its industrial performance.

Wendel further strengthened its financial structure, and reduced its net financial expense, by reducing gross financial debt by €889 million since the start of the year and by a cumulative €4.6 billion since 2009

- **Sale of Deutsch**

The sale of Deutsch to TE Connectivity, a world leader in connectivity solutions, was finalized in early April 2012 after all the necessary regulatory approvals were received. Deutsch's enterprise value was approximately $2.1 billion, based on this transaction, and Wendel's net proceeds from the sale totaled €960 million, or 2.5 times its total investment. Wendel thus achieved a cash-on-cash capital gain of €583 million on its investment. Taking into account depreciation and cumulative earnings recognized during the time Wendel held Deutsch, the accounting gain on the sale of the Deutsch group totaled €689.2 million.

- **Early repayment of bank debt**

Since the beginning of the year, Wendel has repaid €560 million in debt with margin calls prior to maturity, of which €500 million in June 2012. On March 21, 2012, Wendel repaid the €250 million tranche of the syndicated loan in advance of the September 2013 maturity date. As a result, Wendel no longer has any repayment obligations before September 2014.

- **Transactions on bond debt**

Since the beginning of the year, Wendel has repurchased €79 million of its bonds on the market, with maturity dates in November 2014 (€49 million) and May 2016 (€30 million).

- **New line of credit with margin calls, maturity 2017**

The €1,100 million line of credit available with margin calls and maturing in 2013-14 was replaced during the summer (after the closing date) by a new, €700 million, undrawn revolving line maturing in July 2017, financing Saint-Gobain shares. Through this transaction, Wendel extends the average maturity of its available lines and will reduce interest costs. Undrawn lines of credit with margin calls now total €1,150 million. Of this amount, €225 million mature in 2016 and €925 million in 2017.

- **Maturity extended on 2.2 million puts issued on Saint-Gobain**

The 2.2 million puts issued (written) on Saint-Gobain and maturing in September 2012 have been extended to September 2013. The 6.1 million outstanding puts issued now have maturity dates in December 2012 (2.6 million), March 2013 (1.3 million) and September 2013 (2.2 million).

- **€800 million interest rate swap extended**

Wendel has entered into interest rate swaps totaling €800 million so as to hold the cost of its bank debt at a low level. These swaps will cover interest rate fluctuations in 2014 and 2015.

- **Improved S&P rating**

On April 11, 2012, Standard & Poor's announced that it had upgraded its credit rating for Wendel from "BB-" to "BB", with a stable outlook. This decision was motivated by Wendel's announcement that it had finalized the sale of Deutsch, the specialist in high-performance connectors, and by improvement in Wendel's financial structure.
In its April 11 press release, S&P said: "The positive rating action reflects management's continuous efforts to reduce debt since late 2009, and the more recent, significant drop in Standard & Poor's loan-to-value (LTV) ratio for Wendel to below 45%, a level commensurate with a 'BB' rating. This follows the completion of the sale of electronic connections provider Deutsch Group SAS (Deutsch) to Swiss electronics firm TE Connectivity Ltd."

Additional buyback of Wendel shares

Since the beginning of the year, Wendel has repurchased 450,000 of its own shares, and held 2,244,561 Wendel shares as of August 21, 2012, representing 4.4% of its share capital.

The Company plans to cancel 1% of its share capital between now and the end of the year and to pursue its buyback strategy, based on market opportunities.

2 – Other information

Risk management procedures, information on related parties and changes in the scope of consolidation are detailed in the notes to the condensed consolidated first-half financial statements.

Net Asset Value (NAV)

Wendel's Net Asset Value (NAV) as of August 21, 2012

Net Asset Value came to €4,583 million or €90.7 per share on August 21, 2012 (see detail below), compared with €75.0 on August 22, 2011, representing an increase of 20.9%. Since the beginning of the year, NAV has advanced by 22%. The discount to NAV was 33.6% as of August 21, 2012.

The calculation methodology was detailed on August 31, 2009 and remains unchanged. It conforms to the recommendations of the European Venture Capital Association.

(in millions of euros)			5/24/2012	8/21/2012
Listed equity investments	Number of shares (millions)	Share price[1]	**7,021**	**6,898**
• Bureau Veritas	56.3	€72.9	3,795	4,103
• Saint-Gobain	91.7	€26.3	2,828	2,409
• Legrand	14.4 (August 2012) / 15.4 (May 2012)	€26.7	398	385
Unlisted equity investments (Materis, Stahl) and Oranje-Nassau Développement[2]			819	757
Other assets and liabilities of Wendel and holding companies[3]			89	106
Cash and marketable securities [4]			1,358	874
Gross assets, revalued			**9,287**	**8,635**
Wendel bond debt			(2,790)	(2,758)
Syndicated loan			(250)	(250)
Bank debt related to Saint-Gobain financing			(1,331)	(830)
Value of puts issued on Saint-Gobain[5]			(191)	(214)
Net asset value			**4,725**	**4,583**
Number of shares			50,502,019	50,540,902
Net asset value per share			**€93.6**	**€90.7**
Average of 20 most recent Wendel share prices			€56.3	€60.2
Premium (discount) on NAV			(39.8%)	(33.6%)

(1) Average of 20 most recent closing prices, calculated as of August 21, 2012
(2) Mecatherm, Parcours, VGG, exceet and indirect investments.
(3) Includes 2,244,561 shares held in treasury as of August 21, 2012
(4) Cash and financial investments of Wendel and Saint-Gobain acquisition holding companies, including €0.74 billion in unpledged cash (€0.42 billion in short-term cash positions and €0.32 billion in liquid financial investments) and €0.14 billion in pledged cash.
(5) 6.1 million puts issued (written) as of August 21, 2012

First-half 2012 financial statements

1 – Condensed consolidated financial statements H1 2012

Consolidated balance sheet - Statement of financial position 17
Consolidated income statement 19
Statement of comprehensive income 20
Changes in shareholders' equity 21
Consolidated cash flow statement 22
General principles 24
Notes 24
Notes to the balance sheet 46
Notes to the income statement 64
Notes on changes in cash position 69
Other notes 72

CONSOLIDATED BALANCE SHEET - STATEMENT OF FINANCIAL POSITION

ASSETS

in millions of euros	Note	6.30.2012	12.31.2011
Goodwill, net	5	2,980.1	2,787.8
Intangible assets, net		1,546.3	1,489.4
Property, plant & equipment, net		1,488.8	1,434.9
Non-current financial assets	8	347.3	281.4
Equity-method investments	6	4,944.5	4,994.1
Deferred tax assets		181.6	155.5
Total non-current assets		**11,488.5**	**11,143.2**
Assets of operations held for sale	**12**	**5.6**	**905.2**
Inventories		391.3	348.8
Trade receivables		1,581.3	1,353.9
Other current assets		235.2	197.0
Current income tax		57.9	46.9
Other current financial assets	8	1,253.0	1,191.5
Total current assets		**3,518.8**	**3,138.0**
Total assets		**15,012.9**	**15,186.4**

LIABILITIES AND SHAREHOLDERS' EQUITY

in millions of euros	Note	6.30.2012	12.31.2011
Share capital		202.0	202.2
Share premiums		248.2	252.5
Retained earnings & other reserves		2,223.7	1,713.8
Net income for the period		724.8	525.4
		3,398.7	2,693.9
Non-controlling interests		629.0	604.0
Total shareholders' equity	9	**4,027.7**	**3,298.0**
Provisions	10	267.2	273.9
Financial debt (non-current portion)	11	7,421.0	7,937.3
Other financial liabilities	8	72.5	130.6
Deferred tax liabilities		626.4	596.4
Total non-current liabilities		**8,387.2**	**8,938.3**
Liabilities of operations held for sale	**12**	**0.0**	**643.8**
Provisions	10	5.2	8.2
Financial debt (current portion)	11	761.9	595.6
Other financial liabilities	8	314.1	273.7
Trade payables		656.9	599.8
Other current payables		774.6	738.3
Current income tax liabilities		85.3	90.8
Total current liabilities		**2,598.0**	**2,306.4**
Total liabilities and shareholders' equity		**15,012.9**	**15,186.4**

CONSOLIDATED INCOME STATEMENT

in millions of euros	Note	H1 2012	H1 2011
Net sales	13	3,259.9	2,886.7
Other income from operations		3.1	1.0
Operating expenses		-2,922.1	-2,559.5
Income from ordinary activities		***340.8***	***328.3***
Other operating income and expenses	14	-12.3	-44.1
Operating income		***328.5***	***284.2***
Income from cash and cash equivalents		5.3	7.4
Finance costs, gross		-235.0	-246.9
Finance costs, net	15	*-229.7*	*-239.4*
Other financial income and expense	16	1.4	-14.5
Tax expense	17	-74.9	-73.1
Net income from equity-method investments	18	68.7	541.0
Net income from continuing operations		***94.0***	***498.1***
Net income from discontinued operations and operations held for sale	19	706.6	21.8
Net income		***800.7***	***519.9***
Net income – non-controlling interests		75.9	67.4
Net income – Group share		**724.8**	**452.5**

in euros	Note	H1 2012	H1 2011
Basic earnings per share (in euros)	20	14.96	9.24
Diluted earnings per share (in euros)	20	14.71	9.00
Basic earnings per share from continuing operations (in euros)	20	0.39	8.80
Diluted earnings per share from continuing operations (in euros)	20	0.32	8.57
Basic earnings per share from discontinued operations (in euros)	20	14.57	0.44
Diluted earnings per share from discontinued operations (in euros)	20	14.39	0.43

Wendel sold the Deutsch group on April 3, 2012. Because of this and in accordance with IFRS 5, the presentation of the H1 2011 income statement for comparative purposes has been changed from the way it was published last year. Specifically, the income and expenses of Deutsch have been grouped under "Net income from discontinued operations and operations held for sale".

STATEMENT OF COMPREHENSIVE INCOME

in millions of euros	H1 2012 Gross amounts	H1 2012 Tax effect	H1 2012 Net amounts	H1 2011 Gross amounts	H1 2011 Tax effect	H1 2011 Net amounts
Translation reserves (1)	76.5	-	76.5	-152.2	-	-152.2
Actuarial gains and losses (2)	-70.3	22.3	-48.1	3.1	-0.5	2.6
Gains and losses on assets available for sale	-0.7	-	-0.7	0.8	-	0.8
Gains and losses on qualified hedges	-5.4	-1.0	-6.4	41.3	-6.5	34.8
Earnings previously recognized in shareholders' equity taken to the income statement (3)	18.0	-	18.0	14.9	-	14.9
Other	-	-	-	0.3	-	0.3
Income and expenses recognized directly in shareholders' equity (A)	**18.1**	**21.2**	**39.3**	**-91.8**	**-7.0**	**-98.8**
Net income for the period (B)			800.7			519.9
Total income and expenses recognized for the period (A) + (B)			**840.0**			**421.1**
Attributable to:						
-Shareholders of Wendel			742.5			392.8
-Non-controlling interests			97.5			28.3

(1) Includes +€40.7 million related to Saint-Gobain (-€61.4 million in H1 2011) and +€18.8 million related to Bureau Veritas (-€75.5 million in H1 2011).

(2) The main impact was -€68.0 million due to Saint-Gobain (before taxes, Wendel's share), vs. +€2.9 million in H1 2011).

(3) In H1 2012, this change was due to Eufor group interest rate hedging (see Note 8 – 3.C "Derivatives").

CHANGES IN SHAREHOLDERS' EQUITY

in millions of euros	Number of shares outstanding	Share capital	Share premiums	Treasury shares	Retained earnings & other reserves	Translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
Balance as of 12/31/2010	**49,423,392**	**202.0**	**249.8**	**-50.6**	**1,934.3**	**48.2**	**2,383.7**	**508.7**	**2,892.5**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-38.2	-4.2	-42.5	3.7	-38.8
Net income for the period (B)					525.4	-	525.4	122.1	647.5
Total income and expenses recognized during the period (A)+(B) (2)		-	-	-	487.2	-4.2	483.0	125.7	608.7
Dividends paid in cash (1)					-61.2		-61.2	-66.3	-127.5
Treasury shares	-1,035,768			-79.6			-79.6		-79.6
Cancellation of treasury shares									
Capital increase									
Exercise of stock options	30,941	0.1	1.3				1.4		1.4
Company savings plan	28,255	0.1	1.4				1.5		1.5
Other	-				-		-		-
Share-based compensation: stock options and bonus shares (including equity-method investments)					25.6		25.6	6.4	32.1
Changes in scope of consolidation					-1.1	-	-1.1	5.8	4.7
Other					-92.7	33.3	-59.5	23.7	-35.8
Balance as of 12/31/2011	**48,446,820**	**202.2**	**252.5**	**-130.2**	**2,292.1**	**77.2**	**2,693.9**	**604.0**	**3,298.0**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-39.2	56.9	17.7	21.6	39.3
Net income for the period (B)					724.8	-	724.8	75.9	800.7
Total income and expenses recognized during the period (A)+(B) (2)		-	-	-	685.6	56.9	742.5	97.5	840.0
Dividends paid in cash (1)					-62.9		-62.9	-72.0	-134.8
Dividends paid in kind (1)					-24.2		-24.2	-	-24.2
Treasury shares	-216,272			-25.7			-25.7		-25.7
Cancellation of treasury shares	-	-0.3	-4.4	4.7			-		-
Capital increase							-		-
Exercise of stock options	9,085	0.0	0.2				0.2		0.2
Company savings plan	-	-	-				-		-
Other	-				-		-		-
Share-based compensation: stock options (including equity-method investments)					10.1		10.1	3.1	13.2
Changes in scope of consolidation					3.3	0.8	4.0	1.0	5.1
Other					60.7		60.7	-4.7	56.0
Balance as of 6/30/2012	**48,239,633**	**202.0**	**248.2**	**-151.1**	**2,964.7**	**134.9**	**3,398.7**	**629.0**	**4,027.7**

(1) In H1 2012, Wendel paid a dividend of €1.30 per share, plus one Legrand share for every 50 Wendel shares held and a cash payment in lieu of fractional shares, if any, for a total of €87.1 million. The dividend paid in H1 2011 was €1.25 per share (see Note 2 "Changes in scope of consolidation with respect to Legrand").

(2) See "Statement of comprehensive income".

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros

	Note	H1 2012	H1 2011
Cash flows from operating activities			
Net income		800.7	519.9
Share of net income from equity-method investments		-68.7	-541.0
Net income from discontinued operations and operations held for sale		-706.6	-0.4
Depreciation, amortization, provisions, and other non-cash items		185.6	180.5
Non-cash income and expense related to stock options and similar items		9.6	9.5
Expenses on investments and asset disposals		2.3	0.1
Gains (losses) on disposal of assets		-0.6	-0.3
Financial income and expenses		228.2	272.2
Taxes (current and deferred)		74.9	80.8
Cash flow from consolidated companies before tax		525.4	521.3
Change in working capital requirement related to operating activities		-202.5	-200.3
Net cash flows from operating activities, excluding tax		**322.9**	**321.0**
Cash flows from investing activities, excluding tax			
Acquisitions of intangible assets and property, plant & equipment	21	-210.9	-136.5
Disposals of intangible assets and property, plant & equipment	22	39.9	7.0
Acquisition of equity investments	23	-303.8	-186.5
Disposal of equity investments	24	966.0	767.6
Impact of changes in scope of consolidation and operations held for sale	25	10.8	9.0
Changes in other financial assets and liabilities and other	26	-88.2	231.5
Dividends received from equity-method investments and unconsolidated companies	27	128.3	131.5
Change in working capital requirements related to investment activities		57.7	-4.0
Net cash flows from investing activities, excluding tax		**599.7**	**819.5**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		0.2	2.9
Contribution of non-controlling shareholders		8.4	19.7
Share buybacks		-46.3	-66.5
Dividends paid by Wendel in cash (1)		-63.3	-61.2
Dividends paid to non-controlling shareholders		-72.0	-63.7
New borrowings	28	1,256.0	1,225.9
Repayment of borrowings	28	-1,697.5	-2,404.9
Net finance costs		-215.0	-238.9
Other financial income/expense		-10.3	-15.7
Change in working capital requirements related to financing activities		57.1	57.0
Net cash flows from financing activities, excluding tax		**-782.6**	**-1,545.5**
Cash flows related to taxes			
Current tax expense		-99.9	-98.7
Change in tax assets and liabilities (excl. deferred taxes)		-12.3	-2.1
Net cash flows related to taxes		**-112.2**	**-100.8**
Effect of currency fluctuations		1.7	-16.7
Net change in cash and cash equivalents		29.5	-522.5
Cash and cash equivalents at the beginning of the period		943.3	1,715.9
Cash and cash equivalents at the end of the period	**7**	**972.7**	**1,193.4**

(1) The dividend paid by Wendel in H1 2012 was accompanied by a dividend composed of Legrand shares (see "Changes in shareholders' equity"). Only the cash dividend of €62.9 million and the cash payment in lieu of fractional shares of €0.4 million are presented in the cash flow statement.

