

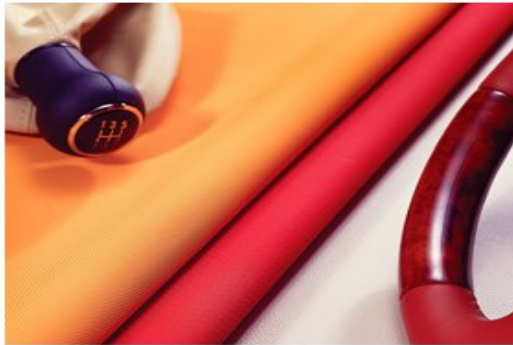
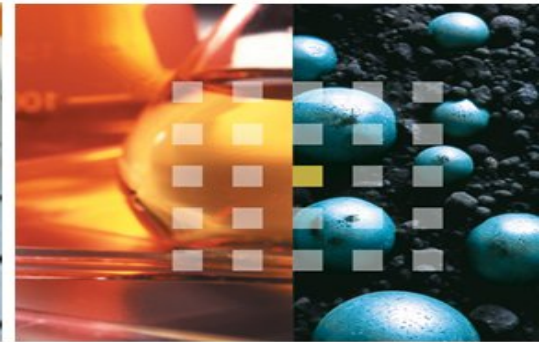
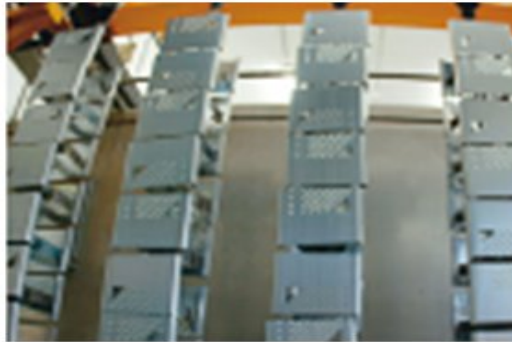
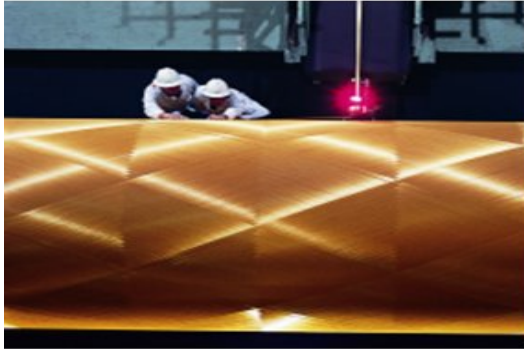
# 2008 FULL-YEAR RESULTS

Friday March 27, 2009



W E N D E L

- **Solid 2008 results up from 2007**
  - ▶ Key Group figures
  - ▶ Quality of Group companies
  - ▶ Net asset value mainly affected by declining markets
  
- **Continue and amplify in 2009 adaptation plans implemented since 18 months**
  - ▶ Operating adjustments at Group companies
  - ▶ Optimization of Group's capital structure
  
