

**Net income from Group activities<sup>(1)</sup> in 2005: 295 M€(+ 58%)**

**Net asset value: 94€/per share in March (+ 40%)**

**Regular dividend: 1.40€/ Exceptional dividend: 0.60€**

*« The Group's value<sup>(2)</sup> increased by 37% in 2005 and its share price by 57%. The favorable trend in the performance of subsidiaries and the scheduled acquisition of Materis enable Wendel to pursue its dynamic growth. »*

Jean-Bernard Lafonta, Chairman of the Executive Board

### **Strong growth in net income from activities: +58%**

In 2005, net income from Group activities totalled 295 M€, up 58% from 2004. Non-recurring items represented income of 230 M€ in 2005 (disposal of Wheelabrator Allevard) compared with 282 M€ in 2004 (level reflecting the disposal of Trader and bioMérieux). Consolidated net income was 416 M€.

### **Good performance by all Group subsidiaries**

The Group's consolidated subsidiaries all reported good performance levels and increased their contributions to WENDEL Investissement's net income from Group activities. The contribution of Bureau Veritas grew more than threefold, rising from 40.9 M€ to 139.6 M€. Wendel thus fully benefited from its decision to increase its equity interest in this company to 100% at the end of 2004. Editis, which was consolidated for the first time for 12 months in 2005, contributed 30.1 M€ to net income from Group activities.

### **Group trends in 2005**

WENDEL Investissement actively pursued its strategy focused on asset turnover and the national and international development of subsidiaries.

**Subsidiaries report increased external growth:** Bureau Veritas, Legrand and Editis made acquisitions totalling almost 800 M€ on all of the world's continents. Bureau Veritas acquired 16 companies and Legrand became the leader in electric wiring devices in China through the takeover of TCL International Electrical and TCL Building Technology, bypassing the top Chinese firm in the sector. Editis acquired Le Cherche Midi, First and XO Editions.

**Acquisition of Materis (in process):** in February 2006, WENDEL Investissement signed an agreement to acquire the Materis Group, a world leader in specialty chemicals for the construction industry (mortar, paint, aluminates and additives) for an enterprise value of 2,100 M€. WENDEL will contribute 310 M€ in equity and will hold 74% of the capital.

**Disposals:** sale of Wheelabrator Allevard in July and sale of 8% of Valeo and of the remaining equity interest in Capgemini, for a total of 650 M€. At the end of March 2006, the value of non-strategic listed equity holdings was less than 60 M€.

**Legrand IPO:** the IPO plan, which is scheduled for April 7, is well received by investors. The price range was determined on March 22 between 17 € and 19.75 € per share, representing a value for 100% of the capital of approximately 4.6 to 5.4 B€ at the IPO date.

After the IPO, WENDEL Investissement will hold approximately 30% of Legrand's capital; the shareholders' agreement with KKR ensures joint control of the company. Following this operation, the portion of the Group's listed assets should represent approximately 25% of its gross assets, excluding Treasury stock.

### Strengthened investment capacity

*Investment capacity:* after the acquisition of Materis, the Legrand IPO, and 500 M€ drawn on existing credit line, and the payment of the dividend, WENDEL Investissement's cash available for acquisitions is expected to total approximately 1 B€. The ratio of net indebtedness to gross asset value<sup>(3)</sup>, which stood at 13% in March 2006, should rise to 18% after the acquisition of Materis.

*Net asset value:* in March 2006, net asset value totalled 94€ per share compared with 68€ in March 2005, representing an increase of 40% in a year, with the dividend reinvested.

### Rise in regular and exceptional dividend

At the Shareholders' Meeting on May 29, 2006, WENDEL Investissement will propose that shareholders approve a regular dividend of 1.40€ per share, up 22%, and an exceptional dividend of 0.60€ per share, to acknowledge Legrand's IPO.

### Consolidated income

(millions of euros)	2005	2004
Consolidated subsidiaries	362	241
Financing, operating expense and taxes	(67)	(54)
<b>Net income from subsidiaries <sup>(1)</sup></b>	<b>295</b>	<b>187</b>
	<b>+58%</b>	
Non-recurring income	230	282
Minority and allocation of goodwill	(109)	(50)
<b>Net income, Group share</b>	<b>416</b>	<b>419</b>

### Net income from business sectors+ 58 %

(millions of euros)	2005	2004
Bureau Veritas	139.6	40.9
Legrand	92.5	85.4
Oranje-Nassau	74.0	61.1
Editis	30.1	7.3
Stallergènes	13.4	10.3
Wheelabrator	12.6	22.5
bioMérieux	-	13.2
<b>Sub-total</b>	<b>362.2</b>	<b>240.7</b>
Operating expense	(24.9)	(19.3)
Tax	13.7	3.0
Financing	(65.2)	(46.4)
Dividends	9.2	8.5
<b>Sub-total</b>	<b>(67.2)</b>	<b>(54.2)</b>
<b>Net income from business sectors *</b>	<b>295.0</b>	<b>186.5</b>
	<b>+58%</b>	

<sup>(1)</sup> Net income before non-recurring items and impact linked to goodwill.

<sup>(2)</sup> Increase in NAV per share between December 2004 and December 2005 including the dividend of 1.15 € paid in June 2005

<sup>(3)</sup> Financial debt minus net cash of WENDEL Investissement and holding companies (excluding those whose debt is without recourse on WENDEL Investissement).

## AGENDA 2006

**May 29, 2006**

Annual Shareholders' Meeting

**September 21, 2006**

Information meeting on the semiannual results

**June 1, 2006**

Dividend paid

**December 5, 2006**

Presentation of unlisted companies

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