The principal components of the consolidated cash flow statement are detailed beginning with Note 21.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are provided in Note 7. As of June 30, 2012, cash and cash equivalents were composed of €151.8 million in pledged cash recognized under non-current financial assets and €820.9 million in unpledged cash recognized under current assets.

H1 2012 cash flows do not include those of Deutsch, which was sold during H1 2012.

GENERAL PRINCIPLES

Wendel is a *société anonyme* (public limited company) with an Executive Board and a Supervisory Board. It is governed by French law and has the Paris commercial registry number 572 174 035. Its head office is located at 89 rue Taitbout, Paris, France.

Its business consists in investing for the long term in industrial and service companies, in order to accelerate their growth and development.

Wendel's condensed consolidated first-half financial statements cover the six-month period from January 1, to June 30, 2012 and are expressed in millions of euros. They include:

- the balance sheet (statement of financial position),
- the income statement and statement of comprehensive income,
- the statement of changes in shareholders' equity,
- the cash flow statement,
- the notes to the financial statements.

These financial statements were finalized by Wendel’s Executive Board on August 23, 2012.

NOTES

NOTE 1. ACCOUNTING PRINCIPLES

This set of consolidated financial statements for the first half of 2012 has been prepared in accordance with IAS 34 "Interim Financial Reporting". These financial statements should be read in conjunction with the financial statements for the 2011 fiscal year included in the registration document filed with the AMF on March 30, 2012 under number D.12-0241.

These accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2011, with the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 1, 2012. They correspond to the IFRSs as adopted by the European Union, which are available on the website of the European Commission:

"http://ec.europa.eu/internal_market/accounting/ias/index_en.htm".

The following standards and interpretations became applicable to the Wendel group on January 1, 2012:

- Amendment to IFRS 7 "Disclosures - Transfers of financial assets";

Application of this standard did not have a significant impact.

Wendel did not opt for early adoption of the new standards, amendments to existing standards and interpretations that were not mandatory for 2012:

- Amendment to IAS 1 “Presentation of items of other comprehensive income";
- Amendments to IAS 1 "Presentation of financial statements: comparative information";
- Amendment to IAS 19 "Employee benefits";
- Amendment to IAS 16 "Classification of servicing equipment";
- Amendment to IAS 32 "Tax effect of equity distributions";
- Amendment to IAS 34 "Interim reporting of segment assets";
- IFRS 10 “Consolidated financial statements";
- IFRS 11 "Joint arrangements";
- IFRS 12 "Disclosure of interests in other entities";
- IFRS 13 "Fair value measurement";
- Revised IAS 27 "Separate financial statements";
- Revised IAS 28 "Investments in associates and joint ventures".

Wendel is currently assessing the potential impact of the application of these texts on its financial statements.

NOTE 2. CHANGES IN SCOPE OF CONSOLIDATION DURING THE FIRST HALF OF 2012

As of June 30, 2012, the Wendel Group was composed of:

- Fully-consolidated operating companies: Bureau Veritas (51.04% net of treasury shares), Materis (75.54%), Stahl (91.47%) and companies held by Oranje-Nassau Développement, i.e. Parcours (95.86%) and Mecatherm (98.14%);
- Operating companies accounted for by the equity method: Saint-Gobain (17.08% net of treasury shares), Legrand (5.48% net of treasury shares) and exceet (28.44% net of treasury shares) held by Oranje-Nassau Développement;
- Wendel and its holding companies.

Note 2 - 1. Sale of Deutsch (high-performance connectors)

At the end of November 2011, Wendel received a firm bid from TE Connectivity to acquire all of the shares of Deutsch, world leader in connectors for harsh environments. TE Connectivity is one of the world's leading providers of connectivity solutions. The sale was finalized in early April 2012 after all the necessary regulatory approvals were received. Deutsch's enterprise value was approximately $2.1 billion, based on this transaction, and Wendel's net proceeds from the sale totaled €960 million,

or 2.5 times its total investment. Wendel thus achieved a (*cash-on-cash*) capital gain of €583 million on its investment.

Deutsch's earnings were included in assets of operations held for sale until March 31, 2012 and the accounting gain of €689 million was recognized in the same line item in the income statement. Deutsch's contribution to H1 2011 earnings, presented for comparative purposes, were also reclassified into this line item.

In Q1 2012, Deutsch posted sales of $182.1 million, up 5.4% overall and up 7.0% organically, compared with Q1 2011 ($172.7 million). Deutsch's 2011 sales totaled $675.6 million in 2011, and its adjusted operating income was $145.7 million.

Note 2 - 2. Portion of Wendel's dividend paid in form of Legrand shares (products and systems for low-voltage installations)

In June 2012, Wendel's dividend of €1.30 per share was accompanied by a special dividend of one Legrand share for every 50 Wendel shares held, representing a distribution of 951,758 Legrand shares (excluding fractional shares paid in cash). This transaction was accounted for as both a "divestment" of Legrand shares and as the payment of a dividend.

Accordingly, a gain on sale of €14.6 million was recognized, corresponding to the difference between the market value of the shares as of the day they were distributed (€24.975/share) and their carrying value (€9.67/share, including the reversal of translation adjustments).

The dividend payment corresponding to these shares was recognized at their market value of €23.8 million excluding fractional shares and €24.2 million including the value of fractional shares paid in cash.

Separately, the shareholder agreement between Wendel and KKR was terminated when KKR ceased to be a shareholder of Legrand in March 2012.

As of June 30, 2012, with 5.5% of the share capital (net of treasury shares; 14.4 million shares) and 10% of the voting rights, Wendel maintains its two seats on Legrand's Board of Directors, out of a total of 12. As a result, Wendel continues to have significant influence over Legrand, and Legrand will continue to be accounted for by the equity method in Wendel's consolidated accounts.

Note 2 - 3. Main changes in scope of consolidation of subsidiaries and associates

1. Acquisitions by the Bureau Veritas group (compliance evaluation and certification services)

In the first half of 2012, Bureau Veritas continued to follow its acquisition strategy and completed 12 transactions. The principal acquisitions were as follows:

- AcmeLabs, the Canadian no. 3 in minerals testing (exploration, production);
- TH Hill, a company specialized in quality assurance for US-based drilling systems; and
- Tecnicontrol, a major player in evaluating industrial asset compliance in Colombia.

The goodwill recognized on the acquisitions carried out during the period totaled €178.8 million, on total acquisition costs of €275.6 million. The goodwill amount will become definitive when valuation of the identifiable assets and liabilities and the contingent liabilities of the companies is completed

over the next 12 months, in line with accounting standards. In addition, Bureau Veritas sold some non-strategic operations in Australia and New Zealand.

2. Acquisitions by the Materis group (specialty chemicals for the construction sector)

Materis made the following acquisitions in H1 2012:

- 54% of the shares of Elmin, Europe's leading exporter of monohydrate bauxite, enabling Kerneos (Aluminates division) to secure long-term access to one of its key raw materials; and
- 70% of the shares of Suzuka, leader in the Chinese market for organic texture coatings. Suzuka has a manufacturing site and a laboratory in Shanghai and a sales network covering central and western China, which will complement that of ParexGroup (Mortars division). Suzuka posted sales of €13 million in 2011, and its top-line growth and profitability were both high.

These companies will be consolidated in the second half of 2012.

3. Acquisitions by the Saint-Gobain group (production, transformation and distribution of materials), an equity-method investment

On March 30, 2012, Saint-Gobain acquired Brossette from Wolseley, after obtaining authorization from the French competition authorities on March 23, 2012. Brossette is specialized in the distribution of bathroom, heating and plumbing equipment in France. It was consolidated by Saint-Gobain as of April 1, 2012.

4. Acquisitions by the Legrand group (products and systems for low-voltage installations), an equity-method investment

During the first half and in keeping with its strategy of targeted, self-financed acquisitions of small and mid-size companies offering growth potential and strong market positions, Legrand announced three acquisitions:

- Numeric UPS, India's market leader in low- and medium-power uninterruptible power supply systems;
- Aegide, market leader in Voice-Data-Image cabinets for data centers in the Netherlands, and a front-running European contender in this market;
- Daneva, Brazil's leader in connection accessories (a joint venture has been signed and is subject to the approval of Brazil's competition authorities).

This group is thus continuing to strengthen its market positions, notably in new economies and new business segments.
In all, Legrand invested a total of €171 million in H1 2012 in acquisitions (less acquired cash) and purchases of non-controlling interests and unconsolidated investments.

NOTE 3. RELATED PARTIES

Wendel's related parties are:

- Saint-Gobain, Legrand and exceet, which are accounted for by the equity method;
- the members of Wendel's Supervisory and Executive Boards; and
- Wendel Participations, which is the Wendel Group's control structure.

There were no significant changes during the period in transactions with related parties as detailed in the section entitled "Related parties" in the 2011 consolidated financial statements. Concerning the co-investment in Deutsch, the IRR and minimum capital gain values were achieved when the group was sold on April 3, 2012. The wound-up of the mechanisms for co-investment in the Deutsch group will be finalized in the second half of 2012 (see Note 30 – 5 "Shareholder agreements and co-investment mechanisms").

NOTE 4. MANAGING FINANCIAL RISKS

Note 4 - 1. Managing equity market risks

Note 4 - 1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas, Legrand and exceet) and others are unlisted (Materis, Stahl, Parcours and Mecatherm). The Group also holds non-controlling interests, such as in VGG, whose amounts are relatively insignificant.

The value of these investments is based mainly on:
- their economic and financial performance;
- their prospects for business development and profitability;
- their ability to identify risks and opportunities in their environment;
- equity market trends, directly in the case of listed companies and indirectly in the case of unlisted companies, whose valuations may be influenced by market parameters.

Growth in Wendel's Net Asset Value (NAV) depends on its managers' ability to select, buy, develop and then resell companies that distinguish themselves as leaders in their sectors.

Wendel makes its decisions on the basis of its investment teams' expertise and in-depth strategic, accounting / financial, legal, tax and environmental analysis. These processes identify the operating, competitive, financial and legal opportunities and threats likely to have an impact on the value of an investment.

Wendel monitors and analyzes each company's operating and financial performance and the risks to which they are subject, alongside the managers of the companies, during regular, in-depth operational review meetings or meetings of these companies' governance entities. In addition, knowledge sharing with the management team makes it possible to develop true sectoral expertise and thus to prepare an analysis of future prospects at regular intervals. This regular review also enables Wendel to anticipate developments in each subsidiary or affiliated company and play its role of principal shareholder.

Wendel's company-specific approach is supplemented at the Group level by an overall analysis of the breakdown of Wendel's subsidiaries and investments by industrial sector, in an effort to ensure sufficient asset diversification, not only geographically, but also from the point of view of their competitive positioning and their resilience to economic hardship.

Nevertheless, there is a risk that the subsidiary's economic results will not meet Wendel's expectations. This risk is significant amid the current high volatility on the financial markets and the after-effects of the global recession, which continues to generate a great deal of uncertainty about business trends.

The financial structure and debt of certain unlisted investments (Materis, Stahl, VGG and Mecatherm) accentuate the risk on their valuation. While leverage makes high internal rates of return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in economic activity by restricting the companies' access to liquidity and by subjecting them to the risk that financial covenants will trigger accelerated maturity of their financial debt (see Note 4 - 2 "Managing liquidity risk"). Moreover, the financial crisis has shown that banks'

own difficulties (e.g. access to liquidity, prudential ratios) could complicate the refinancing of the debt of these companies. To forecast and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. Moreover, Wendel and its subsidiaries are in close contact with bank lenders, in order to more effectively manage the restrictions on these financing agreements. It was in this spirit that, starting at the end of 2011, or 18 months before the first repayment dates, Materis renegotiated the terms of its bank debt with its pool of 199 lenders (see Note 4 – 2.5 "Financial debt of operating subsidiaries – documentation and covenants").

The value of these investments is therefore subject to the risk that their economic and financial performance and prospects for business development and profitability will be undermined by difficulties related to their organization, financial structure, economic sector and/or the global economic environment. It is also subject to financial market risk in general, and equity market risk in particular. However, Wendel is a long-term shareholder with no short-term demands on the value of its assets at a specific point in time, even though it monitors NAV trends very closely.

Note 4 - 1.2 Equity derivatives

Wendel may use equity or index derivatives to manage or hedge the risk on its asset portfolio. Wendel issued (wrote) 6.1 million European puts on Saint-Gobain in 2007 (see Note 8 – 4 "Puts issued (written) on Saint-Gobain shares").

These instruments are monitored regularly by the Finance department, which evaluates the associated risk and presents it to the Executive Board.

Note 4 - 1.3 Financial investments indexed to equity markets

As part of its cash management (see Note 4 -2 "Managing liquidity risk"), Wendel uses liquid, short-term financial investments, a small portion of which are indexed to equity markets (equity funds). This small portion is therefore exposed to equity market risk. Such investments, which offer higher expected yields than cash instruments, but also greater risk of loss in value, are monitored regularly by the Chief Financial Officer and the Executive Board.

Note 4 - 1.4 Risks related to equity markets

Equity market risk relates to:

- Shares of consolidated companies and equity-accounted companies whose "recoverable values" used for impairment tests are based on market parameters, such as the discount rate used in calculating "value in use" or the market price used in calculating "fair value";
- The puts issued (written) on Saint-Gobain shares, which are recognized at their fair value on the balance sheet; When Saint-Gobain's share price declines, the liability related to these puts increases, generating a loss in the income statement, and vice-versa. As an indication, as of June 30, 2012, a +/-5% change in the price of Saint-Gobain's shares would have an impact of about +/-€9 million on the income statement (see Note 8-3.C "Derivatives");
- Short-term financial investments indexed to the equity markets, the total value of which was

€67 million at June 30, 2012. Such investments are classified under current financial assets, and any change in their fair value is recognized on the income statement. A +/-5% variation in the equity markets would have an impact of about +/- €3.4 million on the value of these investments and on the income statement;

- The Saint-Gobain shares purchased in the summer of 2011, classified as current financial assets (see Note 8 "Financial assets and liabilities") and whose value was €55.6 million as of the end of June 2012. A +/-5% variation in the equity markets would have an impact of about +/-€3 million on the value of these shares and on the income statement;
- Margin calls on Eufor group financing, which depend on the market price of the shares serving as collateral. These margin calls could have an impact on Wendel's available cash and are described in Note 4 - 2.2 "Managing liquidity risk";
- The covenants under Wendel's syndicated credit line. These covenants are based on ratios of financial debt to the value of assets and are described in Note 4 - 2 "Managing liquidity risk". As of June 30, 2012, this credit facility was partially drawn down, with €250 million outstanding, and Wendel was in compliance with the covenants;
- The degree of financial leverage of Wendel and its holding companies (i.e. net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond issues. See Note 4 - 2 "Managing liquidity risk".

in millions of euros	Net book value (Group share)	Market value (closing share price)	Impact on market value of a 5% decline in share prices	*Bal-ance sheet note*	Impact on net income			
					of a +/-5% change in share price	of a -/+0.5% in discount rate applied to the value of future cash flows	of a +/-0.5% in perpetual growth rate used to calculate discounted future cash flows	of a 1% reduction in the normative margin used to discount cash flows in post-business-plan periods
Equity-method investments								
Saint-Gobain	4,749.6	2,613.5	-130.7	***6***	*NA (1)*	0 / -424	0 / -279	-600
Legrand	134.3	386.3	-19.3	***6***	0	*NA (3)*	*NA (3)*	*NA (3)*
Oranje-Nassau Développement - exceet	54.2	29.5	-1.5	***6***	*NA (1)*	0 / 0	0 / 0	0
Consolidated investments								
Bureau Veritas	1,122.0	3,948.4	-197.4		0	*NA (3)*	*NA (3)*	*NA (3)*
Materis	-180.3	NA	NA					
Materis shareholder loan *(2)*	255.2							
	74.9				NA	*(4)*	*(4)*	*(4)*
Stahl	5.4	NA	NA					
Stahl shareholder loan *(2)*	67.9							
	73.3				NA	*(4)*	*(4)*	*(4)*
Oranje-Nassau Développement								
- Parcours	119.0	NA	NA		NA	*(4)*	*(4)*	NA
- Mecatherm	110.4	NA	NA	***5***	NA	0	0	0
Financial instruments								
Puts issued (written) on Saint-Gobain	-193.6	-193.6	-9.0	***8***	+/-9	NA	NA	NA
Other financial assets								
Unconsolidated Saint-Gobain shares	55.6	55.6	-2.8		+/-2.8	NA	NA	NA
Short-term financial investments indexed to the equity markets	67.2	67.2	-3.4		+/-3.4	NA	NA	NA

(1) Impairment tests are based on value in use (discounted future cash flows). See Note 6 "Equity-method investments";

(2) Eliminated in consolidation;

(3) The recoverable value used for impairment tests on these investments is the market share price (fair value);

(4) As there was no indication of a loss in value, no test was performed as of June 30, 2012 on these Cash Generating Units. The annual test required under IFRS will be performed at the year-end closing.