- **Strategic objectives for 2009 and 2010**



**SOLID 2008 RESULTS UP FROM 2007**



**W E N D E L**

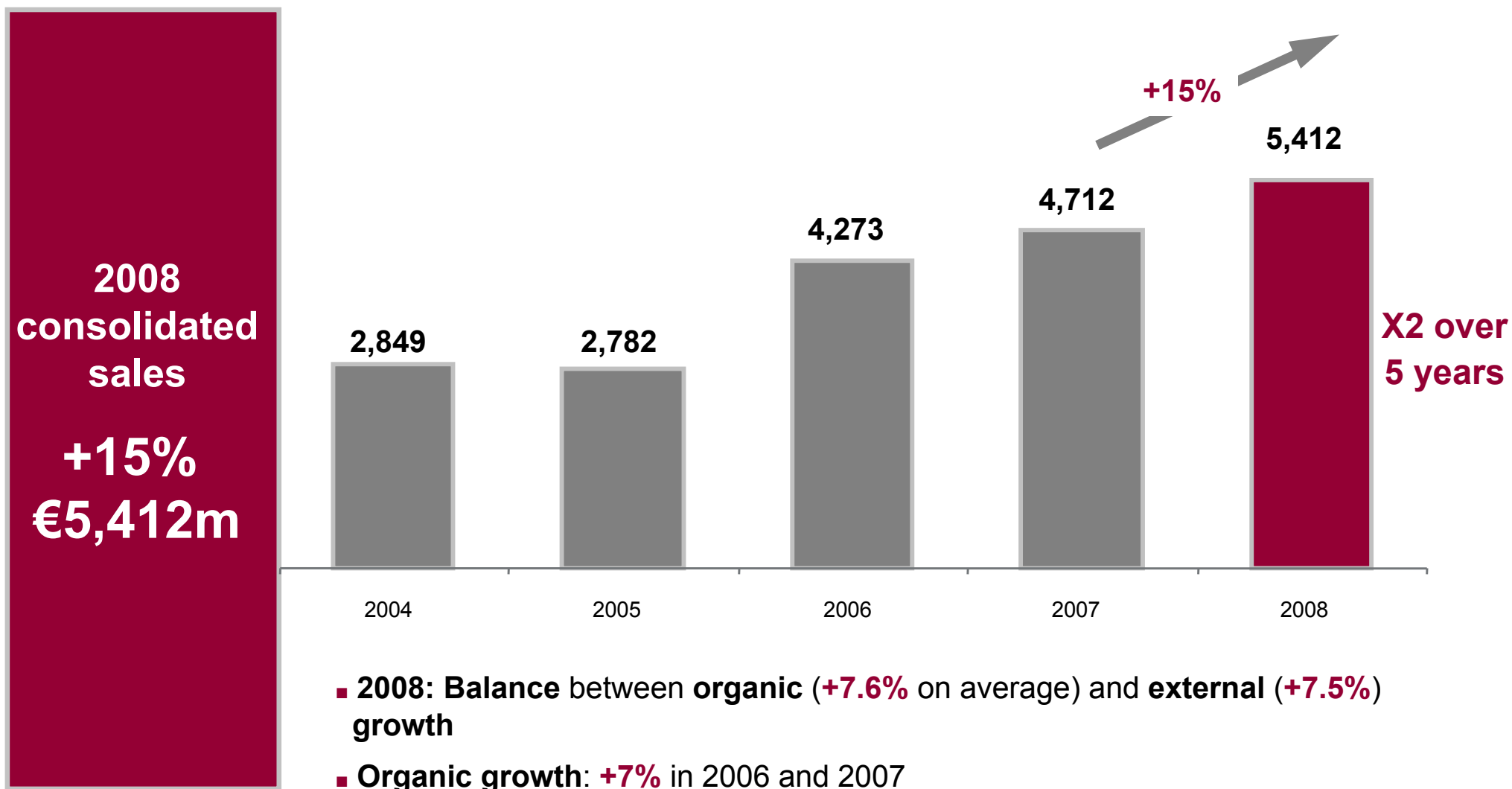


# Key Group figures

*Further improvement in 2008 in a challenging environment*



W E N D E L



# Key Group figures

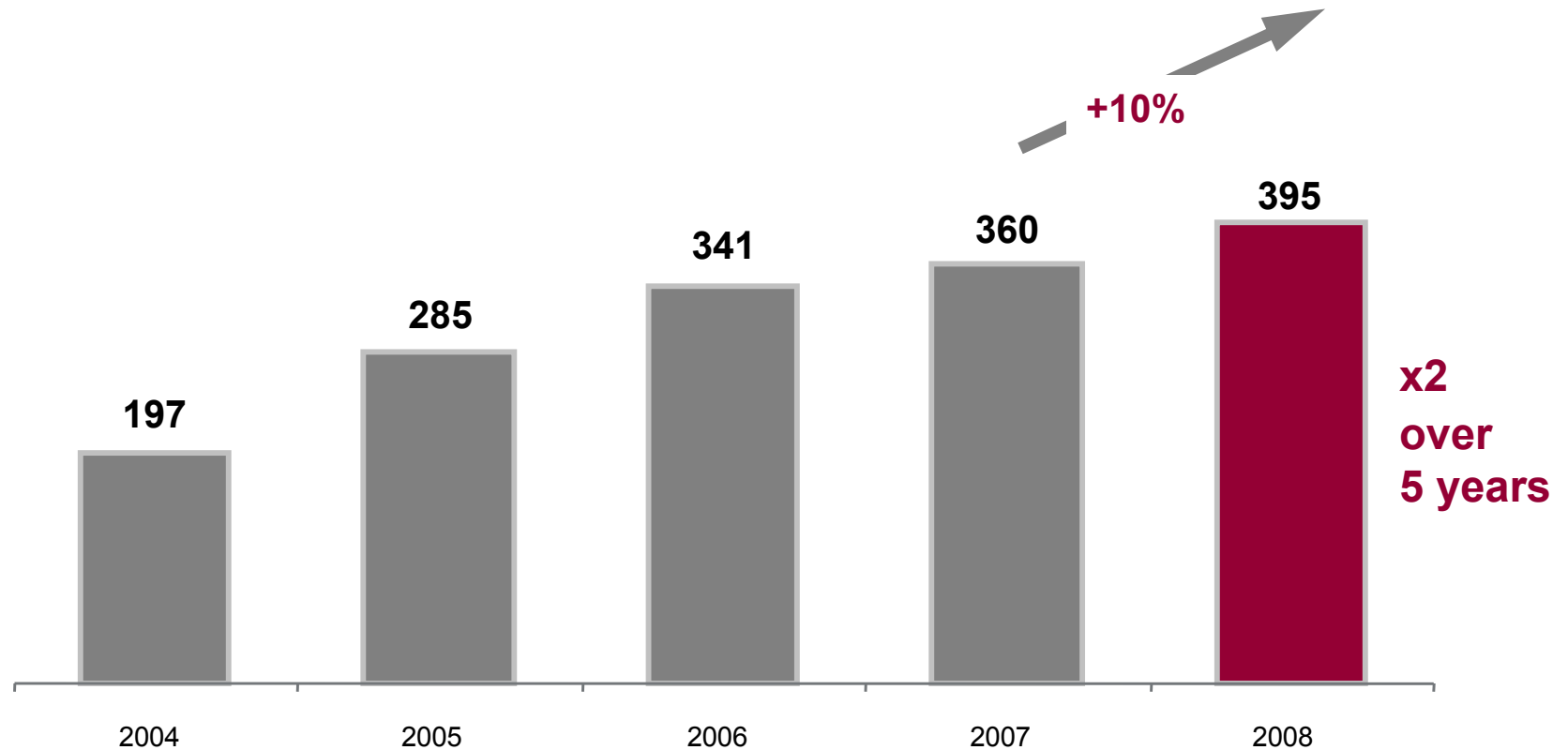
*Further improvement in 2008 in a challenging environment*



WENDEL

Net income  
from  
subsidiaries  
(Group share)

