

**Consolidated sales for the first nine months of 2008: €4,044 million, up 17%.**

**Continued strong organic growth over nine months: 9%<sup>(1)</sup>**

**Strong growth in consolidated Q3 sales, up 18% at €1,368 million**

**Wendel posts solid performance, thanks to the quality of its companies**

Wendel's consolidated sales increased by 17% in the first nine months of 2008 to €4,044 million. All Group companies contributed to Wendel's organic growth<sup>(1)</sup>, which averaged 9%.

In a more difficult economic environment, Group companies continued to post high growth, a testimony to their quality. They adapted their cost base to maintain their profitability over the long term and in anticipation of a deterioration in worldwide economic conditions.

*"Against a deteriorating economic background, the robust performance of our companies in the third quarter demonstrates their resilience. The Wendel team and the managers of the Group's companies are focused on confronting a more difficult environment in 2009 and on durably strengthening the Group's business development outlook"* said Jean-Bernard Lafonta, Chairman of the Executive Board.

The Supervisory Board met today and reviewed the third-quarter financial information and the Group's position in the deteriorating worldwide economy. The Board believes that in this difficult economic environment, the Executive Board is carrying out its mission with efficiency. It has full confidence in the Executive Board's ability to carry out the strategy it has approved and to ensure that the Group is in a position to benefit when economy recovers.

#### **Consolidated sales**

(€M)	9 months 2008	9 months 2007	Change	Organic growth <sup>1</sup>
Bureau Veritas	1,835	1,467	+25%	+13%
Materis	1,449	1,384	+5%	+4%
Deutsch	345	331	+4%	+10%
Oranje-Nassau	294	175	+68%	n.s.
Stallergènes	121	104	+17%	+17%
<b>Total</b>	<b>4,044</b>	<b>3,461</b>	<b>+17%</b>	<b>+9%</b>

#### **Sales of companies consolidated under equity method**

(€M)	9 months 2008	9 months 2007	Change	Organic growth
Saint-Gobain	33,435	32,630	+2%	+2%
Legrand	3,185	3,096	+3%	+2%
Stahl	236	232	+2%	+5%

<sup>1</sup> Organic growth is calculated excluding Oranje-Nassau, whose sales are linked to the price of oil and its production profile.

### **Bureau Veritas: growth to exceed estimates in 2008**

Sales in the first nine months of 2008 increased by 25% to €1,835 million. Organic growth was 13%, with all of the group's divisions contributing, and continued at the same rate in the third quarter. The Consumer Products division saw sales rise 25%, driven by demand for tests on toys & games in the United States and on textiles and electrical & electronic products in Asia. In the Marine division, sales were up 23%, underpinned by classification activity on ships under construction and inspection activity on those already in service. In the Industry division, sales rose 23%, principally because the energy sector (oil, natural gas, electricity) accelerated sharply. The Construction division also held up well, with sales advancing 7%, owing to growth in asset management and Infrastructure Inspection services. External growth in the first nine months of 2008 was 17% and principally reflected contributions from companies acquired in Spain (ECA), Australia (Amdel and CCI) and Chile (Cesmec). Fluctuations in exchange rates had a negative impact of 5%.

Despite the worldwide financial crisis and the economic slowdown underway in many countries, Bureau Veritas confirms that it expects to exceed its initial guidance for 2008 growth in revenue and adjusted operating income. Looking further ahead, the outlook for the long term remains strong. Bureau Veritas reiterates its objective to double its revenues and earnings between 2006 and 2011.

### **Materis: Robust growth driven by emerging market countries**

Sales in the first nine months of 2008 advanced by a strong 5% to €1,449 million and continued in the third quarter. Organic growth totaled 4%. The "Aluminates" business posted strong growth in "Refractories" and more modest growth in "Building Chemistry". The "Admixtures", "Mortars" and "Paints" businesses saw robust growth in emerging market countries and more moderate growth in France, depending on the business. This growth offset the slowdown observed in Spain, Portugal, the United States and Italy. Organic growth was as strong as it was essentially because Materis was able to pass on increases in raw materials, freight and fuel costs experienced during the first half of the year through higher sales prices.

External growth of 3% resulted principally from acquisitions in Chile and the United Kingdom in "Mortars", in the United States in "Admixtures", and in Morocco and France in "Paints". Fluctuations in exchange rates had a negative impact of 2%.

Materis is pursuing its efforts to adapt its cost basis, in a more difficult economic context that should be partly offset by the recent decline in certain raw material prices. Finally, the company decided to exercise the option in its financing agreements to capitalize part of the interest on its subordinated debt. In so doing, it lightened its cash interest and preserved its room for maneuver.

### **Deutsch: Strong organic growth**

Sales in the first nine months of 2008 totaled €345 million, an increase of 4%. Organic growth came in at 10% and remained high in the third quarter. The "Aircraft" division saw robust growth. The "Offshore" division continued to build momentum, buoyed by the oil and gas sector and petroleum exploration needs. The "Industry" division grew slightly, despite the economic slowdown.

In the first nine months of the year, external growth lifted the total by 2%, with early 2008 the sale of the Relays division and the acquisition of 60% of the shares of LADD, a US distributor of the "Industry" division's products. The depreciation of the dollar against the euro had a negative impact of 8%.

The reorganization and optimization plans Deutsch has implemented have had a beneficial impact since the start of the year and should continue to do so, despite a less buoyant economic environment, in the coming quarters.