Note 4 - 2. Managing liquidity risk

Note 4 - 2.1 Liquidity risk of Wendel and the holding companies

Wendel needs cash to make investments, service debt, pay operating expenses and dividends and meet margin calls on Eufor financing. These needs are covered by asset rotation, bank and bond financing and by dividends received from subsidiaries and associates.

1. Cash and short-term financial investments – Monitoring and balances

1.1. Monitoring cash and short-term financial investments

Every month cash & equivalents (including short-term financial investments) and cash flow are displayed on a chart summarizing the changes during the month and the month-end position. This chart is systematically presented to the Executive Board. The chart also shows a breakdown between pledged and unpledged cash, the detail of the various cash and short-term financial investment vehicles, as well as counterparty information. Another chart indicating the expected cash flows over the coming months and years is prepared and used to determine when financing needs will arise under various scenarios.

Cash investment vehicles consist of short-term bank deposits and low-volatility, money-market mutual funds (classified under "Cash and cash equivalents"), funds managed by financial institutions, and equity, bond and diversified funds (classified under "Other financial assets"). These investments are valued daily (or in some cases weekly). Amounts allocated to more volatile funds, potentially generating higher returns and involving higher risk, represent an insignificant portion of cash and short-term financial investments. Wendel has a formal procedure for monitoring the net asset values of these more volatile funds on a weekly basis. In choosing the various types of investments, Wendel takes into account the compatibility of their term with its debt repayment obligations and those of its holding companies.

1.2. Cash and short-term financial investments as of June 30, 2012

At June 30, 2012, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

in millions of euros	**Available** *denominated in €*	**Available** *denominated in $*	**Pledged** *denominated in €*	**Total**
Money-market mutual funds	233 (1)			233
Bank deposit and current accounts	144 (1)	40 (1)	152	336
Diversified, equity and bond funds (2)	41	42		83
Funds managed by financial institutions and short term deposits (2)	226	40		266
Total	**644**	**122**	**152** (3)	**918**
	766			

(1) Cash and cash equivalents classified as other current financial assets

(2) Classified as other current financial assets
(3) Most of this amount is pledged as collateral under Eufor group financing arrangements (structure that holds the Saint-Gobain investment). Pledged amounts are classified as non-current financial assets.

2. Managing debt maturities and refinancing

2.1 Managing debt maturities

To manage debt maturities, Wendel must find the necessary resources to cover the repayment of its financial obligations when they come due. These resources can derive from available cash, asset rotation, or new financing. This latter resource is limited by:

- the availability of bank and bond lending sources, which has been restricted by the current financial crisis and by pressure from financial institution regulators (Basel 3, Solvency 2); and
- the level of financial leverage of Wendel and its holding companies (i.e. net debt/assets), which is a key credit risk indicator tracked by Wendel's lenders and by Standard & Poor's, which rates Wendel's financial structure. Leverage depends in particular on asset values, and is thus subject to equity market risk (see Note 4 - 1 "Managing equity market risk").

To manage refinancing risk, Wendel seeks to align the maturities of its bond and bank financing with its long-term investor outlook. Wendel therefore secures medium to long-term financing and extends existing maturities when market conditions allow and when Wendel management deems it necessary to do so.

Wendel also has credit lines available to it that enable it to ensure the repayment of the nearest maturities. Finally, Wendel can take the opportunity to sell assets so as to pay off some of its financial debt and reduce financial leverage.

As a result of the sale of Deutsch, the amount of available cash increased sharply. As part of managing debt maturities, a portion of available cash was used to pay down the amounts due at the first maturity dates of Wendel and its holding companies. Specifically, €250 million under the syndicated loan due in 2013 and €560 million in bank debt with margin calls due in 2014 (see Note 11 "Financial debt"). As a result of these repayments, the next maturity dates of Wendel and its holding companies is in September 2014.

The €1,100 million line of credit available with margin calls and maturing in 2013-14 was replaced during the summer (after the closing date) by a new, €700 million, undrawn revolving line maturing in 2017. Through this transaction, Wendel has extended the average maturity of the Eufor group's available lines with margin calls, adjusted their amount to Wendel's needs and will reduce future interest costs.

On April 11, 2012, Standard & Poor's upgraded its long-term rating for Wendel from BB- with a negative outlook to BB with a stable outlook. The short-term rating is B.

2.2 Debt position as of June 30, 2012

As of June 30, 2012, gross debt with recourse to Wendel consisted of:

- €2,709 million in Wendel bonds with maturities ranging from 2014 to 2018 (see details in Note 11 "Financial debt"); and
- the syndicated credit facility, with €250 million outstanding. This syndicated revolving credit totals €1.2 billion, with maturities in September 2013 (€950 million) and September 2014 (€250 million); €950 million, maturing in September 2013, therefore remains available, subject to compliance with covenants (see Note 4 – 2.4.2 "Wendel's syndicated credit facility – documentation and covenants").

As of the end of June 2012, the average maturity of this debt was 3.8 years.

Eufor bank debt without recourse to Wendel totaled €825 million as of end-June 2012. This debt is subject to margin calls (see Note 4 - 2.4.3 "Margin calls on Eufor group financing"). The average maturity of this financing is 3.5 years.

During the summer of 2012 (after the closing date), the €1,100 million line maturing in 2013-14 was replaced by a new €700 million revolving line. As a result, the Eufor's group's undrawn balance of credit lines with margin calls now total €1,150 million. Of this amount, €225 million mature in 2016 and €925 million in 2017. These lines can be used to refinance Eufor debt, to finance the acquisition of new Saint-Gobain shares or to finance the 72 million Saint-Gobain shares that were not pledged or linked to a financing arrangement as of June 30, 2012.

The average maturity of the financing of Wendel and its holding companies (including the Eufor group's non-recourse debt) was 3.7 years as of the end of June 2012.

3. Managing risk related to the financial covenants of the syndicated credit

The syndicated credit, under which €250 million was outstanding as of June 30, 2012, is subject to financial covenants based principally on the market value of Wendel's assets and on the amount of net debt (see Note 4 - 2.4.2 "Wendel's syndicated credit facility – documentation and covenants"). As such, the covenants are sensitive to changes in the equity markets. If a sharp drop in the equity markets were to cause Wendel to breach these covenants, Wendel could use its available cash to repay this credit line. In addition, the Eufor group could use its undrawn credit lines (not subject to financial covenants) to refinance the available Saint-Gobain shares. This would make cash available to Wendel and would limit the liquidity risk related to accelerated maturity of the syndicated credit facility.

To track the liquidity risk related to the syndicated credit facility, Wendel regularly carries out simulations to analyze the impact of fluctuations in the value of its assets, the level of collateral granted and the cash flow projections on the level of the syndicated credit covenants.

4. Managing the risk related to margin calls on loans of the Eufor group (Saint-Gobain investment structure)

Margin calls on the financing of the Eufor group are answered by Wendel and therefore have a direct impact on Wendel's liquidity. Nevertheless, Wendel can decide not to respond to additional margin calls. In this case, the related financing would be in default and the collateral already provided would be exercised by the bank, but the bank would have no further recourse to Wendel (the margin call mechanism and security granted as of June 30, 2012 are described in Note 4 - 2.4.3 "Margin calls on Eufor group financing").

Given that bank facilities with margin calls were repaid in 2011 and 2012, the impact of margin calls on available cash has been reduced.

To track the liquidity risk related to margin calls on the Eufor group's bank loans, Wendel simulates margin calls on the basis of movements in the price of Saint-Gobain and other listed shares pledged as collateral, together with Wendel's cash flow forecasts. This makes it possible to analyze the impact of Saint-Gobain's share price on Wendel's liquidity.

Note 4 - 2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for cash, debt and liquidity risk of that entity.

Cash and debt levels are reported regularly to Wendel. Bank covenants are subject to forecasts for the coming year and over the lifetime of the business plan several times a year and any time an event occurs that could have a material impact on them. These forecasts and calculations of covenant compliance are presented regularly to Wendel.

2. Impact of liquidity risk of operating subsidiaries on Wendel

Debt of operating subsidiaries is without recourse to Wendel. As such, these subsidiaries' liquidity risk affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support its operating subsidiaries and associates that might experience cash flow difficulties. Similarly, the operating subsidiaries have no mutual support obligation between them. As a result, Wendel's liquidity is affected only if Wendel decides to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel's own liquidity, additional investment in other subsidiaries and new investments. In 2012, Wendel chose to reinvest €21 million in Materis as part of the renegotiation of the terms of Materis' bank debt (see Note 4 – 2.5 "Financial debt of operating subsidiaries – documentation and covenants"). Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel's liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial situation of subsidiaries has an impact on

their value; this is taken into account in calculating Wendel's financial leverage (see Note 4 – 2.1 "Managing debt maturities" of Wendel and its holding companies).

Note 4 - 2.3 Wendel's liquidity outlook

Wendel's liquidity risk for the 12 months following the first-half closing is low, given the level of cash and short-term financial investments Wendel has available (€766 million at June 30, 2012) and because there are no debt repayment obligations before September 2014. Despite the drop in financial markets since the summer of 2011, this level of liquidity will allow Wendel to meet its cash needs, fund any Eufor margin calls triggered by sharp drops on the financial markets and meet its coming financial maturities and those of its holding companies.

Note 4 - 2.4 Financing agreements and covenants of Wendel and its holding companies

1. Bonds issued by Wendel – documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc).

2. Wendel's syndicated credit facility – documentation and covenants (€250 million outstanding as of June 30, 2012)

The syndicated credit facility has financial covenants associated with it, based primarily on the market value of Wendel's assets and on the amount of its net debt.

This net debt figure is based on consolidation of the Group’s financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions, such as the Eufor group. As of June 30, 2012 the net debt taken into account corresponds to Wendel bonds and the syndicated credit facility less available cash (pledged cash is lodged in the Eufor holding structure).

Net debt of the Saint-Gobain, Bureau Veritas, Legrand, Materis, Stahl, Parcours, exceet and Mecatherm groups, as well as the debt related to the acquisition of Saint-Gobain shares (less cash pledged at that date), are deducted from the gross revalued assets of these companies inasmuch as they are without recourse to Wendel.

The covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:

(i) unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and its financial holding companies,
and
(ii) the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow),
shall not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated credit line. As of June 30, 2012 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

3. Margin calls on Eufor group financing (Saint-Gobain investment structure)

The Eufor group's bank borrowings are subject to margin calls. The value of collateral given by Eufor under these financing arrangements (financed Saint-Gobain shares, listed Bureau Veritas and Legrand shares, cash) must remain at the level required under bank agreement covenants, based in turn on the amount of debt. Should this value decline, the bank demands further collateral; should it increase, a portion of the collateral is freed up. As Wendel finances these margin calls, so its liquidity may be affected by a decline in the price of shares given as collateral for this financing.

This debt is without recourse to Wendel. Wendel can therefore choose not to respond to these additional margin calls; this would put the related financing contract in default, and the bank could then apply the collateral already provided.

At June 30, 2012, collateral was comprised of €522 million in financed Saint-Gobain shares (17.9 million shares at the closing share price), €144 million in cash, and €792 million in listed shares (Bureau Veritas and Legrand at their closing prices). As of the same date, Wendel had €766 million in available cash and short-term financial investments and €3,543 million in unpledged Legrand and Bureau Veritas shares (valued at their closing prices), which would enable it to meet additional margin calls in the event of a financial market decline well in excess of that experienced since the summer of 2011. The volume of bank debt with margin calls – €825 million as of June 30, 2012 – is less than one-third of what it was at the beginning of 2009.

Note 4 - 2.5 Financial debt of operating subsidiaries – documentation and covenants

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of June 30, 2012, the gross face value of Bureau Veritas' financial debt was €1,621 million (including accrued interest and excluding issuing costs; see details on maturity dates in Note 11 "Financial debt"). Its cash balance was €245 million. At that date, Bureau Veritas also had the following undrawn lines of credit:

- €373.4 million available under the revolving loan maturing in 2013;
- €85 million available under the French private placement, maturing in June 2015;
- $100 million available under the US private placement, maturing in 2021. This amount is available until October 2014, subject to prior approval by the lender.

After the June closing, a new €450 million bank credit facility, maturing in 2017, was put in place, and the amount of the revolving credit maturing in 2013 was reduced to €200 million, of which €149 million was drawn down as of June 30, 2012 (see Note 11 "Financial debt").

The US, French and German ("Schuldschein") bank loans require compliance with the following ratios:

- an interest cover ratio, i.e. EBITDA divided by net interest expense, of more than 5.5;
- a leverage ratio, i.e. the ratio between net consolidated debt and EBITDA, of less than 3 (3.25 for the US private placement maturing in 2018-20 and the German "Schuldschein" loan).

These ratios are calculated on a rolling 12-month basis, twice per year, at June 30 and December 31. As of June 30, 2012, Bureau Veritas was in compliance with these ratios.

2. Materis bank debt

This debt is without recourse to Wendel.

As of June 30, 2012, the gross face value of Materis' bank debt was €2,080 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates in Note 11 "Financial debt"). Its cash balance was €135 million.

Materis has successfully renegotiated the terms of its bank debt, concluding a process launched in September 2011, 18 months before the first repayment dates. 90% of senior loans, 99% of second-lien maturities and 100% of mezzanine debt were postponed under the agreement. Wendel and Materis have obtained the following amendments:

- Materis' liquidity is protected until 2015-16:
    - €1.9 billion in April 2013/April 2016 maturities have been postponed to September 2015/December 2016;
    - bond issues will be allowed up to €700 million;
    - an additional envelope will be available, including €50 million for revolving credit facilities, €20 million for factoring and €20 million for leasing;
- bank covenants have been adjusted to reflect the increased lending margins;
- one or more businesses can be sold if attractive opportunities arise.

Concurrently, Wendel and its co-shareholders injected €25 million in equity to finance Materis's expansion (acquisitions and capital expenditures). Wendel invested around €21 million and Materis's investor-managers more than €3 million. In addition, Wendel managers invested 0.5% of the amount invested by the Group. Wendel has also made an interest-bearing, €25 million credit facility available. This facility might be increased in 2013 to €50 million under certain conditions, and would be cancelled and repaid in the event one of the company's divisions were sold. Finally, Materis paid fees when the renegotiation was signed, and the margins on its senior debt were increased.

The Materis group is subject to the following covenants:

- LTM EBITDA divided by net cash interest expense must be greater than 1.92 as of June 30, 2012. This minimum rises to 2.11 in 2015. This ratio is calculated on a rolling 12-month basis;
- the ratio between consolidated net debt (excluding shareholder loans) and LTM EBITDA must be less than 8.93 as of June 30, 2012. This ceiling falls to 6.69 in 2015;
- the ratio of cash flow after capex and dividends (plus up to €35 million in available cash) to total debt service, i.e. cash interest payable plus scheduled principal repayment, must be greater than 1. This ratio is calculated on a rolling 12-month basis;
- Capex must not exceed 4.5% of consolidated sales (plus any postponed capex) in fiscal years 2012 through 2016.

These covenants are tested quarterly and Materis was in compliance with them as of June 30, 2012.

The credit agreements entered into by Materis contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, exiting from Wendel’s tax consolidation group, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require the prior approval of the lending banks.

3. Stahl bank debt

This debt is without recourse to Wendel.

As of June 30, 2012, the gross face value of Stahl's bank debt was €205.1 million (including accrued interest, and excluding issuance costs and shareholder loans; see details on maturity dates under Note 11 "Financial debt"). Its cash balance was €17.5 million.

The Stahl group is subject to the following covenants:

- the ratio of consolidated net debt (excluding shareholder loans) to LTM EBITDA must be less than or equal to 6.30 (this ceiling falls to 5.00 on September 30, 2014). This ratio will be tested quarterly;
- the ratio of LTM EBITDA to net interest expense paid must be greater than or equal to 2.75 at June 30, 2012. This minimum rises to 3.05 on September 30, 2014. This ratio is calculated on a rolling 12-month basis and is tested quarterly;
- the ratio of (i) cash flow after capex and dividends to (ii) total debt service (interest payable plus scheduled principal repayment), must be greater than or equal to 1.40 until December 31, 2014. This ratio is calculated on a rolling 12-month basis and is tested every six months.

As of June 30, 2012, Stahl was in compliance with these covenants.

In addition, capex must not exceed €12 million (this ceiling will rise to €14 million in 2014). This ratio will be tested annually.

The credit agreements entered into by Stahl contain the standard restrictions for this type of credit line. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted or require prior approval of the lending banks.

4. Parcours bank debt

This debt is without recourse to Wendel.