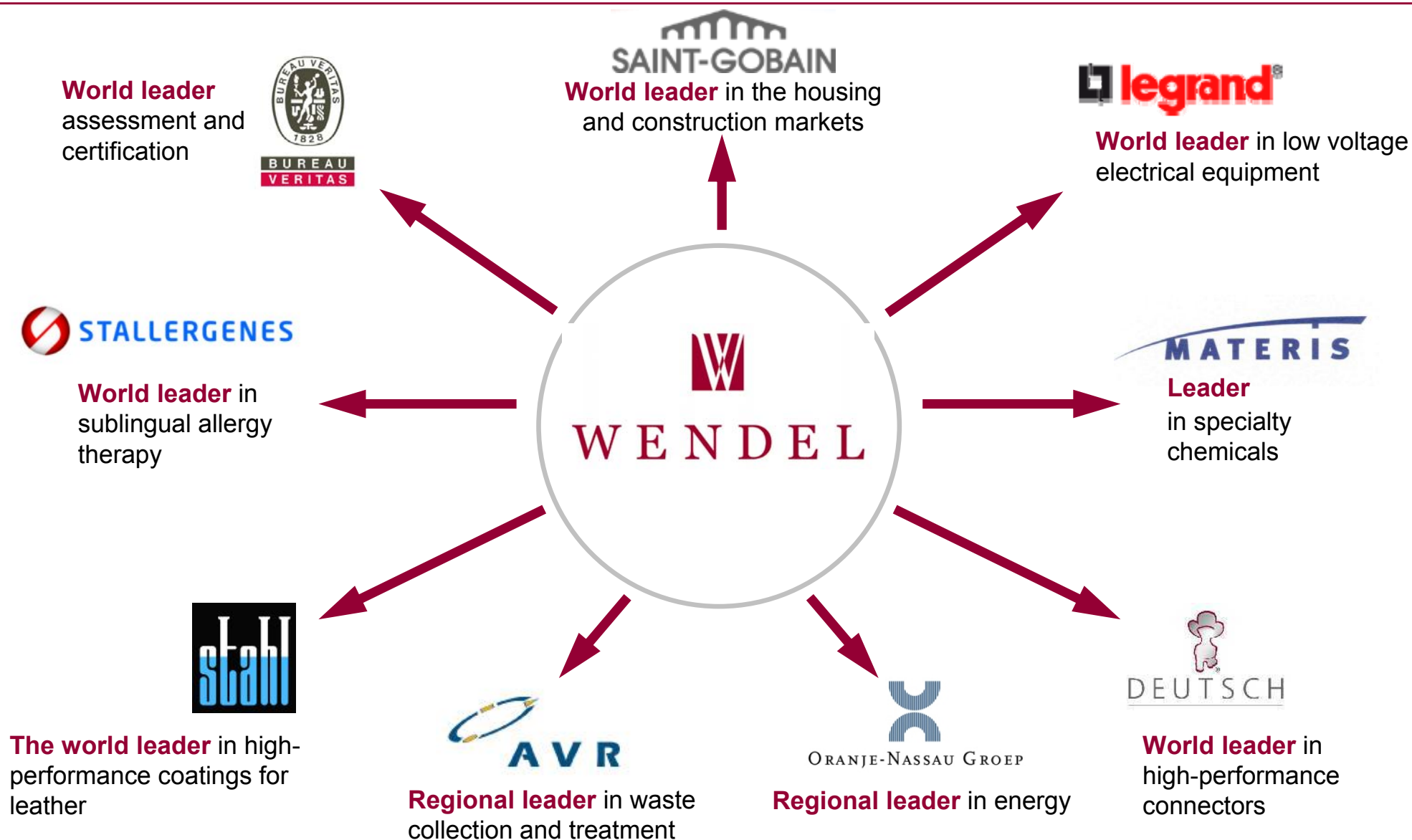
+ 10%  
€395m



- **Growth accelerated** between 2007 and 2008, as compared to 2006 and 2007

# The Group at end-March 2009

*investing in world leaders*

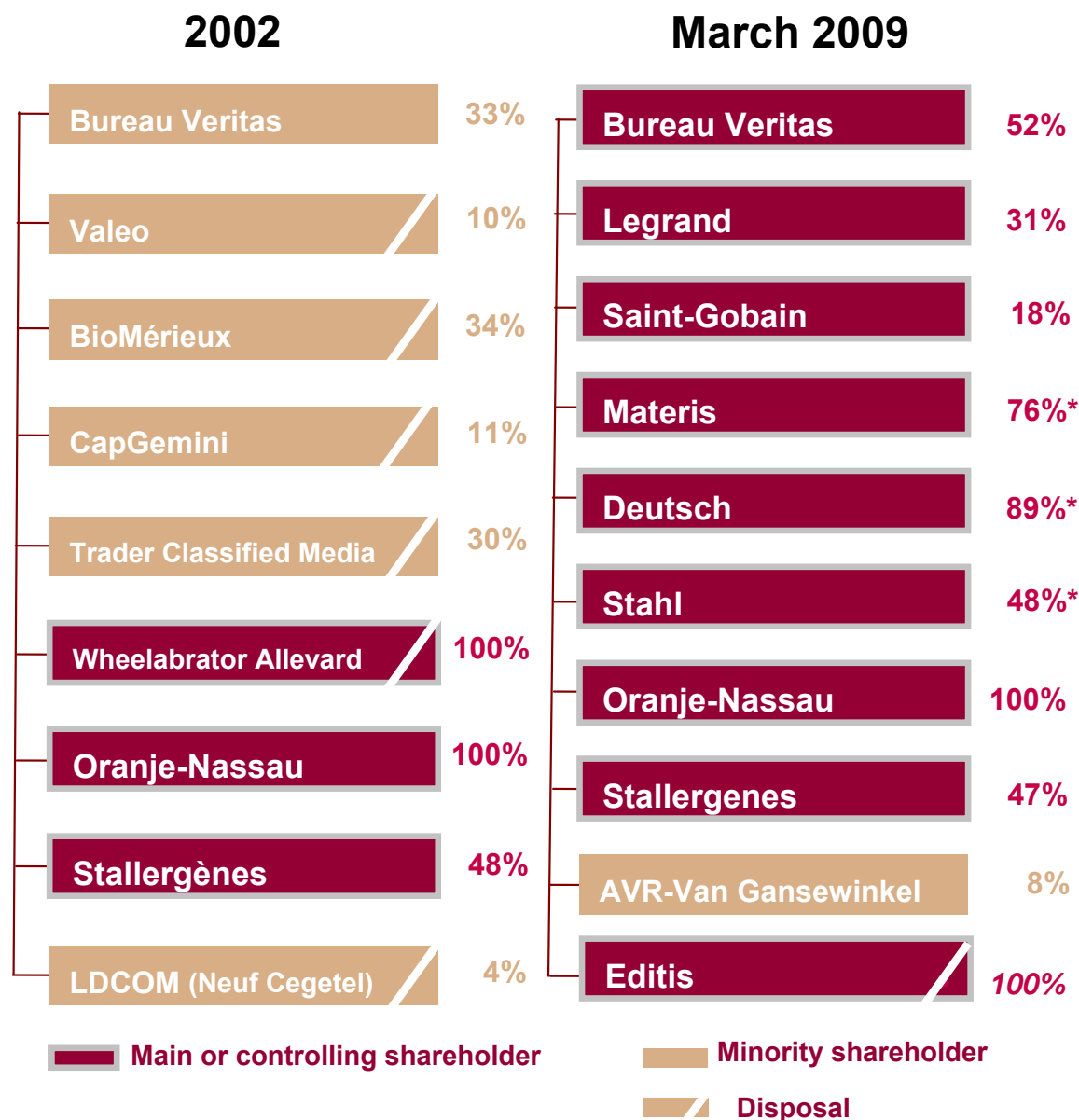


# The Group at end-March 2009

*Main or controlling shareholder of almost all its assets*



WENDEL



(\*) percentage equity investments and shareholder loans

**Wendel is the main or controlling shareholder of almost all its net asset value as of March 2009.**

In 2002, Wendel was controlling shareholder of only one-third of its net asset value

# Solid performance in 2008

*Based on fundamentals established over the years*

## A value-creating development model

- **An industrial approach**
  - ▶ Organic growth, build-up and operating improvements
  - ▶ Rigorous monitoring of performances
- **Main or controlling shareholder**
  - ▶ Representation in line with participation on governance bodies
- **Realized value over the long term and through out cycles**
  - ▶ Realized value\* since 2002: **€2.1bn**
  - ▶ Returned to shareholders since 2002: **€1.7bn**

## Quality of Group companies

- **International companies leaders on their market:**
  - ▶ N° 1 or N° 2 on their markets
  - ▶ high barriers to entry
  - ▶ solid fundamentals
  - ▶ recurring cash flow
  - ▶ profitable growth potential in the medium and long term

## Adapted capital structure

- **A capital structure consistent with Wendel's development model**
  - ▶ Long-term investments, long-term resources
  - ▶ Balanced financial model between the Group and its Companies
  - ▶ Diversified funding sources tailored for diversified uses
  - ▶ Maintaining at all times high liquidity levels
  - ▶ Liquid assets: about 80% of Group assets as of end-2008

\* realized value = cash from disposals + dividends + share buybacks – investments



# Solid performance in 2008

*The Group and its companies demonstrated resilience and responsiveness*



W E N D E L

## In-depth work with Group Companies

### ■ Adaptation plans implemented by Group companies since 2008: **about €1.3bn in total**

- ▶ Cost-streamlining\*: **€530m** in total
- ▶ Adjustments in Capex : **€570m** in total
- ▶ Working capital optimization : **€200m** in total

### ■ Actions already translated in Group Company performance

\* Including plans to optimize sourcing and product mix at some Group companies

## Increase in Group's financial flexibility

### ■ Ongoing efforts to further optimize the Group's capital structure

#### ▶ *Extending the Group's debt maturities*

- Non-recourse Saint-Gobain financings subject to margin calls postponed from **2010-2012** to **2011-2013**
- Undrawn syndicated loan : maturity postponed from **2012 to 2013**

#### ▶ *Optimizing risks*

- Partial protection of the Saint-Gobain investment: **about 40%**

### ▶ Realizing shareholder value: **€2.3bn** over the last **18** months

- ▶ Sale of mature assets:
  - Sale of Neuf Cegetel and Oranje-Nassau property assets in 2007
- ▶ Bureau Veritas: IPO in 2007, 10% block trade in 2009
- ▶ Sale of Editis to Planeta in 2008

# 2008 consolidated net income

(€ million)	2007	2008	Δ
Consolidated subsidiaries	501	636	
Financing, operating expenses and tax	(93)	(117)	
Net income from subsidiaries(1)	408	519	
<b>Net income from subsidiaries, Group share</b>	<b>360</b>	<b>395</b>	<b>+10%</b>
Non-recurring income	486	(292)	
of which minority interests	(33)	(55)	
<b>Net income, Group share</b>	<b>879</b>	<b>158</b>	

(1) Net income before allocation of goodwill and non-recurring items

# Consolidated net income

## Net income from subsidiaries



W E N D E L

(€ million)	2007	2008	Δ
Bureau Veritas	189	242	
Legrand	129	138	
Saint-Gobain	-	99	
Materis	46	33	
Stallergènes	16	19	
Deutsch	10	32	
Stahl	3	0	
Oranje-Nassau	59	78	
Editis	49	(5)	
<b>Sub-total</b>	<b>501</b>	<b>636</b>	<b>+27%</b>
Operating expenses	(36)	(43)	
Management fees	7	2	
Tax	12	0	
Financing	(76)	(75)	
<b>Sub-total</b>	<b>(93)</b>	<b>(117)</b>	
<b>Net income from subsidiaries<sup>(1)</sup></b>	<b>408</b>	<b>519</b>	<b>+27%</b>
of which minority interests	(48)	(124)	
<b>Net income from subsidiaries, Group share</b>	<b>360</b>	<b>395</b>	<b>+10%</b>

(1) Net income before goodwill and non-recurring items

# Consolidated net income

## Non-recurring income



W E N D E L

(€ million)	2007	2008
Sale of Editis <sup>(2008)</sup> , Bureau Veritas IPO <sup>(2007)</sup> and sale of consolidated assets <sup>(2007/2008)</sup>	796	289
Capital gains and losses on financial assets and other non-recurring items	(194)	250
Other impairments and allocations of goodwill	(116)	(831)
of which Saint-Gobain		(447)
Materis		(171)
Deutsch		(65)
Stahl		(74)
<b>Non-recurring income</b>	<b>486</b>	<b>(292)</b>