### **Oranje-Nassau: Sharp rise in production and optimization of reserves**

Sales for the first nine months totaled €294 million, up 68% – excluding real estate activities sold in 2007. This increase was driven by higher average oil prices, as expressed in euros, and production, which rose 23% to 4.9 million boe. During the period, Oranje-Nassau continued to optimize its reserves. In the first quarter it sold a non-strategic stake in the Janice field in the North Sea for €22 million. In May 2008 it acquired the Tchatamba offshore oil fields in Gabon for \$206 million, which should increase Oranje-Nassau's net production by around 15%.

### **Stallergènes: 2008 Sales guidance revised upwards**

Stallergènes posted strong growth in sales for the first nine months of the year. Sales rose 17% to €121 million. This performance, which continued through the third quarter, was driven by growth in sublingual allergen immunotherapy. ORALAIR® Graminées was launched in Germany at the end of July, and the product was well received by allergy professionals.

Stallergènes also announced that it had obtained authorization (IND) from the FDA to launch a phase III clinical trial in the United States with Oralair® Graminées for adults. The company will conduct this development with Quintiles, its longstanding partner, so as to reinforce its attractiveness as the company looks forward to the prospect of a US partnership for marketing Oralair®. Planned R&D investments are compatible with maintaining 2009 operating profit in line with its 2008 level.

Finally, Stallergènes expands its product range with an exclusive agreement to promote and distribute an adrenaline self-injector in Europe. This product was developed and manufactured jointly by Catalent and The Medical House plc. Due to the strong sales recorded over the quarter, the Company is in a position to revise its 2008 full-year sales guidance upwards, to 14%.

#### **Saint-Gobain (equity method): Good resilience**

Consolidated sales in the first nine months of 2008 totaled €33.4 billion, up 2.5% compared with 2007. Organic growth was 2.4% and at constant exchange rates, growth was 5.6%. The negative exchange rate impact (3.0%) was offset by positive changes in the scope of consolidation (3.1%). The group's performance illustrates its resilience in the face of a more challenging economic environment, owing in particular on an operational level by the priority given to raising sales prices (up 3.3%). All group sectors posted positive organic growth. Volumes remained stable in Q3 compared with the first half. In particular, organic growth in France was 3.2%, despite contraction in the construction market in the third quarter. This was also the case in North America (0.9% organic growth), where there was a sharp upturn in the third quarter in Exterior Products. Good performance in Asia and emerging market countries (11.4%) continues to be the driving force behind the group's organic growth.

Saint-Gobain expects unfavorable developments in its sales volumes in the fourth quarter, in particular in the United Kingdom, in Spain and to a lesser extent in Eastern Europe. The Group plans, against a deteriorating economic background, to intensify its cost savings, workforce reduction and economic adaptation plans. These are already expected to total €435 million for full-year 2009. The group has also set a new target of €500 million for reduction in its 2009 investment budget.

#### **Legrand (equity method): Good resilience over the period**

Over the first nine months of the year, Legrand posted an increase in sales, excluding currency effects, of 6%. This broke down into organic growth of 2% and external growth of 4%. Fluctuations in exchange rates had a negative impact of 3%. At constant scope of consolidation and exchange rates, and despite the deterioration of the economic environment in Western Europe, sales rose in all geographic regions except North America (US and Canada), where the real estate and construction markets remain depressed. Momentum continued in emerging market countries. Growth was strong in Eastern Europe, in particular in Russia, Romania and the Czech Republic. The Rest of World region saw organic growth of 11% owing in particular to performance in Latin American and Middle Eastern / African countries.

In a more challenging economic context, the group is actively prepared, throughout the world, to keep its capital employed under control and adapt its cost structure to actual business activity levels. Given the significant deterioration in market conditions in the third quarter and the unfavorable calendar effects in November and December, Legrand has adjusted its sales growth target, excluding currency effects, to 4%.

#### **Stahl (equity method): Rapid adjustment to slowdown in client markets**

Over the first nine months of 2008, sales of Stahl, world leader in leather finishing products and high-performance coatings, totaled €236 million, reflecting organic growth of 5% (2% incl. currency effects). Stahl's sales declined in the third quarter, as its client markets contracted under the burden of the economic slowdown. In this context, Stahl has already embarked on a plan to adjust its cost base. The effects of the plan should be visible beginning Q4 2008.

### **Financial situation**

Thanks to its sound financial structure, based on long-term financing and high liquidity levels, Wendel is well-prepared to face the financial crisis and the extreme volatility in the financial markets. Available cash and unpledged listed securities currently have a value well in excess of residual exposure<sup>2</sup> to a decline in the Saint-Gobain share price.

In line with its financial strategy as a long-term shareholder, Wendel has extended the maturity of its Saint-Gobain financings subject to margin calls. These financing arrangements now mature between 2011 and 2013.

Standard & Poor's has decided, amid extreme share price volatility, to lower Wendel's rating, while underscoring the company's high level of liquidity. This decision has been taken on the basis of the evolution of a ratio calculated with spot market prices to estimate long-term credit risk. This decision has no impact on Wendel's financing arrangements.

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<sup>2</sup> Amount of non-recourse debt subject to margin calls related to investment in Saint-Gobain, less margin calls and the initial collateral, composed of cash and listed securities (other than Saint-Gobain shares) recognized at market value.

**About Wendel**

*Wendel is one of Europe's leading listed investment firms. It invests in France and internationally, in companies that are leaders in their sector: Bureau Veritas, Legrand, Saint-Gobain, Materis, Deutsch, Stallergènes, Oranje-Nassau and Stahl, in which it plays an active role as an operational investor. It implements long-term development strategies, which involve boosting growth and margins of companies of a significant size in order to enhance their leading market positions.*

*Wendel posted 2007 consolidated sales of €5.5 billion. Wendel is listed on Eurolist, Euronext Paris.*

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