As of June 30, 2012, Parcours' gross bank debt was €386 million. It consisted essentially of credit lines used to finance the vehicles leased to customers. These credit lines are provided by around 25 financial institutions and no single bank extends more than 25% of total outstandings. Every year, the Parcours group negotiates an annual drawdown limit with each of its banking partners, which it can use to finance the purchase of vehicles it leases under new contracts. Parcours draws down when it purchases the vehicles and repays the loans linearly over 36 months. Certain lines are fully or partially collateralized by the financed vehicles and/or by the lease payments. In addition, part of the debt is subject to annually-calculated financial ratios (net financial debt/shareholders' equity, financial debt/EBITDA, financial debt/cash flow, financial debt/PP&E, net interest expense/EBITDA). As of December 31, 2011, the date of the most recent tests, Parcours was in compliance with these financial ratios.

5. Mecatherm bank debt

This debt is without recourse to Wendel.

As of June 30, 2012, the gross face value of Mecatherm's bank debt was €73 million (including accrued interest and non-recourse discounting, and excluding issuance costs; see details on maturity dates in Note 11 "Financial debt"). Its cash balance was €4 million.

Given the particularly volatile economic context, Mecatherm and its bank lenders agreed to suspend financial covenant tests for 18 months, beginning on June 30, 2012. As part of this agreement, Wendel has committed to providing a €5 million liquidity line until March 31, 2014, to enable Mecatherm to finance its general corporate needs, and to grant a €15 million on-demand guarantee to the banks to cover Mecatherm's bank debt service over the next 18 months, i.e. until December 31, 2013. Under certain conditions, the term of the guarantee can be extended. This agreement will be formally documented in September 2012.

Note 4 - 3. Managing interest-rate risk

Each subsidiary manages its interest-rate exposure by taking into account the restrictions imposed by its financing agreements. Wendel tracks the Group's overall position. Simulations of sensitivity of financing costs to interest-rate trends are analyzed regularly and whenever an event occurs that is likely to have an impact on interest-rate exposure. On the basis of these analyses, Wendel and its subsidiaries may decide to set up swaps, caps, collars or any other derivative for hedging purposes.

As of June 30, 2012, the exposure of the Wendel Group (Wendel, its holding companies and fully-consolidated operating subsidiaries) to interest rates was limited.

in billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	3.9		4.3
Cash and short-term financial investments *	-0.2		-1.0
Impact of derivatives	1.4	1.4	-2.7
Interest-rate exposure	**5.1**	**1.4**	**0.5**
	72%	*20%*	*8%*

* excluding €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments is weighted by the portion of the 12 months following June 30, 2012 during which they will hedge interest-rate risk.

As of December 31, 2011, the exposure of the Wendel Group (Wendel, its holding companies and fully-consolidated operating subsidiaries, except for Deutsch which was classified under operations held for sale) to interest rates was limited.

in billions of euros	Fixed rate	Capped rate	Floating rate
Gross debt	3.4		5.2
Cash and short-term financial investments *	-0.2		-0.9
Impact of derivatives	1.8	1.7	-3.4
Interest-rate exposure	**4.9**	**1.7**	**0.8**
	67%	*22%*	*11%*

* excluding €0.1 billion in short-term financial investments not sensitive to interest rates.

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2011 during which they will hedge interest-rate risk.

Derivatives serving as interest-rate hedges are described in Note 8.

A +/- 100 basis point change in the interest rates to which the Group's interest rate exposure is indexed would have an impact ranging from -€13 million to +€11 million on the net finance costs before tax over the 12 months after June 30, 2012, based on net financial debt at June 30, 2012, interest rates on that date and the maturities of interest-rate hedging derivatives.

Note 4 - 4. Managing credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk, and the receivables for which a risk of non-payment exists are subject to write-down. As of the closing date, owing to the Group's geographical and sectoral diversification, there was no significant concentration of credit risk in trade receivables.

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. For short-term investments in funds managed by financial institutions, or bond, equity or diversified funds, an analysis is carried out on the signature risk. By tracking cash and short-term financial investments, Wendel regularly measures its exposure to each counterparty. However, given the high amount of cash and short-term financial investments as of June 30, 2012 (see Note 4 - 2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution.

Derivative contracts are entered into with top-ranking financial institutions.

Note 4 - 5. Management of foreign currency risk

Note 4 - 5.1 Wendel

As of June 30, 2012, Wendel owned €122 million in short-term financial investments denominated in US dollars, representing part of the proceeds from the sale of Deutsch. These financial assets are recognized at fair value. As such a 5% decline in the value of the US dollar compared with the euro would have a negative impact of €6 million on Wendel's income statement.

In addition, certain companies controlled by Wendel operate in other countries and, as a result, derive a share of their earnings in currencies other than the euro.

Note 4 - 5.2 Bureau Veritas

Because of the international nature of its businesses, Bureau Veritas is exposed to currency risk in several currencies other than the euro.

In 2012, two-thirds of Bureau Veritas's net sales were in currencies other than the euro, including 15% in US dollars, 7% in Australian dollars, 5% in yuans, 5% in Brazilian reals and 4% in Hong Kong dollars. No other currency accounted for more than 5% of Bureau Veritas' net sales. This trend is a result of the strong growth of Bureau Veritas' businesses outside the euro zone, in Asia and notably in US dollars or dollar-zone currencies. However, as a general rule, natural hedges are in place, as services are supplied locally and costs are therefore proportional to income in most countries where Bureau Veritas operates. As a result, Bureau Veritas has limited exposure to currency risk from transactions in different currencies.

A +/-5% fluctuation in the US dollar against the euro would have had an impact of +/-1,1% on Bureau Veritas' H1 2012 operating profit. A +/-5% fluctuation in the Australian dollar against the euro would have had an impact of +/-0.3% on Bureau Veritas's H1 2012 operating profit. The combined impact on operating profit would have totaled +/-€3.4 million.

In addition, Bureau Veritas' multi-currency financing enables it to borrow in local currencies. If it deems it necessary, Bureau Veritas can therefore hedge certain commitments by pegging its financing costs to operating revenues in the currencies concerned.

The US private placement (see Note 11 "Financial debt") is denominated in US dollars and pounds sterling, currencies that are different from the operating currency of the entity that contracted the loan. In order to protect against currency risk on the income statement and to convert the debt synthetically into euros, the US private placement has been hedged through a cross-currency swap (see Note 8 "Derivatives"). Similarly, a portion of the bank debt tranche amortizable in US dollars has been synthetically converted into euros.

Finally, the impact on income before tax of a +/-5% fluctuation in the US dollar on USD-denominated financial assets and liabilities held by entities having a non-USD functional currency is -/+€13.5 million.

Note 4 - 5.3 Stahl

In H1 2012, 56% of Stahl's net sales were in currencies other than the euro, including 14% in US dollars, 15% in Singapore dollars, 6% in Brazilian reals and 6% in Indian rupees. A +/-5% fluctuation in the US dollar or in currencies correlated to it against the euro would have had an impact of +/-1% on Stahl's H1 2012 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or less than €1 million. In addition, Stahl has financial debt of about €161 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the value of the US dollar, a translation impact of about -/+€8 million would be recognized in net financial income.

Note 4 - 5.4 Materis

The US dollar’s impact on Materis’ operating income is limited to the Materis group’s presence the United States and to certain raw-material purchases. In H1 2012, a +/-5% fluctuation in the value of the US dollar would have had an immaterial impact on income from ordinary activities.

NOTES TO THE BALANCE SHEET

NOTE 5. GOODWILL

in millions of euros	6.30.2012		
	Gross amount	Impairment	Net amount
Bureau Veritas	471.8	-	471.8
Materis	899.5	299.2	600.3
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
Subsidiaries of Bureau Veritas	1,612.8	40.6	1,572.2
Subsidiaries of Materis	173.5	-	173.5
Total	**3,319.8**	**339.8**	**2,980.1**

in millions of euros	12.31.2011		
	Gross amount	Impairment	Net amount
Bureau Veritas	473.3	-	473.3
Materis	899.5	297.6	601.9
Stahl	24.1	-	24.1
Oranje-Nassau Développement	138.1	-	138.1
Subsidiaries of Bureau Veritas	1,410.8	32.5	1,378.3
Subsidiaries of Materis	172.1	-	172.1
Total	**3,117.9**	**330.1**	**2,787.8**

The principal changes during the year were as follows:

in millions of euros	H1 2012
Net amount at beginning of period	2,787.8
Business combinations (1)	177.0
Impact of changes in currency translation adjustments and other	23.3
Impairment for the period (2)	-8.0
Net amount at end of period	**2,980.1**

(1) Includes €178.8 million in acquisitions made by Bureau Veritas in H1 2012.

(2) €8.0 million in impairment recognized by Bureau Veritas on its own CGUs in H1 2012.

Impairment test on Mecatherm goodwill

As Mecatherm constitutes a Cash Generating Unit (CGU) in Wendel's consolidated statements and a significant downturn of its business is an indication of impairment, an IAS 36 test was performed on this subsidiary. The value in use determined by Wendel for this test was the discounted value of future cash flows, which was compared to the carrying value of the subsidiary. The business plan used was prepared by Wendel. It covers five years and takes into account the business slowdown observed in the first half of 2012. A discount rate of 9% was used and a long-term growth rate of 2% was applied to post-business plan cash flows. Mecatherm's value in use, calculated thus by Wendel, was above its carrying value at June 30, 2012, and Wendel recognized no impairment. Wendel's analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment if the discount rate were increased by 0.5% or the long-term growth rate were reduced by 0.5%. Likewise, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized. For value in use to be equal to the gross carrying amount, the discount rate would have to be increased to 9.7% or the long-term growth rate reduced to 1.1%.

This test was based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were approved on situations existing at the end of June 2012. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under this test. If so, value in use may also be different from that determined on the basis of assumptions and estimates at the end-June 2012 balance sheet date.

No significant indication of impairment was identified for the other CGUs at Wendel's level (Bureau Veritas, Materis, Stahl and Parcours). The principal indicators are adherence to the budget and business plan and, where applicable, the listed share price compared with the carrying value of the CGUs. As a result, impairment tests were not carried out on these CGUs at the June 30, 2012 closing. In accordance with accounting standards, the mandatory annual test will be performed at December 31, 2012.

NOTE 6. EQUITY-METHOD INVESTMENTS

in millions of euros	6.30.2012	12.31.2011
Saint-Gobain	4,749.6	4,788.7
Legrand	134.3	141.7
exceet	54.2	57.5
Investments of Bureau Veritas	0.7	0.7
Investments of Materis	3.4	3.4
Investments of Stahl	2.2	2.1
Total	**4,944.5**	**4,994.1**

The change in equity-method investments broke down as follows:

in millions of euros	H1 2012
Cash and cash equivalents at beginning of period	4,994.1
Share in net income of the period	
Saint-Gobain	46.4
Legrand (1)	15.7
exceet	-3.1
Other	0.1
Dividends paid	-125.7
Impact of changes in currency translation adjustments	41.2
Divestments (1)	-8.9
Impact of dilution and accretion	-5.0
Other	-10.3
Amount as of June 30, 2012	**4,944.5**

(1) See Note 2 "Changes in scope of consolidation".

Note 6 - 1. Additional information on Saint-Gobain

in millions of euros	6.30.2012	12.31.2011
Carrying values at 100%		
Total assets (Saint-Gobain)	48,734	46,234
Impact of the revaluation of acquired assets and liabilities	4,288	4,522
Residual goodwill (excl. goodwill in Saint-Gobain's balance sheet)	5,720	5,720
Non-controlling interests	405	403
Total liabilities	30,535	28,016
	H1 2012	H1 2011
Net sales (1)	21,590	20,875
Operating income	1,512	1,720
Business income	1,153	1,456
Recurring net income, group share	651	902
Net income, group share (2)	506	768
Impact of the revaluation of acquired assets and liabilities	-234	-236

(1) Net sales grew by 3.4% in the first half of 2012; organic growth was negative at -0.8%.

(2) In Saint-Gobain's books, at 100%.

Note 6 - 2. Additional information on Legrand

in millions of euros	6.30.2012	12.31.2011
Carrying values at 100%		
Total assets (Legrand)	6,758.6	6,655.5
Goodwill adjustment (Wendel)	-527.4	-526.6
Non-controlling interests	2.9	3.4
Total liabilities	3,777.2	3,706.3
	H1 2012	H1 2011
Net sales (1)	2,223.7	2,107.8
Adjusted operating income (2)	456.5	442.7
Operating income	444.3	425.5
Net income, group share (3)	268.7	266.4

(1) Net sales grew by 5.5% in the first half of 2012; organic growth was negative at -1.3%.

(2) Operating income restated for accounting items linked to the 2002 acquisition of Legrand France and impairment of goodwill (zero in H1 2012 and H1 2011).

(3) In Legrand's books, at 100%.

Note 6 - 3. Additional information on exceet

in millions of euros	6.30.2012	12.31.2011
Carrying values at 100%		
Total assets (exceet)	179.9	171.1
Goodwill adjustment (Wendel)	107.8	117.0
Non-controlling interests	-	-
Total liabilities	97.4	85.5
	H1 2012	**H1 [(1)] 2011**
Net sales	90.6	78.0
EBITDA	6.8	12.2
Operating income	2.6	8.5
Net income, group share (2)	-3.6	5.3
Impact of the revaluation of acquired assets and liabilities	-5.3	-

(1) H1 2011 data are provided for comparison. exceet has been consolidated as of August 1, 2011 (see Note 2 - 1.4 “Changes in scope of consolidation” in the 2011 consolidated financial statements).

(2) In exceet’s books, at 100%

Oranje-Nassau Développement's percentage interest in exceet Group SE is subject to the potentially dilutive effect of financial instruments issued by exceet (see Note 2 "Changes in scope of consolidation" in the 2011 consolidated financial statements).

Note 6 - 4. Impairment tests on equity-method investments

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were approved on situations existing at the end of June 2012. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-June 2012 balance sheet date.

Note 6 - 4.1 Impairment test on Saint-Gobain, accounted for by the equity method

An impairment test was performed on the Saint-Gobain shares, as their carrying amount in Wendel's consolidated financial statements, calculated according to the equity method, was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at the balance sheet date (€29.1 per share, or €2,614 million for the 89.8 million Saint-

Gobain shares accounted for under the equity method) or (2) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The five-year business plan used in calculating value in use was prepared by Wendel on the basis of publicly available information, including research on the sector published by leading forecasters, Wendel's internal analyses and studies carried out by Wendel. The assumptions underlying the business plan (trends in underlying markets, price effects, etc.) were developed by sector and by country. In accordance with IAS 36, these assumptions do not include a strategic acquisition, or any scenario under which Saint-Gobain would divest its packaging business. Finally, the assumptions used in calculating post-business plan cash flows (i.e. growth in sales and normative profitability) are based on an analysis of the historical performances of Saint-Gobain’s activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used at December 31, 2011: 2%. The discount rate used was also identical to that used at December 31, 2011: 8%. It was based, among other things, on market parameters (risk-free rate, market premium, beta) and took into account risks specific to the business plan.

As it was at December 31, 2011, the calculated value in use was higher than the carrying value. At June 30, 2012, the value in use was €54.7/share and the carrying value was €52.9/share. As a result, no impairment was recognized. The difference between the fair value (market price) and the value in use reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

A sensitivity analysis shows that if the discount rate were 0.5% higher, Wendel would have to recognize an impairment of €424 million, and if the long-term growth rate were 0.5% lower, Wendel would have to recognize an impairment of €279 million. For value in use to be equal to the gross carrying amount, the discount rate would have to be increased to 8.1% or the long-term growth rate reduced to 1.8%. If the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, a €600 million impairment charge would have to be recognized. Finally, the model as a whole is sensitive to the assumptions of the five-year business plan.

Note 6 - 4.2 Impairment test on exceet, accounted for by the equity method

An impairment test was performed on these equity-accounted shares inasmuch as their carrying value was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (1) fair value, i.e. the share price at year-end (€29.5 million for the 5.7 million shares held) or (2) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The business plan used covers an eight-year period, and in accordance with IAS 36, its assumptions do not include a strategic acquisition. The long-term growth rate applied to post-business plan cash flows was 2% and the discount rate was 10%. The impact of dilutive instruments in exceet’s capital was taken into account.

The calculated value in use was higher than the carrying value (€54.1 million for the shares held). As a result, no impairment was recognized.