## VERY STRONG GROWTH EXCEEDING ESTIMATES

### A world group

More than **370,000** clients in  
**140** countries

**900** offices and laboratories

More than **40,000** employees

### Leadership positions

World: **no. 1** in certification

Marine: world **no. 2**  
(number of ranked vessels)

### Growth drivers

Rapid development in **regulations**

**Outsourcing and privatization** of audit  
and inspection procedures

Strong demand for **sustainable  
development** services

**Globalization of exchanges**



(€ million)	2007	2008	Δ
Sales	2,067	<b>2,549</b>	<b>+23%</b>
Adjusted operating income <i>% of sales</i>	312 15.1%	<b>388</b> <b>15.2%</b>	<b>+24%</b>
Net income <sup>(1)</sup>	158	<b>217</b>	<b>+37%</b>
Net financial debt	671	<b>908</b>	

<sup>(1)</sup> Consolidated net income, Group share

### Capital structure

- Increase in net debt due to acquisitions
- **Solid capital structure:**
  - ▶ Net debt/ EBITDA: **2 x**
  - ▶ **80%** of debt is medium or long term, maturing from 2012 to 2020
  - ▶ Diversification of funding sources:  
US private placement of **circa €250m**
- Proposed dividend: **€0.72, up 20%**

### 2008 highlights

- Increase in **sales and adjusted operating income well above the 15% forecast**
- **Organic growth: 13%**
- **External growth strategy pursued (+14%)**
  - ▶ **15** acquisitions accounting for almost **€150m** in sales, including two major acquisitions in Australia (Amdel), in Chile and Peru (Cesmec), and creation of a division services for testing and mineral industry with 3 major acquisitions
- **Operating margin of 15.6%** on a like-for-like basis, or a **50bp** increase



## RESILIENCE AND ACCELERATION OF COST-CUTTING PROGRAMS

### A world leader

Present in **59 countries** with  
**210,000 employees**  
3 out of 4 employees outside of  
France  
**4,000** sales outlets in  
construction materials  
distribution

### Leadership positions

Glass: **no. 1** in Europe  
Insulation: World **no. 1**  
Gypsum: World **no. 1** (plasterboard)  
Piping: World **no. 1**  
Retail and distribution: **no. 1** In Europe  
Packaging: **no. 1** In Europe  
High-Performance Materials: World **no. 1**

### Growth drivers

Sustained growth in **emerging markets**  
accounting for 30% of sales (excluding  
distribution)  
43% of sales in Renovation  
40% of operating income from **energy savings**  
and environment protection products

**Pricing power** due to leadership positions

(€ million)	2007	2008	Δ
Sales	43,421	<b>43,800</b>	+0.9%
Operating income	4,108	<b>3,649</b>	-11.2%
% of sales	9.5%	<b>8.3%</b>	
Net income <sup>(1)</sup>	2,114	<b>1,914</b>	-9.5%
Net financial debt	9,928	<b>11,679</b>	

<sup>(1)</sup> Net income, Group share not including capital gains or losses on disposals, asset impairment and non-recurring provisions

### Capital structure

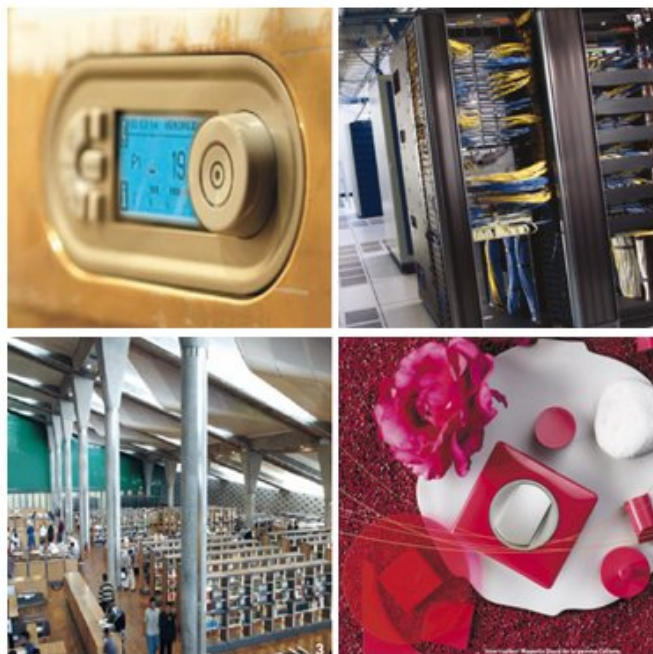
- Maintaining high cash flow (**€3.5bn**) and free cash flow (**€1.3bn**), equivalent to more than **3% of sales**
- Anticipating upcoming debt maturities :
  - ▶ maturity of Maxit financings postponed in Oct. 2008 to Oct. 2010
  - ▶ bond issues: €1.75bn issued over the last six months
- Proposed dividend: **1 euro** in cash or shares at shareholder's option

### 2008 highlights

- Sales up **3.7%** at constant exchange rates
- 2008 organic growth: **+0.3%**, including 3.4% from price increases
- Operating income down **9.1%** on a constant-exchange rate basis
- Resilience in Asia and emerging markets, with a **10.5% margin**

### 2008 adaptation plans

- Emphasis on price policy
- Amplification of cost-cutting plans in all Group business lines:
  - ▶ 2008 target: **€300m**
  - ▶ 2008 actual: **€400m**
- Improvement of cash flow and cash generation: Working capital of **38** days' sales vs. **40**



## SUSTAINED ADJUSTED OPERATING MARGIN AND HIGH REACTIVITY

### A world leader

Presence in more than **70** countries and sale in close to **180** countries  
**34,800** employees including **1,850** in R&D  
**5,800** active patents

### Leadership positions

World **no. 1** with **19%** market share in electrical products  
 Strong **local** positions  
 Close to **50%** of sales realised with products #1 on their market

### Growth drivers

**60%** of sales on the maintenance and renovation market  
 Highly fragmented client base  
 Demonstrated pricing power

(€ million)	2007	2008	Δ
Sales	4,129	<b>4,202</b>	+1.8%
Recurrent adjusted operating income <sup>(1)</sup> % of sales	732 17.7%	<b>746</b> <b>17.7%</b>	+1.8%
Net income <sup>(2)</sup>	396	<b>402</b>	+1.5%
Net financial debt	1,798	<b>1,862</b>	

<sup>(1)</sup> Adjusted operating income restated for accounting items linked to the acquisition of Legrand France in 2002 and excluding restructuring costs

<sup>(2)</sup> Net income, Group share excluding non-recurring items linked to restructuring costs and foreign currency gains and losses

### Capital structure

- Strong free cash flow generation
- Long-term financings secured
- Proposed dividend: maintained at **€0.7** per share

### 2008 highlights

- Proven **resilience**
  - ▶ flat organic growth, **+4.2%** from external growth and -2.3% from currency fluctuations
  - ▶ **Stable and high operating margin: 17.7%**

### 2008 adaptation plans

- Ability to adapt to a very challenging environment; highly responsive
- Adjustment measures for fixed costs
- Restructuring costs: **2x** 2005-2007 on average
- Location of production: **57%** of employees in emerging markets
- Adapting production costs to volume trends
- Optimizing logistics and IT spending





## IMPROVED PRODUCT MIX AND COST-CUTTING

### A world leader

**90** industrial facilities in 23 countries  
More than **100** recognized brands  
**360** paint sales outlets  
**9,000** employees

### Leadership positions

- ▶ Aluminates: World **no. 1**
- ▶ Admixtures: **no. 1** in France
- ▶ Paints: **no. 2** in France and Portugal, **no. 1** in Italy
- ▶ Mortars: joint leader in France

### Growth drivers

- ▶ Emerging market countries: **20% of sales**
  - Asia
  - Latin America
  - Mediterranean area
- ▶ **65%** of sales driven by renovation and non-residential