A sensitivity analysis shows that if the discount rate were 0.5% higher, or if the long-term growth rate were 0.5% lower, it would not be necessary to recognize any impairment. For value in use to be equal to the gross carrying amount, the discount rate would have to be increased by 1% or the long-term growth rate reduced to 0%. Moreover, if the normative margin used for cash flows after the end of the eight-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

NOTE 7. CASH AND CASH EQUIVALENTS

in millions of euros	**6.30.2012 Net amount**	**12.31.2011 Net amount**
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current financial assets (1)	151.8	146.6
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	417.0	437.5
Cash and cash equivalents of Wendel and its holding companies (2)	**568.8**	**584.1**
Bureau Veritas	245.0	244.1
Materis	134.7	83.6
Stahl	17.5	20.3
Oranje-Nassau Développement	6.7	11.2
Cash and cash equivalents of subsidiaries classified as current assets	**403.9**	**359.2**
Total	**972.7**	**943.3**
of which non-current financial assets	**151.8**	**146.6**
of which current financial assets	**820.9**	**796.7**

(1) Primarily cash collateral granted to banks as part of the financing of the Eufor group (see Note 30 "Off-balance-sheet commitments" and Note 4 - 2 "Managing liquidity risk").

(2) In addition to this cash, Wendel had €349.1 million in short-term financial investments at June 30, 2012 and €270.9 million at December 31, 2011 (see Note 4 - 2.1 "Wendel's liquidity risk").

NOTE 8. FINANCIAL ASSETS AND LIABILITIES (EXCL. FINANCIAL DEBT AND OPERATING RECEIVABLES AND PAYABLES)

Note 8 - 1. Financial assets

in millions of euros	Method for recognizing changes	Level	6.30.2012	12.31.2011
Pledged cash and cash equivalents of Wendel and its holding companies - A	Income statement (1)	1	151.8	146.6
Unpledged cash and cash equivalents of Wendel and its holding companies	Income statement (1)	1	417.0	437.4
Short-term financial investments of Wendel	Income statement (1)	2	349.1	270.9
Cash and short-term financial investments of Wendel and its holding companies			**918.0**	**855.0**
Cash and cash equivalents of subsidiaries	Income statement (1)	1	403.9	359.2
Assets available for sale	Shareholders' equity (2)	3	6.0	6.8
Financial assets at fair value through profit or loss - B	Income statement (1)	1	74.5	74.6
Loans	Amortized cost	N/A	1.1	2.2
Deposits and guarantees	Amortized cost	N/A	51.9	34.0
Derivatives - C	Income statement (1) / Sh. equity (2)	See C	71.7	104.4
Other			73.1	36.8
Total			**1,600.3**	**1,472.9**
of which non-current financial assets			***347.3***	***281.4***
of which current financial assets			***1,253.0***	***1,191.5***

(1) Change in fair value through profit or loss

(2) Change in fair value through shareholders' equity

Note 8 - 2. Financial liabilities

in millions of euros	Method for recognizing changes	Level	6.30.2012	12.31.2011
Derivatives - C	Income statement (1) / Sh. equity (2)	See C	252.1	304.9
Other (incl. puts held by non-controlling shareholders and earn-outs)	N/A	N/A	134.5	99.4
Total			**386.6**	**404.3**
of which non-current financial liabilities			***72.5***	***130.6***
of which current financial liabilities			***314.1***	***273.7***

(1) Change in fair value through profit or loss

(2) Change in fair value through shareholders' equity

Note 8 - 3. Details of financial assets and liabilities

A – Cash and cash equivalents (pledged and unpledged): pledged cash and cash equivalents are presented as non-current financial assets as they were not immediately available (see Note 7 "Cash and cash equivalents").

B – Includes 1,910,000 Saint-Gobain shares (0.4% of share capital) purchased on the market in August 2011 for €63.1 million. This acquisition was carried out to take advantage of the low price of Saint-Gobain shares resulting from the drop in financial markets in the summer of 2011. Wendel's objective is to resell these shares when an opportunity presents itself rather than to hold them for the long term. Accordingly, unlike the other Saint-Gobain shares held by the Group, they are not accounted for by the equity method but recognized as current financial assets, measured at fair value (market price) at each closing. As of June 30, 2012 they were valued at €55.6 million, compared with €56.7 million at the opening date. The change in fair value of -€1.1 million is recognized on the income statement.

C – Derivatives:

in millions of euros		6.30.2012		12.31.2011	
	Level	Assets	Liabilities	Assets	Liabilities
Saint-Gobain puts issued (written) (1)	2	-	193.6	-	194.3
Economically neutral put positions, March 2012 maturity	2	-	-	41.9	41.9
Commodity derivatives - hedging of cash flows	2	-	0.6	-	1.7
Interest rate swaps - hedging of cash flows (2)	2	51.4	17.7	43.4	30.7
Interest rate swaps - not qualifying for hedge accounting (2)	2	15.0	38.2	15.4	34.0
Other derivatives - not qualifying for hedge accounting	2	5.4	1.9	3.7	2.3
Total		**71.7**	**252.1**	**104.4**	**304.9**
Of which:					
Non-current portion		68.3	37.6	61.9	95.5
Current portion		3.4	214.5	42.5	209.3

(1) See description of puts in the following note.
(2) See description of swaps in the following note.

Note 8 - 4. Puts issued (written) on Saint-Gobain shares

Wendel issued (wrote) 6.1 million puts on Saint-Gobain in 2007, whose value at the end of June 2012 was a liability of €193.6 million, vs. a liability of €194.3 million at the opening date. The change in value of these puts is recognized on the income statement.

Their carrying value is based on a mathematical model used to value options, which takes into account the market parameters prevailing at the balance sheet date, including share price, volatility, and liquidity of the underlyings. A change of +/-5% in Saint-Gobain's share price would have led to a change in the carrying value as of the closing date of approximately +/- €9 million, recognized on the income statement.

After an initial 12-month extension of the maturity dates of these puts in 2011, some were extended for another 12 months in the summer of 2012 (after the closing date). The new maturity dates range from December 2012 to September 2013. This extension was carried out so as to enable Wendel to take advantage of Saint-Gobain's growth prospects. Wendel believes these prospects will cause the share price to rise between now and the new maturity dates, enabling it to reduce the liability related to these puts.

Note 8 - 5. Interest rate swaps and foreign exchange hedges

The value of interest rate swaps is calculated by the counterparties on the basis of the yield curve at the balance sheet date and the present value of cash flows expected from the contracts. Wendel's finance department verifies the consistency of these calculations.

Notional amount	Characteristics (1)	Qualified as	Start (1)	Maturity (1)	6.30.2012	12.31.2011
	sign convention: (+) asset, (-) liability					
Hedging of bonds carried by Wendel						
€100 million	Pay 3.98% against 4.21%		pre-closing	05-2016	0.9	1.0
€300 million	Pay 12-month Euribor +0.93% between 1.70% and 2.60%, 3.40% if < 1.70% and 3.53% if > 2.60%. Against: 3.49%		pre-closing	08-2017	1.3	2.1
					2.2	3.1
Hedging of Eufor's bank debt (2)						
€600 million	Pay 2.60% against Euribor	Hedge	pre-closing	09-2013	-10.7	
€400 million	Pay 1.06% against Euribor	Hedge	01-2014	01-2016	-0.9	
€400 million	Pay 1.02% against Euribor		02-2014	02-2016	-0.2	
€300 million	Pay 4.26% against Euribor		pre-closing	12-2012	-4.7	
€700 million	Pay 1.92% against Euribor		pre-closing	10-2013	-11.0	
					-27.4	-30.3
Hedging of subsidiaries' debt						
€50 million	Pay 3.47% against Euribor		pre-closing	06-2013	-1.5	
€70 million	Pay 4.64% against Euribor		pre-closing	04-2013	-2.3	
€50 million	2.15%-2.90% interest rate collar on Euribor		pre-closing	12-2012	-0.4	
€166 million	2.09%-3.01% interest rate collar on Euribor		pre-closing	01-2013	-1.5	
€200 million	1.13%-2.70% interest rate collar on Euribor		pre-closing	01-2013	-1.0	
€900 million	2.83% cap on Euribor		pre-closing	06-2013	-	
€50 million	Pay 1.51% against Euribor	Hedge	pre-closing	01-2013	-0.4	
€150 million	Pay 2.11% against Euribor	Hedge	pre-closing	04-2013	-1.6	
€50 million	Pay 1.27% against Euribor	Hedge	pre-closing	04-2013	-0.2	
$95 million	Pay 2.73% against Libor		pre-closing	12-2014	-4.5	
€44 million	Pay 1.38% against Libor		pre-closing	01-2015	-0.8	
Other derivatives					-	
					-14.1	-16.2
	Cross currency swaps (3)	Hedge			49.7	37.6
Total					**10.4**	**-5.8**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.

(2) These swaps cover the risk of fluctuation in interest rates paid on floating rate bank borrowings. To manage its interest rate risk, Wendel took advantage of historically low rates to set up swaps with a notional value of €800 million, which extend the maturity of hedges against interest-rate fluctuations to 2014 and 2015. The net value of all swaps at June 30, 2012 was -€27.4 million, vs. -€30.3 million at end-2011. The change in value of all swaps

qualified as hedges and recognized under shareholders' equity was +€4.3 million for the first half of 2012. The change in the value of non-qualified instruments and partially-effective hedges recognized through profit or loss was -€1.4 million. Finally, following the repayment of bank debt during the period, certain swaps were dequalified. As a result, €4.7 million in cumulative expenses recognized in hedging reserves were passed through the income statement. Overall, hedging reserves increased by €9.1 million and net income was reduced by €6.1 million.

(3) Bureau Veritas: a currency hedge was set up on the US private placement debt (see Note 11 "Financial debt") denominated in US dollars and pounds sterling, as well as on part of the bank debt tranche amortizable in US dollars, so as to convert the debt into euros. Any change in the value of these instruments is recognized in shareholders' equity and passed through profit or loss over the life of the loans.

NOTE 9. SHAREHOLDERS' EQUITY

Note 9 - 1. Number of shares outstanding

	Par value	Total number of shares	Treasury shares
As of 12/31/2011	€4	50,560,975	2,114,155
As of 6/30/2012	€4	50,502,019	2,262,386

Note 9 - 2. Treasury shares

203,000 shares were held under the liquidity contract as of June 30, 2012 (unit cost: €53.04 per share), an increase of 53,000 shares from end-2011.

As of June 30, 2012, Wendel held 2,059,386 of its shares in treasury outside of the context of the liquidity contract (1,964,155 as of December 31, 2011). About two-thirds of these treasury shares are allocated to covering stock option exercises, bonus shares and performance shares. The remainder, about one-third of the treasury shares, are intended to be cancelled.

In total, shares held in treasury represented 4.48% of the share capital as of June 30, 2012.

Note 9 - 3. Principal items in the statement of comprehensive income

	Assets available for sale	Qualified hedges	Deferred taxes	**Total, Group share**	Non-controlling interests	**Total shareholders' equity**
As of 12/31/2010	4.4	-50.7	-0.6	**-46.9**	35.2	**-11.7**
. Changes in fair value during the period	0.8	28.7	-4.1	**25.4**	-2.6	**22.8**
. Amount recognized on the income statement (1)	-1.7	16.5	-	**14.9**	0.0	**14.9**
. Other	0.0	-0.5	-	**-0.5**	0.0	**-0.5**
As of 12/31/2011	3.5	-6.0	-4.7	**-7.2**	32.6	**25.4**
. Changes in fair value during the period	-0.7	-6.8	-0.5	**-8.1**	0.9	**-7.1**
. Amount recognized in the income statement	-	18.0	-	**18.0**	-	**18.0**
. Other	-	-	-	**-**	-	**-**
As of 6/30/2012	2.8	5.1	-5.2	**2.7**	33.5	**36.3**

(1) Qualified hedges - amount recognized in the income statement: Eufor group's interest-rate swap (see Note 8 - 5 "Interest rate swaps and foreign exchange hedges").

NOTE 10. PROVISIONS

in millions of euros	**6.30.2012**	**12.31.2011**
Provisions for risks and contingencies (1)	118.1	129.2
Employee benefits (1)	154.2	152.9
Total	**272.4**	**282.1**
Of which non-current	*267.2*	*273.9*
Of which current	*5.2*	*8.2*

(1) Provisions for risks and contingencies and provisions for employee benefits relating to all fully consolidated companies, including operating companies.

Note 10 - 1. Provisions for risks and contingencies

in millions of euros	**6.30.2012**	**12.31.2011**
Bureau Veritas (1)	71.3	81.1
Materis	14.2	15.7
Stahl	0.8	1.5
Oranje-Nassau Développement	4.2	4.8
Wendel and holding companies (2)	27.6	26.1
Total	**118.1**	**129.2**
Of which non-current	*113.0*	*121.0*
Of which current	*5.2*	*8.2*

(1) In the normal course of its activities, Bureau Veritas is party to various disputes and legal actions that aim, among other things, to invoke its professional liability with regard to services it has provided. While Bureau Veritas pays the greatest attention to risk control and the quality of its services, some of those services can give rise to claims and result in financial penalties. Provisions have been recognized on the losses that may result from such litigation. The amount recognized is the best estimate of the amount necessary for extinguishing the debt, updated at the closing date. The costs that Bureau Veritas might be required to pay could exceed the amount of the provision for litigation due to a number of factors, in particular the uncertain outcome of litigation.

Provisions for risks and contingencies on the balance sheet as of June 30, 2012 related principally to the following disputes or legal actions:

- legal actions relating to Terminal 2E of Paris-Roissy CDG airport;
- a claim relating to the construction of a hotel and retail complex in Turkey;
- a claim pertaining to the crash of a Gabon Express flight.

(2) The principal disputes involving Wendel and its holding companies are as follows:

- In September 2010, the General Court of the European Union, ruling on the appeal by Editions Odile Jacob, annulled the European Commission's 2004 decision authorizing Wendel to acquire Editis from Lagardère. This authorization was granted in the context of commitments made by Lagardère to obtain the European Commission's approval for the Lagardère/Natexis/VUP transaction. The annulment of Wendel's authorization was based on a procedural irregularity entirely unconnected with Wendel. In November 2010 the European Commission and Lagardère appealed the judgment to the Court of Justice of the European Union, and Wendel filed a statement in February 2011 to support their appeal. The written procedure was closed in March 2011, closing arguments were presented to the court in December 2011 and the decision of the European Court of Justice is expected in 2012. In the meantime, in May 2011, the European Commission granted a new authorization to Wendel, as acquirer of Editis, with effect as of the date of the acquisition. In September 2011, Editions Odile Jacob filed an appeal against this decision before the General Court (of the European Union), which suspended its deliberation until the European Court of Justice hands down its ruling. Editions Odile Jacob also brought an action against Wendel and other parties in October 2010 before the Paris Commercial Court, seeking the annulment of Wendel's acquisition of Editis in 2004 and its subsequent sale of Editis to the Spanish publishing group Planeta in 2008. In December 2011, the Commercial Court issued a stay of proceedings, pending EU decisions. Wendel considers that the claims of Editions Odile Jacob are unfounded and has not recognized any provision related to this dispute.
- A former management-level employee of the Company, dismissed in June 2009, has lodged several claims with the labor conciliation board (Conseil des Prud'hommes) for a

total of €4.2 million. Wendel has entered a counter-claim. The employee is claiming €6.8 million in damages in the Paris Commercial Court for the losses that he alleges he suffered as a result of the unwinding of a co-investment scheme under which Wendel executives could benefit from the Group's performance, as well as a guarantee covering the related tax impact. The case has been transferred to the Nanterre Commercial Court because of the plaintiff's status as a member of the Paris bar. The Company considers the claims of this former employee to be unfounded and has not recognized any provision related to this dispute.

- Pollution was discovered in 1994 on property belonging to Hauts Fourneaux de Rouen (HFR), a Wendel Group subsidiary, which ceased operations in 1967. In 1998, the Seine-Maritime prefecture issued an administrative order requiring Sofiservice, the Wendel subsidiary that had absorbed HFR through various reorganizations, to perform an environmental study and to remediate the site. The order was annulled by a decision of the Administrative Court. In October 2002, the Administrative Court of Appeal annulled that decision. The appeal court's ruling was confirmed by the Conseil d'Etat in January 2005. Since that date, Sofiservice has had an environmental study performed, and the provision recognized in relation to this risk has been maintained.
- In 2008, Wendel filed an appeal for abuse of power against a decision of the tax authority concerning an authorization to benefit from suspended tax treatment when Wendel and two of its subsidiaries contributed their Bureau Veritas shares to the latter's IPO. The Paris Administrative Court rejected the appeal in its ruling of February 15, 2011, against which Wendel filed an appeal to the Paris Administrative Appeal Court.
- Wendel and certain Group holding companies have received proposed tax adjustments from the tax authority. Certain adjustments have been accepted, and others have been, or will be, contested before the competent authorities. Regarding one proposed adjustment received quite recently, the company involved will notify the tax authority of its response in the coming weeks. These adjustments mainly relate to corporate income tax (such as the treatment of intragroup provisions) and will not significantly impact the Wendel Group's financial statements inasmuch as they reduce the amount of uncapitalized tax losses. A provision has been recognized for the full amount of the adjustments relating to other taxes (payroll tax, VAT). Overall, taking all of the adjustments into account, Wendel does not expect to have any significant final cash outflow. None of the adjustments is either directly or indirectly related to Wendel's divestment of Solfur, the terms of this transaction having been examined by the tax authority.
- The European competition authority recently notified Wendel of a pending investigation regarding a company in which the Group was a shareholder and which was divested several years ago. As of the date the financial statements were finalized, Wendel had no

information about the timing or potential consequences of this investigation. No corresponding provision has been recognized.