(€ million)	2007	2008	Δ
Sales	1,817	<b>1,867</b>	+2.8%
Adjusted operating income <sup>(1)</sup>	227.4	<b>214.4</b>	-5.6%
% of sales	12.5%	<b>11.5%</b>	
Net financial debt	1,765	<b>1,781</b>	

<sup>(1)</sup> Adjusted operating profit before allocation of goodwill, management fees and non-recurring items

### Capital structure

- Increase in net financial debt of **€16m**, including **€25m** from external growth
- In compliance with bank covenants as of December 31, 2008

### 2008 highlights

- **Organic growth: +1.6%**
  - ▶ Mainly driven by price increase in all divisions and improvements in product mix
  - ▶ Growth driven by emerging markets
- **Margin reduced by 1 point**
  - ▶ Due to industrial costs (sourcing, production and logistics)
  - ▶ SG&A and D&A stable, illustrating the focus on cost control

### 2008 adaptation plans

- **Significant ongoing adaptation plan**
- **Price/mix increases: €67m**
  - ▶ Alumina: renegotiation of several contracts in July 2008
  - ▶ Paints: 2 successive price increases in all European countries
- **Cost-cutting: €20m**
  - ▶ Optimization of industrial processes
  - ▶ Reduction in operating expenses
  - ▶ Optimized sourcing
- **Optimized cash flow**
  - ▶ Sale of non-core assets: **€26m**



## OPERATING MARGIN SIGNIFICANTLY INCREASED

### A world group

Founded in 1938 in the US

Present in **25** countries

**3,200** staff worldwide

### Leadership positions

World **no. 1** for the high-performance connectors market in transport, aerospace and industry

**80%** of connectors made on demand

### Growth drivers

Long term growing markets in military and civil aerospace and heavy duty vehicles  
Targeted acquisitions

(USD million)	2007	2008	Δ
Sales	599.8	<b>659.7</b>	+10%
Adjusted operating income <sup>(1)</sup>	89.5	<b>129.1</b>	+44%
% of sales	14.9%	<b>19.6%</b>	
Net financial debt	694	<b>714</b>	

<sup>(1)</sup> Adjusted operating profit before allocation of goodwill, management fees and non-recurring items

### Capital structure

- Net financial debt stable despite of acquisitions
- Main debt maturities in **2013**
- In compliance with bank covenants as of December 31, 2008

### 2008 highlights

- Sustained organic growth: **+5%**,
  - ▶ Aerospace: **+8%**
  - ▶ New Offshore division: **>100%**
- External growth: **2.1%**
- **450bp** improvement in operating margin, one of the highest in the sector

### 2008 adaptation plans

- Continued implementation of the significant adaptation plans initiated in 2007
  - ▶ Optimized sourcing and lean manufacturing (**USD20m** in annual savings)
- Adjustments in business perimeter
  - ▶ Integration of Ladd and Servo distributors
  - ▶ Sale of Relays business



## EFFORTS TO ADJUST TO ADVERSE MARKET CONDITIONS TO BE INTENSIFIED

### A world group

**36** laboratories  
**1,200** employees in 28 countries  
**400** “golden hands” technicians

### World N°1

in leather finishing and high  
 performance coatings  
 (leather, textiles and related  
 products)

### Growth drivers

Long term growth **>4%**  
  
 Development in Asia with increased  
 output of the new Suzhou plant (China)



(€ million)	2007	2008	Δ
Sales	311.2	<b>296.3</b>	-4.8%
Adjusted operating income <sup>(1)</sup>	44.2	<b>39.1</b>	-11.5%
% of sales	14.2%	<b>13.2%</b>	
Net financial debt	337	<b>317</b>	

<sup>(1)</sup> Adjusted operating profit before allocation of goodwill, management fees and non-recurring items

### Capital structure

- **Financial debt cut by €20m**
  - ▶ Strong cash conversion<sup>(2)</sup>: above **100%**
  - ▶ Buyback of discounted debt at **31** cents on the euro
- **Next debt maturities in 2013**
- **In compliance with bank covenants as of December 31, 2008**

### 2008 highlights

- **A sharp contrast between H1 and H2:**
  - ▶ H1 2008: +9.4% organic growth and improved margins
  - ▶ H2 2008: down -14.3%, due to an unfavourable basis of comparison and the broad economic slowdown
  - ▶ Full-year organic growth: -2.1%

### 2008 adaptation plans

- **Amplification of cost-cutting plans initiated in 2007**
  - ▶ **€20m** cut in fixed costs between 2007 and 2009
  - ▶ Relocation of industrial capacities and reduction of numbers of warehouses
  - ▶ Reduction in capex and working capital

<sup>(2)</sup> (EBITDA – investment – chg. in WCR) / EBITDA



## EXCELLENT PERFORMANCES TARGETS SURPASSED

### A world leader

**500,000** patients treated in more than **50** countries

**700** employees

Created in 1962, the laboratory has carried out more than **30** clinical studies since 2000

### Specialist in respiratory allergy treatment

World **no. 1** in sublingual desensitization to allergens

World **no. 2** in sub-cutaneous desensitization to allergens

### Growth drivers

Innovative research with more than **17%** of sales invested in R&D

**1** specialty product (allergy tablets) registered

**1** product in phase III

**2** products in phase I/II

An immunotherapy market expected to be multiplied by more than **6**

(€ million)	2007	2008	Δ
Sales	147.1	<b>170.9</b>	+16.2%
Operating income before R&D	49.1	<b>58.1</b>	+18.5%
<i>% of sales</i>	<i>33.4%</i>	<i><b>34.1%</b></i>	
Net income <sup>(1)</sup>	16.3	<b>19.0</b>	+16.6%
Net financial debt	10.4	<b>9.6</b>	

<sup>(1)</sup> Consolidated net income, Group share

### Capital structure

- Very solid capital structure enabling funding future growth
- Proposed dividend: **0.45** euro per share, up **12.5%**

### 2008 highlights

- **+16%** organic growth:
  - ▶ growth continued into the fourth quarter
  - ▶ further development of sublingual treatments
- R&D equivalent to **17.5%** of sales, up **26%**
- **Success of Oralair® grass-allergy tablets**
  - ▶ Market authorisation obtained in June and commercial launch in Germany in late July 2008
  - ▶ Launch of mutual recognition procedure in Europe in 2009
  - ▶ Extension of indication for children approved in January 2009
  - ▶ Phase III clinical trial authorized in the US



## PRODUCTION UP SHARPLY

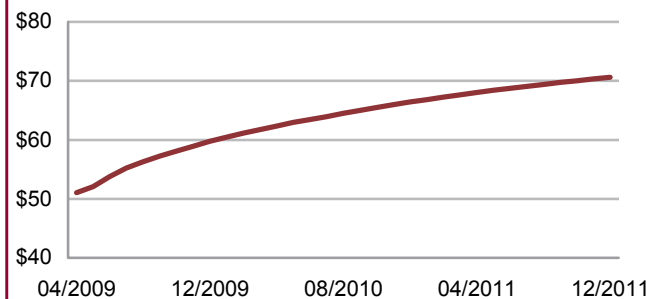
### Strong positions

**34** production fields worldwide, mainly in the North Sea

Recognized know-how in the acquisition of active fields

### Forward oil price

(ICE Brent – Source: Bloomberg)



### Growth drivers

Favorable long-term energy needs

Selective policy of acquisitions and growth in reserves

(€ million)	2007	2008	Δ
Average oil price (€ per barrel)	52.90	<b>66.55</b>	+26%
Production (MBOE)	5.4	<b>6.7</b>	+24%
Sales	243.3	<b>374.0</b>	+54%
Net income from subsidiaries <sup>(1)</sup>	58.9	78.0	+32%
Net financial debt	(21)	-	

<sup>(1)</sup> excluding Group companies held via Oranje-Nassau

### Capital structure

- **Very solid capital structure**
- **Operating cash flow of €153m**, enabling self-financed acquisitions