Note 10 - 2. Employee benefits

in millions of euros	6.30.2012	12.31.2011
Bureau Veritas	106.0	104.8
Materis	38.9	37.7
Stahl	4.5	5.7
Oranje-Nassau Développement	2.0	1.9
Wendel and holding companies	2.9	2.8
Total	**154.2**	**152.9**
Of which non-current	*154.2*	*152.9*
Of which current	-	-

NOTE 11. FINANCIAL DEBT

For a description of the terms of financial debt and related covenants, see Note 4 – 2 "Managing liquidity risk".

in millions of euros	Currency	Coupon rate	Effective interest rate (b)	Maturity	Repayment	Overall line 6.2012	6.30.2012	12.31.2011
Wendel								
2014 bonds	EUR	4.875%	4.930%	11-2014	at maturity		354.2	393.5
2014 bonds - tranche 2	EUR	4.875%	8.777%	11-2014	at maturity		300.0	300.0
2015 bonds	EUR	4.875%	4.910%	09-2015	at maturity		400.0	400.0
2016 bonds	EUR	4.875%	5.020%	05-2016	at maturity		363.2	392.6
2016 bonds - tranche 2	EUR	4.875%	6.142%	05-2016	at maturity		300.0	300.0
2017 bonds	EUR	4.375%	4.460%	08-2017	at maturity		292.0	292.0
2017 bonds - tranche 2	EUR	4.375%	5.730%	08-2017	at maturity		400.0	400.0
2018 bonds	EUR	6.750%	6.949%	04-2018	at maturity		300.0	300.0
Syndicated loan	EUR	Euribor+margin		09-2013	revolving credit	€950M	-	250.0
Syndicated loan	EUR	Euribor+margin		09-2014	revolving credit	€250M	250.0	250.0
Amortized cost of bonds							-65.2	-75.2
Accrued interest							62.4	56.8
							2,956.6	**3,259.7**
Eufor (Saint-Gobain investment financing)								
Bank borrowings	EUR	Euribor+margin		07-2013, 03-2014, 12-2014	amortizing revolver	€800M	-	500.0
Bank borrowings	EUR	Euribor+margin		11-2013, 05-2014, 11-2014	amortizing revolver	€300M	-	60.0
Bank borrowings (a)	EUR	Euribor+margin		01-2016, 01-2017	amortizing	€875M	425.0	425.0
Bank borrowings (a)	EUR	Euribor+margin		06-2015	at maturity		400.0	400.0
Accrued interest							9.9	14.5
							834.9	**1,399.5**
Holding companies								
Loans from non-controlling shareholders							13.6	13.5
							13.6	**13.5**
Bureau Veritas								
2017 bonds	EUR	3.750%		05-2017	at maturity		500.0	-
Bank borrowings	USD	Libor+margin		05-2013	amortizing		65.2	95.1
Bank borrowings	EUR	Euribor+margin		05-2013	amortizing		3.4	5.0
Bank borrowings	EUR	Euribor+margin		05-2013	at maturity		-	84.0
Bank borrowings	GBP	Libor+margin		05-2013	at maturity	€522.5M	-	20.4
Bank borrowings	USD	Libor+margin		05-2013	at maturity		149.1	230.0
Bank borrowings	EUR	Euribor+margin		10-2012	at maturity		-	150.0
French private placement	EUR	Euribor+margin		06-2015	at maturity	€175M	90.0	50.0
US private placement	EUR	Fixed		07-2019	at maturity		184.1	184.1
US private placement	USD	Fixed		07-2018, 07-2020	amortizing		211.3	205.6
US private placement	GBP	Fixed		07-2018, 07-2020	amortizing		78.1	75.4
US private placement	USD	Fixed		10-2021	at maturity	$200M	79.4	77.3
German private placement	EUR	Euribor+margin		06-2015, 12-2016	amortizing		193.0	54.0
Deferred issuance costs							-7.8	-2.8
Other liabilities							67.4	37.4
							1,613.2	**1,265.6**
Materis								
Bank borrowings (maturity not extended)	EUR	Euribor+margin		04-2013 to 10-2015			139.8	1,404.5
Bank borrowings (mezzanine PIK)	EUR	Euribor+margin		12-2016	at maturity		425.7	380.2
Bank borrowings (second lien)	EUR	Euribor+margin		03-2016	at maturity		138.3	-
Bank borrowings (senior A)	EUR	Euribor+margin		09-2015	at maturity		151.6	-
Bank borrowings (senior B)	EUR	Euribor+margin		01-2016	at maturity		341.9	-
Bank borrowings (senior C)	EUR	Euribor+margin		01-2016	at maturity		382.8	-
Bank borrowings	EUR	Euribor+margin		09-2015	at maturity	€133.2M	104.9	-
Bank borrowings (revolving credit 2)	EUR	Euribor+margin		09-2015	revolving credit	€100.4M	99.6	-
Bank borrowings (acquisition)	EUR	Euribor+margin		09-2015	at maturity		112.0	-
Bank borrowings (acquisition 2)	EUR	Euribor+margin		01-2016	at maturity	€100M	88.8	48.6
Deferred issuance costs							-37.9	-24.6
Shareholder loans							56.7	50.2
Other borrowings and accrued interest							94.7	89.5
							2,098.9	**1,948.4**
Stahl								
Bank borrowings (second lien PIK)	USD	Fixed		12-2017	at maturity		58.0	53.8
Bank borrowings (senior A)	USD	Libor +margin		12-2014	amortizing		103.0	102.0
Bank borrowings (senior B)	EUR	Euribor+margin		12-2014	amortizing		41.3	42.4
Bank borrowings (revolving credit)	USD	Libor+margin		11-2014	revolving credit	$36M	-	4.6
Deferred issuance costs							-0.1	-
Shareholder loans							4.5	4.3
Other borrowings and accrued interest							2.8	2.3
							209.6	**209.4**
Parcours								
Bank borrowings	EUR	Euribor+margin			amortizing		368.8	352.7
Other borrowings and accrued interest							17.4	19.1
							386.1	**371.8**
Mecatherm								
Bank borrowings (senior)	EUR	Euribor+margin			amortizing		66.0	66.0
Deferred issuance costs							-2.8	-3.1
Other borrowings and accrued interest							6.9	2.2
							70.2	**65.1**
TOTAL							**8,182.9**	**8,533.0**
of which current							761.9	595.6
of which non-current							7,421.0	7,937.3

(a) These loans were granted by the banks in the form of combined financial instruments, contractually and indissociably linked so as to enable the repayment of the funds made available by the banks. The combination of these instruments is equivalent to a conventional bank loan.

(b) The effective interest rate is calculated inclusive of issue premiums/discounts and bank issuance fees.

Note 11 - 1. Principal changes in the first half of 2012

Note 11 - 1.1 Wendel

As part of Wendel's active management of its financial structure and in light of the particularly high secondary market yields on its bonds, Wendel continued to repurchase and cancel part of its outstanding bonds in the first half of 2012 as follows:

- €39.3 million (par value) of the 2014 bonds were repurchased for €39.8 million, reducing the par value of these bonds still outstanding to €654.2 million as of end-June 2012. €9.9 million (par value) were also repurchased in July 2012 for €10.2 million. These repurchases represented an average yield of 4.2%;
- €29.5 million (par value) of the 2016 bonds were repurchased for €28.7 million, reducing the par value of these bonds still outstanding to €663.2 million as of end-June 2012. These repurchases represented an average yield of 5.6%.

The difference between the par value and the repurchase price was recognized under financial income and expense. For the first half of 2012, the amount was not significant.
From December 2011, inclusive, to the date the financial statements were finalized, the par value of the 2014, 2016 and 2017 bonds repurchased was €100.5 million.

In addition, of the €500 million outstanding under the €1,200 million syndicated loan (€950 million maturing in September 2013 and €250 million maturing in September 2014) at the beginning of the year, one-half was repaid in advance during the first half of 2012 (see Note 4 - 2.1 “Managing debt maturities” of Wendel and its holding companies).

Note 11 - 1.2 Eufor (Saint-Gobain investment financing structure)

As of June 30, 2012, the Eufor group’s bank debt was €825 million. It was significantly reduced in the first half of 2012 following the repayment of €560 million of borrowings maturing in 2014 (see Note 4 - 2.1 “Managing debt” relating to Wendel and its holding companies).

In addition, during the summer of 2012 (after the closing date), the €1,100 million line of credit available with margin calls and maturing in 2013-14 was replaced by a new, €700 million, undrawn revolving line maturing in 2017. Through this transaction, Wendel has extended the average maturity of the lines of credit available to Eufor with margin calls, adjusted the amount of this credit to the Group’s needs and reduced future interest costs.

Note 11 - 1.3 Bureau Veritas

In the first half of 2012, €376 million of bank loans maturing in 2012 and 2013 were repaid, bringing the debt down to €217.6 million as of June 30, 2012. In addition, the French private placement (2015) was raised from €50 million to €90 million and the German private placement (Schuldschein, 2015 and 2016) was increased from €54 million to €193 million. Finally, in May 2012 Bureau Veritas carried out an inaugural fixed-rate, five-year bond issue for an amount of €500 million.

In July 2012 (after the closing date), Bureau Veritas arranged a new syndicated loan (revolving credit facility) totaling €450 million for a term of five years. The revolving line of credit maturing in 2013 was reduced to €200 million (of which €149 million was drawn as of June 30, 2012).

Note 11 - 2. Financial debt maturity schedule

in millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Wendel par value (1)	0	-1,967	-992	-2,959
Eufor par value	0	-825	0	-825
Wendel and Eufor interest (2)	-266	-481	-20	-767
Subsidiaries and associates - par value	-641	-2,973	-714	-4,328
- interest (2)	-168	-755	-59	-982
TOTAL	**-1,075**	**-7,001**	**-1,785**	**-9,861**

(1) The schedule showing the par values of Wendel's debt does not take into account the puts it has issued. The amount to be paid out on these puts depends on the Saint-Gobain share price at maturity. As of June 30, 2012, the market value of these puts represented a liability of €193.6 million. The maturity of the entire amount was less than one year.

(2) Interest is calculated on the basis of the yield curve prevailing on June 30, 2012. Interest on debt and interest-rate hedges does not include interest earned on invested cash.

NOTE 12. ASSETS AND LIABILITIES OF OPERATIONS HELD FOR SALE

As of December 31, 2011, assets and liabilities held for sale were composed primarily of assets and liabilities of the Deutsch group. The Deutsch group was divested on April 3, 2012. All of the related assets and liabilities were removed from the scope of consolidation as of the same date (See Note 2 "Changes in scope of consolidation").

NOTES TO THE INCOME STATEMENT

NOTE 13. NET SALES

In accordance with IFRS 5, the net sales of Deutsch, sold in the first half of 2012, have been reclassified in discontinued operations and operations held for sale.

in millions of euros	H1 2012	H1 2011	% change	Organic growth
Bureau Veritas	1,861.6	1,622.8	14.7%	8.1%
Materis	1,043.1	1,022.5	2.0%	0.2%
Stahl	184.6	172.1	7.2%	6.2%
Oranje-Nassau Développement (1)				
- Parcours	141.0	69.4	n.s.	n.s.
- Mecatherm	29.6	-	n.s.	n.s.
Consolidated sales	**3,259.9**	**2,886.7**	**12.9%**	**5.1%**
Oranje-Nassau Développement (6-month contribution) (1)				
- Parcours (estimated)	141.0	132.7	6.3%	6.3%
- Mecatherm (estimated)	29.6	45.8	-35.4%	-35.4%
Total including Stahl and Oranje-Nassau Développement in H1 2011 and 2012	**3,259.9**	**2,995.9**	**8.8%**	**4.6%**

(1) Oranje-Nassau Développement includes:

- the activities of the Parcours group for the three-month period in H1 2011 from the date the Wendel Group took control and for the six months of H1 2012.

  Parcours' revenues include €38.6 million in sales of second-hand vehicles for H1 2012 and €18.9 million for the three-month period in H1 2011 following the date Wendel took control (€35.8 million for the full six months), in accordance with IFRS.
- the H1 2012 activities of the Mecatherm group, which was acquired in the second half of 2011.

NOTE 14. OTHER OPERATING INCOME AND EXPENSES

in millions of euros	H1 2012	H1 2011
Net gains (losses) on divestment of intangible assets and property, plant & equipment	4.7	2.4
Restructuring costs, net	-5.8	-3.0
Impairment of assets (1)	-8.0	-37.3
Other income and expenses	-3.3	-6.2
Total	**-12.3**	**-44.1**

(1) Impairment of €8.0 million at Bureau Veritas for H1 2012. In H1 2011, the impairments essentially related to Materis.

NOTE 15. FINANCE COSTS, NET

in millions of euros	H1 2012	H1 2011
Income from cash and cash equivalents (1)	5.3	7.4
	5.3	7.4
Finance costs, gross		
Interest expense	-216.0	-228.6
Interest expense on shareholder loans from non-controlling interests	-4.3	-3.8
Deferral of debt issuance costs and premiums/discounts (calculated according to the effective interest method)	-14.7	-14.4
	-235.0	-246.9
Total	**-229.7**	**-239.4**

(1) Includes €3.4 million at the level of Wendel and its holding companies. An additional €9.4 million in income on short-term investments is recognized under "Other financial income and expenses", comprising total income of €12.8 million in H1 2012 (€7.4 million in H1 2011) on cash and short-term financial investments of Wendel and its holding companies.

NOTE 16. OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	H1 2012	H1 2011
Gains/losses on divestment of assets available for sale (1)	1.0	22.9
Dividends received from unconsolidated companies	2.7	1.7
Net income on interest rate, currency and equity derivatives	-4.7	-10.4
Interest on other financial assets	4.1	3.2
Net currency exchange gains (losses)	-1.3	-13.3
Impact of discounting	-2.8	-2.2
Other	2.5	-16.5
Total	**1.4**	**-14.5**

(1) In H1 2011, this amount included a €23 million gain on the sale of Saint-Gobain shares received as a dividend in 2010 from Saint-Gobain.

NOTE 17. TAX EXPENSE

in millions of euros	H1 2012	H1 2011
Current income tax	-100.1	-93.9
Deferred taxes	25.2	20.8
Total	**-74.9**	**-73.1**

The portion of CVAE (value added) tax was recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French national accounting council) of January 14, 2010.

NOTE 18. NET INCOME (LOSS) FROM EQUITY-METHOD INVESTMENTS

in millions of euros	H1 2012	H1 2011
Net income including impact of goodwill allocation		
Saint-Gobain	46.4	90.8
Legrand	15.7	36.5
Helikos	-	-1.7
exceet	-3.1	-
Other companies	0.1	0.2
Sale of Legrand shares	14.6	426.7
Impact of Legrand dilution	-0.6	-0.1
Impact of the change in percentage ownership of Saint-Gobain	-4.5	-11.4
Total	**68.7**	**541.0**

In H1 2012, this line item included the gain on the sale of Legrand shares, which Wendel SA used to pay its in-kind dividend (see Note 2 - 2 under "Changes in scope of consolidation").

NOTE 19. NET INCOME FROM DISCONTINUED OPERATIONS AND OPERATIONS HELD FOR SALE

in millions of euros	H1 2012	H1 2011
Gain on divestments		
Deutsch	689.2	-
Oranje-Nassau Groep - oil & gas business	-	0.4
	689.2	**0.4**
Net income from discontinued operations		
Deutsch - share in net income for the period	6.7	3.2
Wendel and holding companies - interest income on loans to the Deutsch group	10.7	18.3
	17.4	**21.5**
Total	**706.6**	**21.8**

NOTE 20. EARNINGS PER SHARE

in euros and millions of euros	H1 2012	H1 2011
Net income - Group share	724.8	452.5
Impact of dilutive instruments on subsidiaries	-3.5	-3.4
Diluted net income	**721.3**	**449.0**
Average number of shares, net of treasury shares	48,434,465	48,993,528
Potential dilution due to Wendel stock options (1)	588,115	908,201
Diluted number of shares	**49,022,580**	**49,901,729**
Basic earnings per share (in euros)	14.96	9.24
Diluted earnings per share (in euros)	14.71	9.00
Basic earnings per share from continuing operations (in euros)	0.39	8.80
Diluted earnings per share from continuing operations (in euros)	0.32	8.57
Basic earnings per share from discontinued operations (in euros)	14.57	0.44
Diluted earnings per share from discontinued operations (in euros)	14.39	0.43

(1) According to the "treasury stock" method, it is assumed that the cash received from the exercise of dilutive instruments would be used to buy back shares and partially neutralize the resulting dilution; the potential dilution is thus the net impact.