### 2008 highlights

- **Production up +24%**
  - ▶ Full contribution from Buzzard, which began producing in early 2007
  - ▶ Contribution from Tchatamba, in Gabon
- **Optimizing reserves**
  - ▶ Sale of the **9.1%** stake in the Janice field (**€22m**)
  - ▶ Acquisition of Tchatamba in Gabon (**€119m**)
- **Net income from operations: +32%**
  - ▶ Net income rose more slowly than sales, due to a **+81%** increase in taxes to **€146m** (UK and Gabon) and a **+51%** increase in amortizations to **€77m**
- **Cautious hedging of oil prices over the next three years**



### NAV mainly affected by historically low multiples

*Evolution of forward P/E multiples  
of non-financial European companies*



*Evolution of forward EBITDA multiples  
of non-financial European companies*



(€ million)

March 2009

Assets

**2,270**

Cash<sup>(2)</sup>

**1,870**

Gross Asset Value

**4,140**

Financial debt <sup>(3)</sup>

**(3,010)**

Net asset value

**1,130**

**Net asset value <sup>(1)</sup> per share**

**€22**

(1) Methodology : The unlisted subsidiaries are valued by applying comparable stock market capitalization multiples. The securities of listed companies are valued by taking the average of the closing quotes of the last 20 business days.

(2) Cash after funds invested in Saint-Gobain. Unpledged cash as of March 2009: €1bn

(3) Financial debt of Wendel and holding companies with the exception of those whose debt is without recourse to Wendel

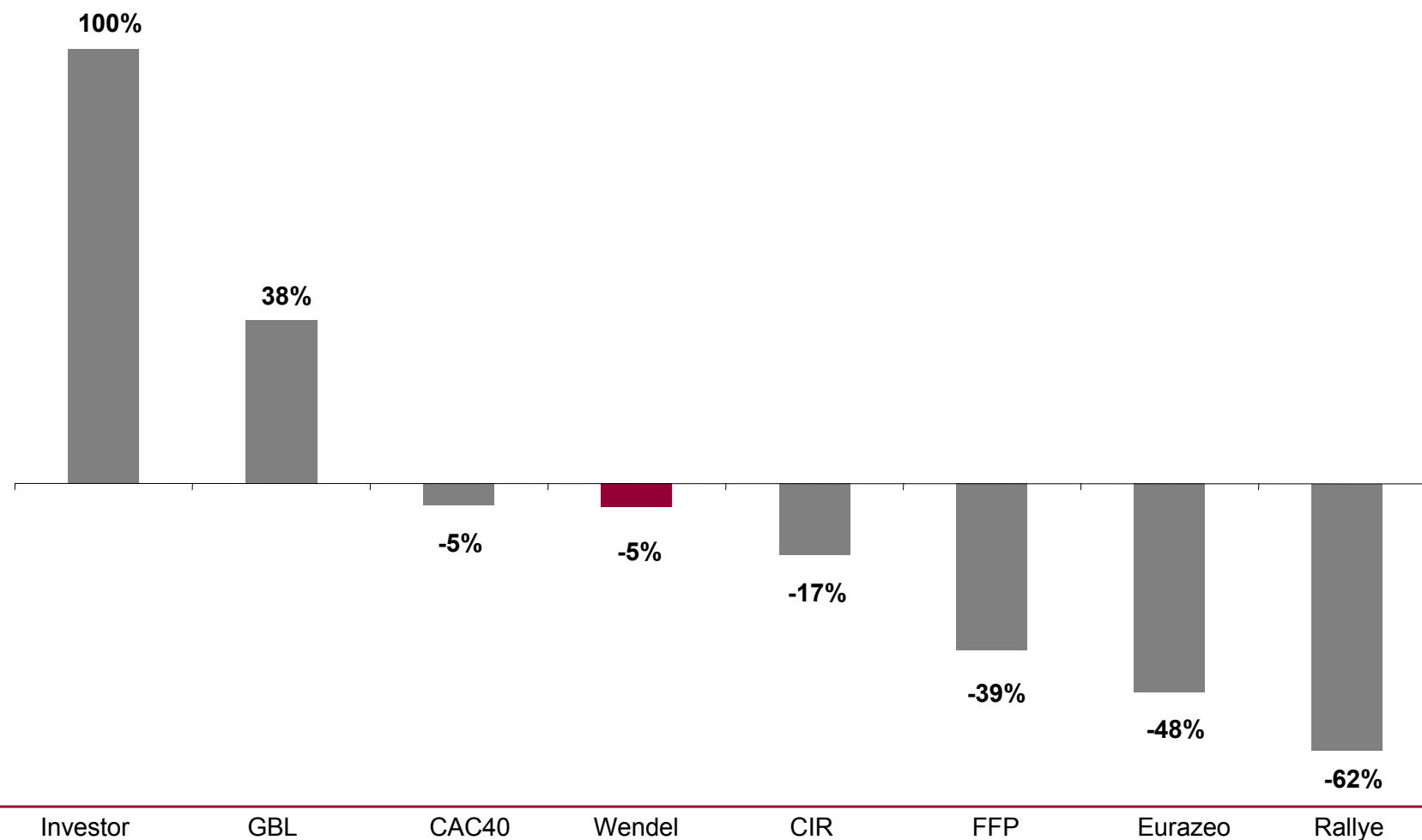
# Sensitivity of sum-of-the-parts valuation

## Value pool in Group assets and liabilities

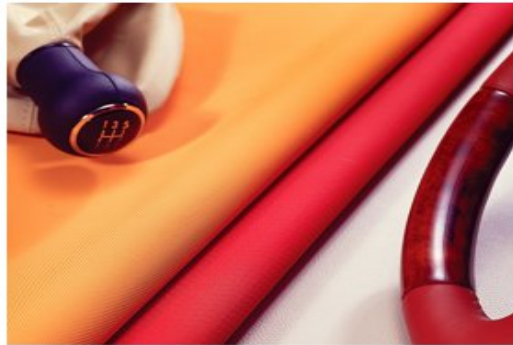
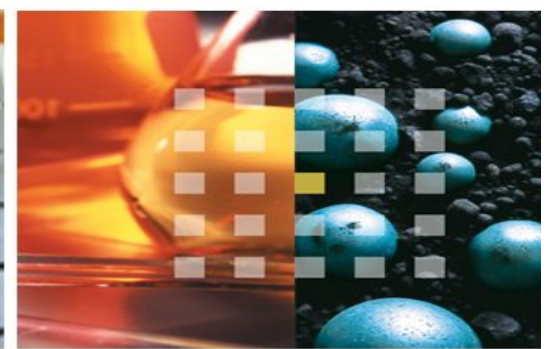
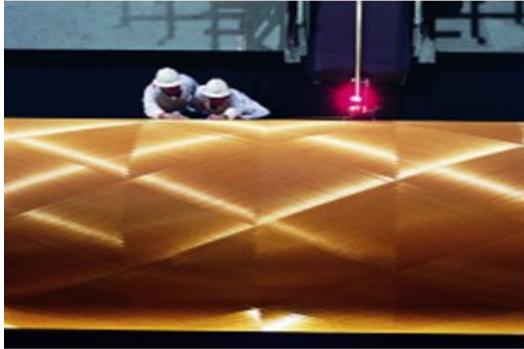
Methodologies		Comments
NAV	€22	<ul style="list-style-type: none"> <li>Listed companies: average closing price of the 20 most recent market trading days</li> <li>Debt at nominal value</li> </ul>
Six-month average	€45	<ul style="list-style-type: none"> <li>Listed companies: average closing price of the last six months</li> </ul>
Analysts target price	€32	<ul style="list-style-type: none"> <li>Saint-Gobain : €27; Legrand: €11.7; Bureau Veritas: €32.5; Stallergenes: €65 (Source: Thomson Reuters consensus)</li> </ul>
Long-term multiples	€89	<ul style="list-style-type: none"> <li>Saint-Gobain: EBITDA multiple; Legrand: EBITDA multiple; Bureau Veritas: EBIT multiple; Stallergenes: EBITDA multiple</li> </ul>
Debt mark to market	€44	<ul style="list-style-type: none"> <li>Listed companies: average closing price of the 20 most recent market trading days</li> <li>Debt mark to market: €1,9bn</li> </ul>

Unlisted subsidiaries: market multiples of peer companies.