NOTES ON CHANGES IN CASH POSITION

NOTE 21. ACQUISITIONS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

in millions of euros	H1 2012	H1 2011
By Bureau Veritas	56.3	45.2
By Deutsch	-	6.3
By Materis	33.3	33.9
By Stahl	3.2	3.9
By Oranje-Nassau Développement (1)	117.6	47.1
By Wendel and holding companies	0.4	0.2
Total	**210.9**	**136.5**

(1) Includes €115.6 million of vehicles purchased for leasing by Parcours in H1 2012, compared with €47.1 million in H1 2011 for the three-month period following the acquisition of Parcours.

NOTE 22. DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Disposals of property, plant & equipment and intangible assets included principally €33.9 million in the sales of Parcours' second-hand vehicles.

NOTE 23. ACQUISITION OF EQUITY INVESTMENTS

in millions of euros	H1 2012	H1 2011
By Oranje-Nassau Développement: - Parcours	-	108.9
by Bureau Veritas (1)	275.6	59.2
By Materis (2)	28.2	18.4
Other securities	-	0.1
Total	**303.8**	**186.5**

(1) Acquisition of AcmeLabs, TH Hill and Tecnicontrol. See Note 2 "Changes in scope of consolidation" with respect to Bureau Veritas.

(2) Acquisition of Elmin and Suzuka. See Note 2 "Changes in scope of consolidation" with respect to Materis.

NOTE 24. DISPOSAL OF EQUITY INVESTMENTS

in millions of euros	H1 2012	H1 2011
Sale of Deutsch (1)	959.6	-
Sale of Legrand shares	-	622.5
Sale of Saint-Gobain shares	-	144.0
Divestments by Bureau Veritas	6.4	0.7
Other	-	0.4
Total	**966.0**	**767.6**

(1) See Note 2 "Changes in consolidation scope" with respect to Deutsch.

NOTE 25. IMPACT OF CHANGES IN SCOPE OF CONSOLIDATION AND OF OPERATIONS HELD FOR SALE

In H1 2012, the €10.8 million impact corresponded to the acquisition of Bureau Veritas subsidiaries. In H1 2011, €7.7 million corresponded to the consolidation of Parcours.

NOTE 26. CHANGE IN OTHER FINANCIAL ASSETS AND LIABILITIES AND OTHER

In H1 2012, this item consisted mainly of €75.7 million in net sales of Wendel's short-term financial investments (classified under current financial assets; see the section on Wendel's liquidity).

In H1 2011, this item included:

- The sale of part of Wendel's short-term financial investments for €66 million (classified under current financial assets; see the section on Wendel's liquidity);
- €169 million in proceeds from the sale of Saint-Gobain protection (puts).

NOTE 27. DIVIDENDS RECEIVED FROM EQUITY-METHOD INVESTMENTS AND UNCONSOLIDATED COMPANIES

Dividends received in H1 2012 included €113.7 million from Saint-Gobain and €14.3 million from Legrand. For H1 2011, these figures were €103.3 million and €25.8 million, respectively.

The €71.5 million dividend received from Bureau Veritas was eliminated upon consolidation (€64.7 in H1 2011).

NOTE 28. NET CHANGE IN BORROWINGS AND OTHER FINANCIAL LIABILITIES

Details of financial debt are shown in Note 11 "Financial debt".

in millions of euros	H1 2012	H1 2011
New borrowings by:		
Wendel - bond issue (net of issuance costs)	-	298.0
Wendel - syndicated credit facility	-	500.0
Bureau Veritas	897.3	258.5
Materis	215.6	150.5
Oranje-Nassau Développement		
- Parcours (1)	137.8	18.9
- Mecatherm	5.2	-
	1,256.0	**1,225.9**
Repayment of borrowings by:		
Wendel - 2011 bonds	-	334.8
Wendel - repurchase of 2014-16 bonds and 2017 bonds	68.8	-
Wendel - syndicated credit facility	250.0	-
Eufor group (Saint-Gobain investment structure)	560.0	1,789.7
Bureau Veritas	585.9	181.9
Deutsch	-	8.1
Materis	100.0	83.7
Stahl	9.2	6.7
Oranje-Nassau Développement		
- Parcours (1)	123.4	-
- Mecatherm	0.1	-
	1,697.5	**2,404.9**
Total	**-441.6**	**-1,179.1**

(1) These amounts essentially represented Parcours' operating loans, which finance the company's fleet of vehicles leased out to customers.

OTHER NOTES

NOTE 29. SEGMENT INFORMATION

Analysis of the income statement by operating segment is divided into two parts: "net income from business sectors" and non-recurring items.

Net income from business sectors

Net income from business sectors is the Group's "recurring" income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, as defined below:

- "Net income from investments" is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Materis, Stahl, Parcours and Mecatherm held by Oranje-Nassau Développement; Deutsch until April 3, 2012, the date on which it was sold) and Wendel's share in the net income of investments accounted for under the equity method (Saint-Gobain, Legrand and exceet, held by Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocations;
- Net income from holding companies includes the operating expense of Wendel and holding companies, the cost of net debt contracted to finance Wendel and its holding companies, the cost of financing the Eufor group (the Saint-Gobain investment structure) and related income tax items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

"Non-recurring income" includes, for the entire scope of consolidation, the net after-tax amounts not linked to the operating activity of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- restructuring costs considered exceptional;
- exceptional legal disputes, notably those that are not linked to operating activities;
- interest income and expenses on shareholder loans, as these are linked to the structure of the financial instruments used to invest in subsidiaries and associates. These items do not

usually give rise to a settlement in cash prior to divestment. The tax impact related to these items is considered recurring inasmuch as it has a structural impact on the tax to be paid;

- changes in “fair value";
- impairment losses on assets, and in particular on the value of goodwill;
- currency impact on financial liabilities;
- financial restructuring expenses and the income and expenses related to extinguishing debt,
- any other significant item unconnected with the Group's recurring operations.

Impact of goodwill allocation

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of the acquisition (or from changes to these valuations within 12 months after the transaction). The affected items are primarily:

- inventories and work-in-progress;
- property, plant & equipment;
- intangible assets, including brands and contracts;
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (because the accounting entries relate to the companies' acquisition prices and not their business activities).

Note 29 - 1. Income statement by operating segment for H1 2012

	Bureau Veritas	Materis	Deutsch	Stahl	Oranje Nassau Développement	Equity-method investments		Holding companies	Total
						Saint-Gobain	Legrand		
Net income from business sectors									
Net sales	**1,861.6**	**1,043.1**	**-**	**184.6**	**170.6**			**-**	**3,259.9**
EBITDA	**N/A**	**129.7**	**-**	**27.8**	**N/A**				
Adjusted operating income (1)	**295.6**	**95.9**	**-**	**24.4**	**13.9**				
Other recurring operating items	-	(1.0)	-	(0.7)	(0.4)				
Operating income	**295.6**	**94.9**	**-**	**23.7**	**13.5**			**(24.6)**	**403.0**
Finance costs, net	(25.9)	(73.4)	-	(6.6)	(5.7)			(101.7)	**(213.3)**
Other financial income and expense	(2.3)	(0.6)	-	-	0.3			-	**(2.6)**
Tax expense	(72.9)	(21.5)	-	(4.1)	(3.1)			2.2	**(99.5)**
Share in net income of equity-method investments	(0.0)	-	-	0.1	0.2	111.0	16.8	-	**128.1**
Net income from discontinued operations and operations held for sale	-	-	24.9	-	-	-	-	0.3	**25.3**
Recurring net income from business sectors	**194.5**	**(0.8)**	**24.9**	**13.1**	**5.2**	**111.0**	**16.8**	**(123.8)**	**241.0**
Recurring net income from business sectors - non-controlling interests	97.8	0.3	2.6	1.1	0.2	-	-		**102.0**
Recurring net income from business sectors - Group share	**96.7**	**(1.1)**	**22.3**	**12.0**	**5.0**	**111.0**	**16.8**	**(123.8)**	**139.0**
Non-recurring income									
Operating income	(42.4)	(22.3)	-	(4.9)	(2.8)	-	-	(2.1)	**(74.5)**
Net financial expense	0.0	(18.2)	-	(3.4)	(0.5)	-	-	9.7	**(12.3)**
Tax expense	9.8	6.4	-	7.3	1.1	-	-	-	**24.6**
Share in net income of equity-method investments	-	-	-	-	(3.3)	(69.0)	(1.7)	14.6	**(59.5)**
Net income from discontinued operations and operations held for sale	-	-	(18.2)	-	-	-	-	699.6	**681.4**
Non-recurring net income	**(32.6)**	**(34.1)**	**(18.2)**	**(1.0)**	**(5.5)**	**(69.0)**	**(1.7)**	**721.7**	**559.6**
of which:									
- Non-recurring items	**(0.1)**	**(23.3)**	**(14.7)**	**2.5**	**(0.5)**	**5.1**	**(1.2)**	(2) **721.7**	**689.4**
- Impact of goodwill allocation	**(24.5)**	**(10.7)**	**(3.5)**	**(3.5)**	**(5.0)**	**(39.8)**	**(0.5)**	**-**	**(87.5)**
- Asset impairment	**(8.0)**	**-**	**-**	**-**	**-**	**(34.3)**	**-**	**-**	**(42.3)**
Non-recurring net income - non-controlling interests	(15.9)	(8.3)	(1.9)	(0.1)	(0.1)	-	-	0.1	**(26.1)**
Non-recurring net income - Group share	**(16.7)**	**(25.7)**	**(16.3)**	**(0.9)**	**(5.4)**	**(69.0)**	**(1.7)**	**721.6**	**585.8**
Consolidated net income	**161.9**	**(34.8)**	**6.7**	**12.1**	**(0.3)**	**42.0**	**15.1**	**598.0**	**800.7**
Consolidated net income - non-controlling interests	81.9	(8.0)	0.7	1.0	0.2	-	-	0.1	**75.9**
Consolidated net income - Group share	**80.0**	**(26.8)**	**6.0**	**11.0**	**(0.4)**	**42.0**	**15.1**	**597.8**	**724.8**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) This amount includes:

- the €689.2 million gain on the sale of Deutsch;
- the €14.6 million gain on the sale of Legrand shares, which served to pay Wendel's in-kind dividend.

The contribution of Oranje-Nassau Développement to the H1 2012 income statement by operating segment broke down as follows:

	Oranje-Nassau Développement			
	Parcours	Mecatherm	exceet	TOTAL
Net income from business sectors				
Net sales	**141.0**	**29.6**	**-**	**170.6**
EBITDA	**N/A**	**0.8**	**-**	
Adjusted operating income (1)	**13.4**	**0.0**	**-**	**13.5**
Other recurring operating items	-	-	-	-
Operating income	**13.4**	**0.0**	**-**	**13.5**
Finance costs, net	(3.7)	(1.9)	-	**(5.7)**
Other financial income and expense	-	0.3	-	**0.3**
Pre-tax income	**9.7**	**N/A**		
Tax expense	(3.2)	0.1	-	**(3.1)**
Share in net income of equity-method investments	-	-	0.2	**0.2**
Net income from discontinued operations and operations held for sale	-	-	-	**-**
Recurring net income from business sectors	**6.5**	**(1.5)**	**0.2**	**5.2**
Recurring net income from business sectors - non-controlling interests	0.3	(0.0)	-	**0.2**
Recurring net income from business sectors - Group share	**6.3**	**(1.5)**	**0.2**	**5.0**
Non-recurring income				
Operating income	(2.0)	(0.8)	-	**(2.8)**
Net financial expense	-	(0.5)	-	**(0.5)**
Tax expense	0.7	0.4	-	**1.1**
Share in net income of equity-method investments	-	-	(3.3)	**(3.3)**
Net income from discontinued operations and operations held for sale	-	-	-	**-**
Non-recurring net income	**(1.4)**	**(0.8)**	**(3.3)**	**(5.5)**
of which:				
- Non-recurring items	**-**	**(0.3)**	**(0.2)**	**(0.5)**
- Impact of goodwill allocation	**(1.4)**	**(0.5)**	**(3.1)**	**(5.0)**
- Asset impairment	**-**	**-**	**-**	**-**
Non-recurring net income - non-controlling interests	(0.1)	(0.0)	-	**(0.1)**
Non-recurring net income - Group share	**(1.3)**	**(0.8)**	**(3.3)**	**(5.4)**
Consolidated net income	**5.2**	**(2.3)**	**(3.1)**	**(0.3)**
Consolidated net income - non-controlling interests	0.2	(0.0)	-	**0.2**
Consolidated net income - Group share	**5.0**	**(2.3)**	**(3.1)**	**(0.4)**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

Note 29 - 2. Income statement by operating segment for H1 2011

	Bureau Veritas	Materis	Deutsch	Stahl	OND Parcours	Equity-method investments		Holding companies	Total
						Saint-Gobain	Legrand		
Net income from business sectors									
Net sales	**1,622.8**	**1,022.5**		**172.1**	**69.4**			**-**	**2,886.7**
EBITDA	**N/A**	**140.7**		**25.1**					
Adjusted operating income (1)	**259.5**	**106.3**		**21.2**	**5.9**				
Other recurring operating items	-	(0.5)		(0.9)	-				
Operating income	**259.5**	**105.8**		**20.3**	**5.9**			**(20.8)**	**370.7**
Finance costs, net	(21.5)	(62.1)		(9.6)	(1.7)			(139.1)	**(233.9)**
Other financial income and expense	(7.0)	(0.6)		-	-			(0.2)	**(7.7)**
Tax expense	(62.6)	(16.8)		(4.0)	(2.2)			(0.0)	**(85.6)**
Share in net income of equity-method investments	0.1	-		0.1	-	153.7	37.9	-	**191.9**
Net income from discontinued operations and operations held for sale	-	-	33.9	-	-	-	-	0.6	**34.5**
Recurring net income from business sectors	**168.6**	**26.3**	**33.9**	**6.7**	**2.1**	**153.7**	**37.9**	**(159.4)**	**269.9**
Recurring net income from business sectors - non-controlling interests	83.7	7.1	3.6	0.6	0.1	-	-		**95.1**
Recurring net income from business sectors - Group share	**84.9**	**19.2**	**30.3**	**6.2**	**2.0**	**153.7**	**37.9**	**(159.4)**	**174.8**
Non-recurring income									
Operating income	(24.0)	(52.1)	-	(5.6)	(2.0)	-	-	(2.8)	**(86.6)**
Net financial expense	(0.0)	(15.4)	-	(0.2)	(0.8)	-	-	(2) 4.1	**(12.3)**
Tax expense	6.6	4.4	-	0.7	0.7	-	-	-	**12.4**
Share in net income of equity-method investments	-	-	-	-	-	(74.3)	(1.6)	(3) 425	**349.1**
Net income from discontinued operations and operations held for sale	-	-	(30.7)	-	-	-	-	18.0	**(12.7)**
Non-recurring net income	**(17.4)**	**(63.2)**	**(30.7)**	**(5.0)**	**(2.1)**	**(74.3)**	**(1.6)**	**444.3**	**250.0**
of which:									
- Non-recurring items	**0.2**	**(16.2)**	**(23.0)**	**(1.5)**	**(1.5)**	**(11.2)**	**(0.0)**	**444.3**	**391.1**
- Impact of goodwill allocation	**(17.6)**	**(9.7)**	**(7.7)**	**(3.5)**	**(0.6)**	**(40.1)**	**(1.6)**	**-**	**(80.8)**
- Asset impairment	**-**	**(37.3)**	**-**	**-**	**-**	**(23.0)**	**-**	**-**	**(60.3)**
Non-recurring net income - non-controlling interests	(8.5)	(15.5)	(3.3)	(0.4)	(0.2)	-	-	0.1	**(27.7)**
Non-recurring net income - Group share	**(8.9)**	**(47.7)**	**(27.4)**	**(4.6)**	**(2.0)**	**(74.3)**	**(1.6)**	**444.2**	**277.7**
Consolidated net income	**151.2**	**(36.9)**	**3.2**	**1.8**	**(0.0)**	**79.4**	**36.4**	**284.9**	**519.9**
Consolidated net income - non-controlling interests	75.3	(8.4)	0.3	0.1	(0.0)	-	-	0.1	**67.4**
Consolidated net income - Group share	**76.0**	**(28.5)**	**2.8**	**1.6**	**(0.0)**	**79.4**	**36.4**	**284.8**	**452.5**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.

(2) Includes a €23.0 million gain on the sale of 2010 Saint-Gobain share dividends. As of December 31, 2010, these shares were booked under assets held for sale.

(3) Includes a €426.7 million gain on the sale of a block of Legrand shares and a net loss of €14.6 million composed of a gain on the sale of and changes in fair value on Saint-Gobain puts (purchased and written).

Note 29 - 3. Balance sheet by operating segment as of June 30, 2012

	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand	Wendel and holding companie	Elimina-tions and unallocated	**Consol-idated**
Goodwill, net	2,044.0	773.9	24.1	138.1	-	-	-	-	2,980.1
Intangible assets, net	637.9	751.5	70.7	86.1	-	-	0.2	-	1,546.3
Property, plant & equipment, net	359.1	528.1	93.3	500.7	-	-	7.6	-	1,488.8
Non-current financial assets	116.8	48.7	-	3.4	-	-	178.4	-	347.3
Equity-method investments	0.7	3.4	2.2	54.2	4,749.6	134.3	-	-	4,944.5
Deferred tax assets	107.8	53.2	10.9	9.1	-	-	0.6	-	181.6
Total non-current assets	**3,266.3**	**2,158.8**	**201.3**	**791.5**	**4,749.6**	**134.3**	**186.7**	**-**	**11,488.5**
Assets of operations held for sale	**-**	**-**	**5.6**	**-**	**-**	**-**	**-**	**-**	**5.6**
Inventories and work-in-progress	-	301.6	52.7	37.0	-	-	-	-	391.3
Trade receivables	1,003.1	428.2	82.9	66.7	-	-	0.4	-	1,581.3
Other current assets	131.3	79.0	11.9	9.4	-	-	3.5	-	235.2
Current income tax	44.1	-	2.7	3.1	-	-	8.0	-	57.9
Other current financial assets	255.7	134.8	17.5	6.7	-	-	838.4	-	1,253.0
Total current assets	**1,434.2**	**943.7**	**167.7**	**123.0**	**-**	**-**	**850.2**	**-**	**3,518.8**
Total assets									**15,012.9**
Shareholders' equity - Group share								3,398.7	3,398.7
Non-controlling interests								629.0	629.0
Total shareholders' equity								4,027.7	4,027.7
Provisions	177.2	49.3	4.9	5.3	-	-	30.5	-	267.2
Financial debt (non-current portion)	1,347.9	1,976.4	195.6	168.3	-	-	3,732.8	-	7,421.0
Other financial liabilities	16.6	-	4.5	4.6	-	-	46.9	-	72.5
Deferred tax liabilities	175.8	398.3	18.8	33.5	-	-	-	-	626.4
Total non-current liabilities	**1,717.6**	**2,424.0**	**223.8**	**211.6**	**-**	**-**	**3,810.2**	**-**	**8,387.2**
Liabilities of operations held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**
Provisions	-	3.8	0.4	0.9	-	-	-	-	5.2
Financial debt (current portion)	265.2	122.5	13.9	288.0	-	-	72.3	-	761.9
Other financial liabilities	88.2	22.8	-	-	-	-	203.1	-	314.1
Trade payables	246.1	282.1	37.3	81.8	-	-	9.6	-	656.9
Other current liabilities	536.0	178.4	22.3	28.2	-	-	9.6	-	774.6
Current income tax	78.4	5.3	1.5	-	-	-	0.0	-	85.3
Total current liabilities	**1,214.0**	**615.0**	**75.5**	**398.9**	**-**	**-**	**294.6**	**-**	**2,598.0**
Total liabilities and shareholders' equity									**15,012.9**

Note 29 - 4. Balance sheet by operating segment as of December 31, 2011

	Bureau Veritas	Deutsch	Materis	Stahl	Oranje-Nassau Développement	Saint-Gobain	Legrand	Wendel and holding companie	Elimina-tions and unallocated	**Consol-idated**
Goodwill, net	1,851.6	-	774.0	24.1	138.1	-	-	-	-	2,787.8
Intangible assets, net	569.5	-	757.8	74.2	87.6	-	-	0.2	-	1,489.4
Property, plant & equipment, net	319.6	-	530.0	93.9	484.0	-	-	7.5	-	1,434.9
Non-current financial assets	92.2	-	10.4	-	3.3	-	-	175.5	-	281.4
Equity-method investments	0.7	-	3.4	2.1	57.5	4,788.7	141.7	(0.0)	-	4,994.1
Deferred tax assets	91.9	-	48.5	4.9	9.7	-	-	0.5	-	155.5
Total non-current assets	**2,925.5**	-	**2,124.1**	**199.3**	**780.2**	**4,788.7**	**141.7**	**183.7**	**-**	**11,143.2**
Assets of operations held for sale	**-**	**899.6**	**-**	**5.5**	**-**	**-**	**-**	**-**	**-**	**905.2**
Inventories and work-in-progress	-	-	272.2	44.3	32.2	-	-	-	-	348.8
Trade receivables	883.8	-	338.5	68.7	62.5	-	-	0.3	-	1,353.9
Other current assets	90.5	-	78.6	13.9	8.6	-	-	5.3	-	197.0
Current income tax	36.3	-	-	3.3	1.5	-	-	5.8	-	46.9
Other current financial assets	251.1	-	84.0	20.3	12.3	-	-	823.8	-	1,191.5
Total current assets	**1,261.8**	-	**773.4**	**150.5**	**117.2**	**-**	**-**	**835.2**	**-**	**3,138.0**
Total assets										**15,186.4**
Shareholders' equity - Group share									2,693.9	2,693.9
Non-controlling interests									604.0	604.0
Total shareholders' equity									3,298.0	3,298.0
Provisions	185.9	-	46.7	6.7	5.7	-	-	28.9	-	273.9
Financial debt (non-current portion)	999.4	-	1,920.4	192.1	224.0	-	-	4,601.4	-	7,937.3
Other financial liabilities	22.1	-	4.8	4.2	5.4	-	-	94.0	-	130.6
Deferred tax liabilities	147.7	-	394.3	19.7	34.8	-	-	-	-	596.4
Total non-current liabilities	**1,355.1**	-	**2,366.2**	**222.7**	**270.0**	**-**	**-**	**4,724.3**	**-**	**8,938.3**
Liabilities of operations held for sale	**-**	**643.8**	**-**	**-**	**-**	**-**	**-**	**-**		**643.8**
Provisions	-	-	6.6	0.6	1.0	-	-	-	-	8.2
Financial debt (current portion)	266.1	-	28.0	17.3	212.9	-	-	71.3	-	595.6
Other financial liabilities	30.2	-	6.1	0.2	1.1	-	-	236.1	-	273.7
Trade payables	228.4	-	254.9	29.5	83.6	-	-	3.4	-	599.8
Other current liabilities	510.1	-	172.7	21.3	22.7	-	-	11.5	-	738.3
Current income tax	84.8	-	4.4	0.5	0.9	-	-	0.2	-	90.8
Total current liabilities	**1,119.6**	-	**472.8**	**69.3**	**322.1**	**-**	**-**	**322.6**	**-**	**2,306.4**
Total liabilities and shareholders' equity										**15,186.4**

Note 29 - 5. Cash flow statement by operating segment for H1 2012

in millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Wendel and holding companies	Eliminations and un-allocated	Group total
Net cash flows from operating activities, excl. tax	231.0	27.9	14.4	68.4	-18.9	-	322.9
Net cash flows from investing activities, excl. tax	-275.5	-53.9	-3.1	-82.2	1,086.0	-71.5	599.8
Net cash flows from financing activities, excl. tax	130.6	94.6	-12.3	14.2	-1,081.1	71.5	-782.6
Net cash flows related to taxes	-87.6	-16.3	-2.2	-4.9	-1.3	-	-112.2

Note 29 - 6. Cash flow statement by operating segment for H1 2011

in millions of euros	Bureau Veritas	Deutsch	Materis	Stahl	Oranje-Nassau Dév. Parcours	Wendel and holding companies	Eliminations and un-allocated	Group total
Net cash flows from operating activities, excl. tax	175.3	51.1	60.1	5.4	54.0	-24.9	-	321.0
Net cash flows from investing activities, excl. tax	-91.5	-4.7	-57.6	-3.5	-45.0	1,086.5	-64.7	819.5
Net cash flows from financing activities, excl. tax	-54.0	-15.5	29.2	-11.6	17.2	-1,575.6	64.7	-1,545.5
Net cash flows related to taxes	-78.3	-4.6	-16.1	-2.3	0.7	-0.3	-	-100.8

NOTE 30. OFF-BALANCE-SHEET COMMITMENTS

As of June 30, 2012, there were no commitments likely to have a significant impact on the Group's financial position, other than leases and the commitments mentioned below (see the section on leasing in the notes to the consolidated financial statements presented in the 2011 Registration Document).

Note 30 - 1. Collateral and other security given in connection with financing

	6.30.2012	12.31.2011
(i) Pledge by Materis Parent (Materis group) of shares of the principal companies of the Materis group and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Materis group	2,080.0	1,922.8
(ii) Pledge by Stahl Group SA of shares of the principal companies of the Stahl group and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl group	205.1	205.1
(iii) Security given by Parcours (Oranje-Nassau Développement) under its bank borrowing arrangements, including the financed vehicles and the lease payments received.	348.9	336.4
(iv) Pledge by Mecatherm (Oranje-Nassau Développement) of shares of the companies in the Mecatherm group as collateral for the repayment of the debt owed by the Mecatherm group.	66.0	66.0
(v) Pledge of listed shares in connection with the Saint-Gobain investment financing structure (market value) (1)	1,313.5	2,159.1
(vi) Pledge of cash in connection with the Saint-Gobain investment financing structure (1)	144.3	146.6
(vii) Other cash collateral given	7.5	-
Total	4,165.3	4,836.0

(1) These items are detailed in Note 4 - 2 "Managing liquidity risk" relative to the Eufor group.

Note 30 - 2. Guarantees given as part of asset sales

Guarantees given in connection with the sale of Deutsch cover a limited number of standard warranties regarding the transfer of control (capacity, authorization, ownership and validity of the securities sold, operations during the period leading up to the sale, etc.). As of June 30, 2012, negotiations were still under way regarding costs prior to the sale that the buyer is asking the Group to assume. The amount in question, less than €1 million, has been taken into account in calculating the capital gain.

Guarantees given in connection with the divestment of Oranje-Nassau Energie's oil and gas activities in 2009 have now expired, with the exception of the tax guarantees, which may give rise to claims until May 2016. No claims have been received under these guarantees, for which the theoretical maximum was €240.0 million as of June 30, 2012. There were no guarantees of environmental risks or site remediation costs connected with this divestment.

Guarantees given in connection with the divestment of Editis in 2008 covering standard warranties as well as tax risks and risks of employee-related costs were limited to a theoretical maximum of €52.3 million as of June 30, 2012. As of January 2012, claims may no longer be submitted under these guarantees.

No provisions have been recognized for these guarantees.

Note 30 - 3. Guarantees received in connection with asset acquisitions

Guarantees received in connection with the acquisition of Parcours and Mecatherm cover standard warranties as well as tax risks and risks of employee-related costs up to a total of €12.5 million as of June 30, 2012.

Note 30 - 4. Off-balance-sheet commitments given and received related to operating activities

	6.30.2012	12.31.2011
Market counter-guarantees and other commitments given		
by Bureau Veritas (1)	193.0	198.4
By Materis	45.2	43.2
By Oranje-Nassau Développement (Mecatherm)	10.8	9.9
Total commitments given	249.0	251.6
Other commitments received (2)	373.9	351.0
Total commitments received	373.9	351.0

(1) Commitments given by Bureau Veritas include guarantees such as bank and parent-company guarantees.

(2) As of June 30, 2012, primarily at Parcours.

As of June 30, 2012, commitments received were composed principally of lease payments to be received by Parcours (Oranje-Nassau Développement) on its portfolio of lease contracts in force (€174.1 million with a term of less than one year and €192.8 million with a term of 1-5 years).

Note 30 - 5. Shareholder agreements and co-investment mechanisms

As of June 30, 2012, the Wendel Group was party to numerous agreements governing its relations with its co-shareholders in Materis, Stahl, Parcours and Mecatherm, be they minority investors or the managers of these companies, under co-investment mechanisms (as described in Note 4 "Participation of managers in Group investments" to the 2011 consolidated financial statements).

These agreements contain various clauses related to:

- corporate governance (composition of governing bodies and rights to information);
- terms of share transfers (lock-up periods, right of first refusal);
- exit terms in the event of a divestment (tag-along and drag-along rights) or IPO;
- executive departures (commitment to sell to Wendel Group in the event the subsidiary executive resigns and/or commitment to buy from executives in certain special cases);
- liquidity of the investment in certain situations and in particular in the absence of a sale or IPO beyond a certain period of time following Wendel's initial investment.

As part of the liquidity commitments under these agreements and of those entered into with Wendel managers as part of co-investment mechanisms, if no liquidity event (divestment or IPO) has taken place before certain predetermined dates, the Wendel Group may be required to buy back the shares held by subsidiary managers in Materis, Stahl, Parcours and Mecatherm and those held by Wendel managers in Materis, Stahl, VGG, Parcours and Mecatherm (via Winvest International and Oranje-Nassau Développement). The value applied to these liquidity commitments would be market value, as determined by an appraiser, or a value calculated on the basis of a profitability multiple. Regarding the Wendel managers’ co-investment in Deutsch, the minimum levels of IRR and capital gain were met with the April 3, 2012 divestment.

The liquidation of the co-investments of the 35 current and former Wendel managers in Deutsch will be completed in the second half of 2012 and will total between 9% and 10% (including 2.0% to 2.5% for corporate officers) of the cash-on-cash capital gain realized by Wendel.

The proceeds from the sale and the capital gain reported in the financial statements are net of the co-investments.

As of June 30, 2012, on the basis of the value of investments included in the calculation of Net Asset Value (excluding Deutsch), the value of the "pari passu" portion of the investment (made by

managers under the same risk and return conditions as Wendel) was €76 million (€14 million was recognized under liabilities as minority puts), and the value of the portion of managers' investment having dilutive effects on Wendel's ownership interest was €12 million.

Co-investment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years (see Note "Participation of managers in Group investments" of the 2011 consolidated financial statements).

Other agreements

Subordinated (mezzanine and second-lien) lenders to Stahl who forfeited their claims as creditors during the 2010 restructuring received an earn-out right exercisable only upon the total or partial divestment of Wendel's stake in Stahl. This right is exercisable if Wendel's overall return is more than 2.5 times its 2010 re-investment, and is equivalent to the allocation of 1 to 2 bonus shares per share held by these ex-subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, as the exercise of this right depends on Wendel's decision to divest.

NOTE 31. SUBSEQUENT EVENTS

The €1,100 million line of credit for Saint-Gobain maturing in 2013-14 was replaced during the summer of 2012 by a new, €700 million, undrawn revolving line maturing in 2017 (see Note 11 “Financial debt”).

After an initial 12-month extension in 2011 of the maturity dates of puts issued on Saint-Gobain shares, some were extended for another 12 months in the summer of 2012. The new maturity dates range from December 2012 to September 2013 (see Note 8 - 4 “Put options issued on Saint-Gobain shares”).

Given the particularly volatile economic context, Mecatherm and its bank lenders agreed to suspend financial covenant tests for 18 months, beginning on June 30, 2012. As part of this agreement, Wendel has committed to providing a €5 million liquidity line, to enable Mecatherm to finance its general corporate needs, and to grant a €15 million on-demand guarantee to the banks to cover Mecatherm's bank debt service over the next 18 months, i.e. until December 31, 2013. This agreement will be formally documented in September 2012.

2 – Statutory Auditors' report

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Ernst & Young Audit
Tour First
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1

STATUTORY AUDITORS' REVIEW REPORT ON

THE 2012 INTERIM FINANCIAL INFORMATION

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Wendel
89, rue Taitbout
75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code
(*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Wendel for the six months ended June 30, 2012;
- the verification of the information contained in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Executive Board. They were prepared in a context of extreme volatility on the financial markets and uncertainties with regard to the outlook for the global economy. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”, as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to Note 6-4 to the condensed interim consolidated financial statements, which describes impairment tests on equity-method investments. In a context in which the uncertainties with regard to the outlook for the global economy make forecasting difficult, this Note describes the methods applied to test the interest held in Saint-Gobain for impairment at June 30, 2012, and in particular the sensitivity of the results of this test, notably to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan.

2. Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, August 29, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit

Etienne Boris

Ernst & Young Audit

Jean-Pierre Letartre

Certification

The Chairman of the Executive Board

Certification

I hereby certify, that to the best of my knowledge, the condensed consolidated financial statements for the first half of the year have been prepared in accordance with applicable accounting standards and present a true and fair view of the assets, financial position and results of the Company and of its consolidated group of companies and that the accompanying interim management report presents a true and fair picture of the important events that occurred during the first half of the year, their impact on the financial statements and the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the year.

Paris, August 29, 2012.

Frédéric Lemoine

English version: Traduction financière et économique sarl “Trafine”

“The English language version of this text is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.”