## Price performance of Wendel and peers since end-December 2002



As of March 24, 2009 – Thomson Reuters consensus



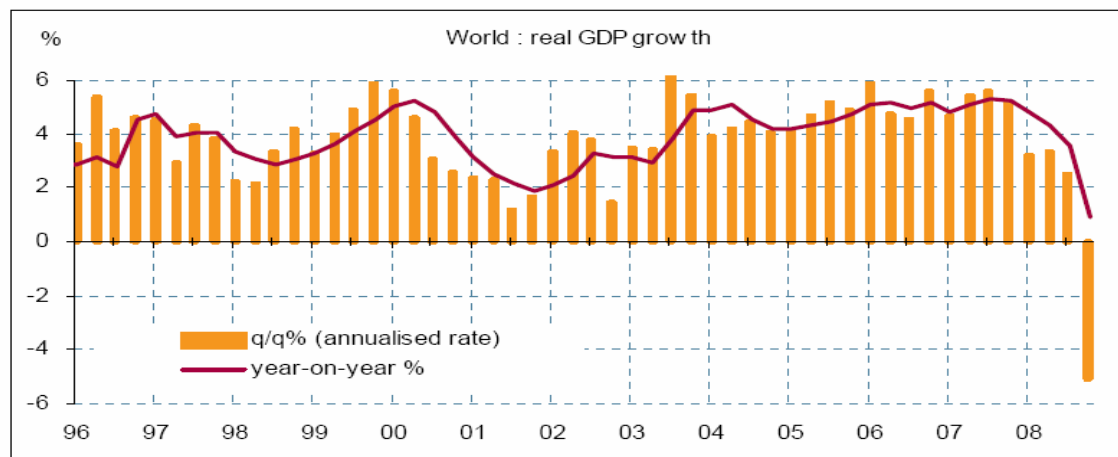
## AMPLIFICATION IN 2009 OF 2008 ADAPTATION PLANS



W E N D E L

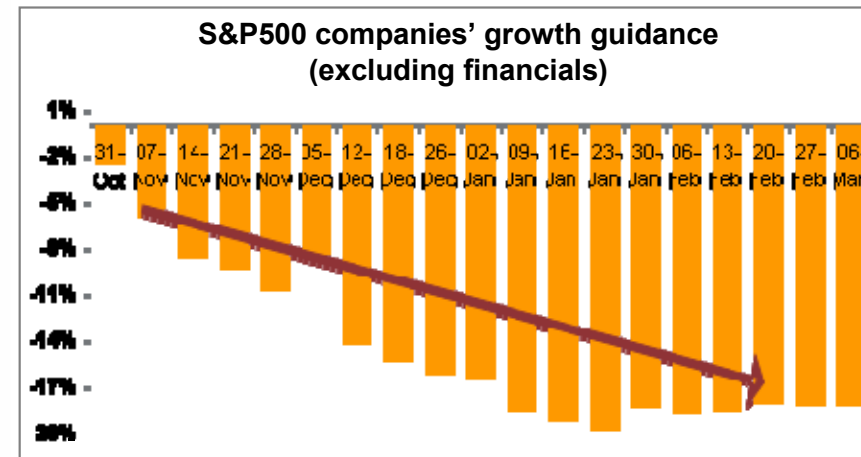
# A worsening economic environment

## A global crisis...



Sources : Thomson Financial, Oddo Securities

## ... that has affected all sectors



Source: IMF (World Economic Outlook, Jan 2009); Bloomberg.

## ...including Wendel Group companies

Organic growth (%)	2008	3Q 2008	4Q 2008
<b>Bureau Veritas</b>	12.8%	<b>13%</b>	<b>12.3%</b>
<b>Saint-Gobain</b>	0.3%	<b>3%</b>	<b>-5.5%</b>
<b>Legrand</b>	-0.1%	<b>-0.1%</b>	<b>-6.3%</b>
<b>Stallergenes</b>	16.2%	<b>17%</b>	<b>15.3%</b>
<b>Materis</b>	1.6%	<b>4%</b>	<b>-5.5%</b>
<b>Deutsch</b>	5.2%	<b>7%</b>	<b>-7.8%</b>
<b>Stahl</b>	-2.1%	<b>-5%</b>	<b>-24.8%</b>

### Supporting Group companies

- Encouraging companies in accelerating and implementing their adaptation plans
- Implementation of the Governance agreement:
  - ▶ Approval for a third board director of Saint-Gobain, Gilles Schnepf, will be sought at the 2009 shareholder meeting

### Continue improving the Group's financial flexibility

- Increase financial flexibility
  - ▶ **Consistent with our strategy to materialized value**
    - 10% Bureau Veritas block trade, Wendel keeps the control
  - ▶ **Anticipate upcoming maturities**
    - Continue working to extend the maturities of non-recourse debt on Saint-Gobain, as initiated in 2008
    - Objective to refinance the 2011 bond at least 12 months prior to maturity
- Work to improve the terms of existing financings
  - Saint-Gobain's non-recourse financing
  - Syndicated loan

### Seize value- creating opportunities

- Continue creating value by rotation of assets of Wendel's portfolio
  - ▶ Internal opportunities: arbitrage between holding-company and subsidiary debt, share buybacks
  - ▶ External opportunities: purchase of discounted assets

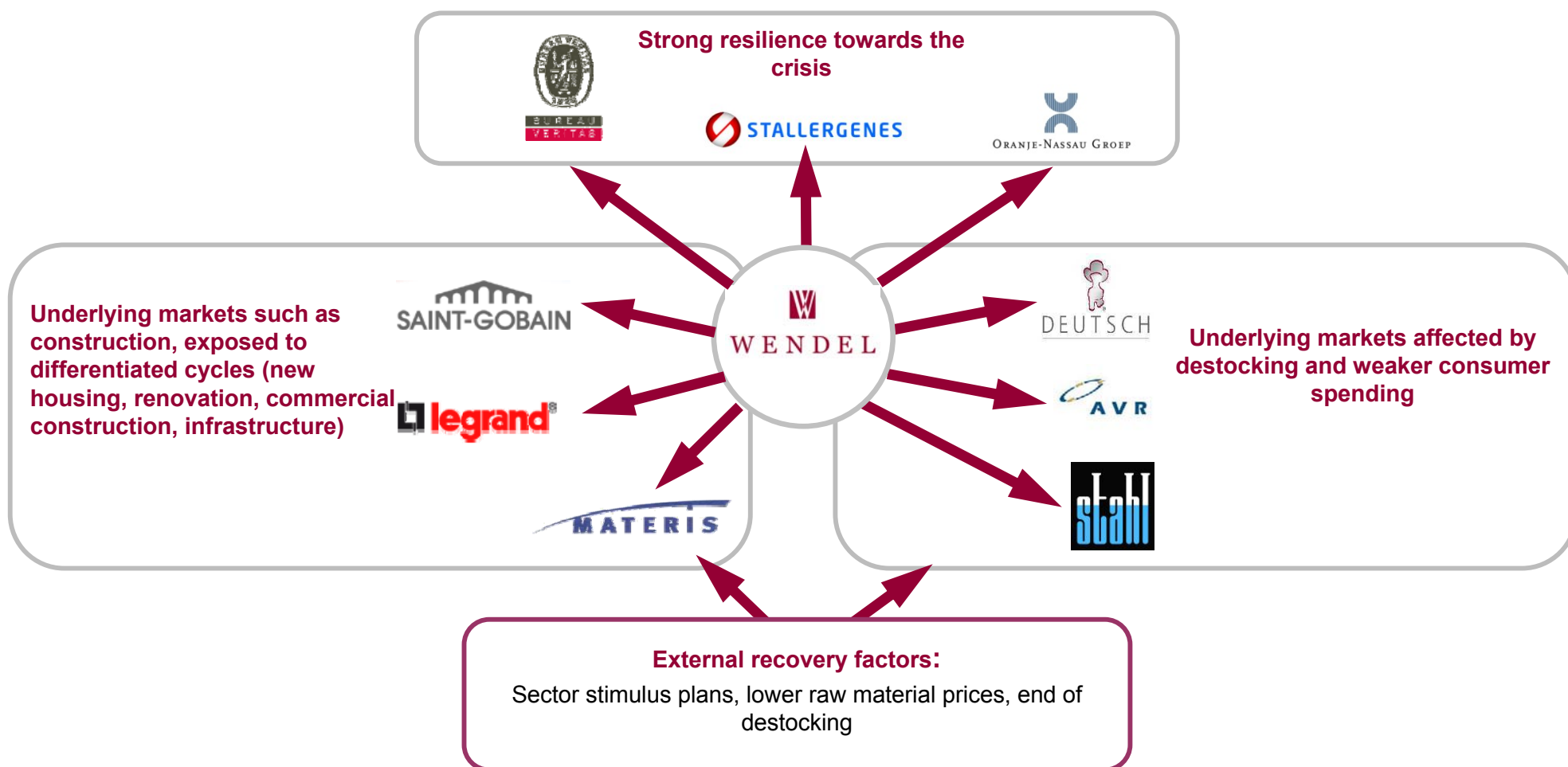


# Support Group companies initiatives

## Capitalize on their operating strengths

### Structural advantages enjoyed by Group companies:

- ▶ Global geographic reach, global networks and local footprints
- ▶ Powerful brands
- ▶ Portfolios of accreditations and technical authorisations
- ▶ Pricing power
- ▶ High value-added services



# Support Group companies initiatives

## *Additional adaptation plans*

2009 initiatives	Saint-Gobain	Materis	Deutsch	Legrand	Stahl
Price/mix policy		€88m	\$4m		€2m
Cutting costs and optimizing sourcing	€600m	€52m	\$17m	€180m	€9m
Adjusting capex	€500m	€25m	\$10m		-10%
Working capital optimization			\$25m		

## Legrand

- Adjusted operating margin of **14-16%** of sales (excluding restructuring costs, on projected sales trends of -6% to -13% on a like-for-like basis)
- Adjust cost structure focusing on:
  - adapting production capacities and operating costs to market trends
  - optimizing logistics, IT and advertising costs
- Gross improvement equivalent to **4 points** of adjusted operating margin, out of which half comes from a reduction in fixed costs

## Saint-Gobain

- Priority to optimizing sales prices
- Rapidly adjust capacities to the market conditions
  - Shut down some production lines and facilities in the industrial division
  - Shut down branches and employee cutbacks in Distribution
- Amplification of cost-cutting programs  
2009/2008 target: **€600m; €1bn** in savings targeted over two years
- Optimization of cash flow generation
  - Reduce capital expenditures: - **€500m**
  - Suspend acquisition plans
  - Carrying out small- or medium-sized disposals
  - Control operating working capital
- **€1.5bn capital increase**

### Materis

- **Optimize product/price mix to offset lower volumes**
  - High market share and differentiated products allowing price increases well above market increases
  - Further expansion in emerging markets (**20%** of sales)
- **Accelerating costs cutting plan**
  - Renegotiate multi-year contracts in aluminates
  - Optimize formulations, with the use of less expensive raw materials
- **Savings ~€52m, including €15m from additional measures**

### Stahl

- **Continue adaptation plans initiated in 2007-2008**
  - Lowered fixed costs ~ **€9m**
  - Continue relocation effort
  - Adjustments of capex
- **Preserve long-term growth potential**
  - Maintain investments in R&D and innovation to develop high-potential products
  - Expand sales staff further

### Deutsch

- **Industrial division**
  - Rapid adjustment in production facilities
  - Ramp-up of Chinese production unit
- **Aerospace division**
  - Production to be transferred faster from California to the Mexican facility

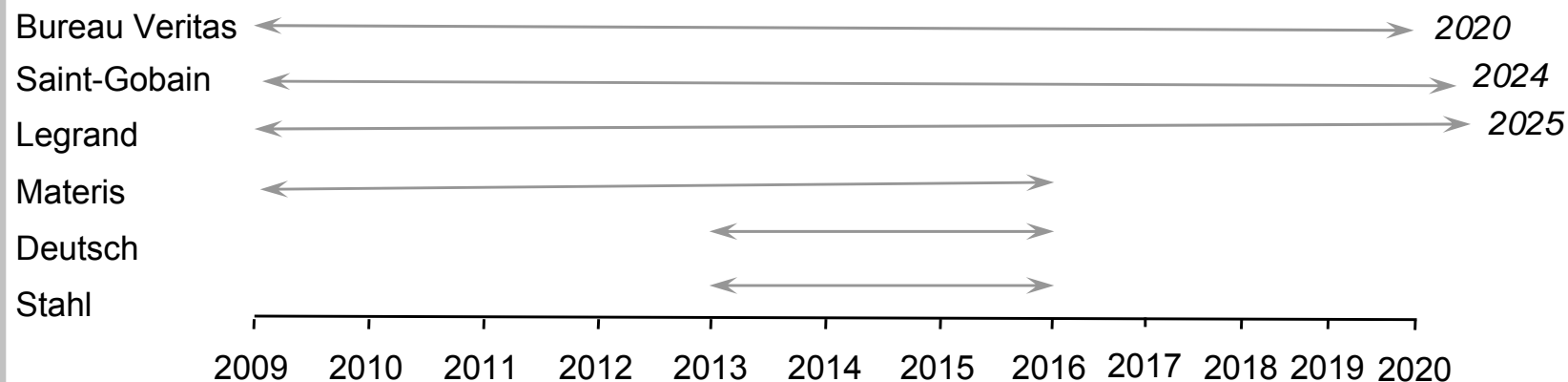
# Support Group companies initiatives

*Capitalize on their financial strengths*

## Limited leverage

- **Average net debt/EBITDA ratio: 2.5x**
  - ▶ Companies with low debt (Bureau Veritas) or no debt at all (ONG, Stallergenes)
  - ▶ Leverage up to 6.4x for LBO companies (Materis, Deutsch, Stahl)
- **Balanced approach between leverage at holding and Group companies**
- **All Group companies are working to optimize their capital structure**
- **Materis and Stahl: renegotiation of financing terms in progress or to come**

## Long-term debt

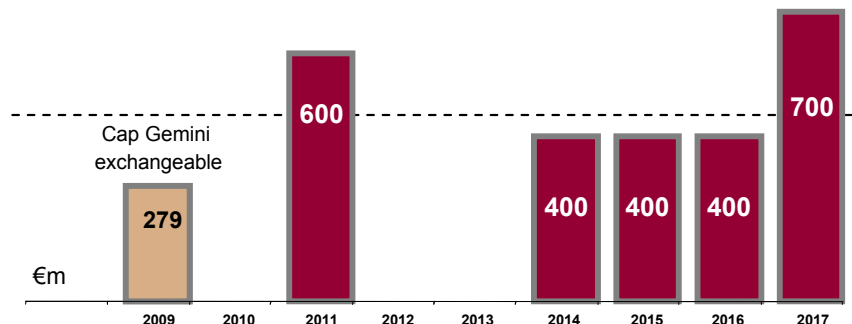


# Continue working on the Group's financial flexibility

## Key terms of the model

Long-term  
investments /  
Long-term  
resources

- Average duration of Wendel investments: about 8 years
- More than 75% of bond debt matures in more than five years (excl. CGEY)



Diversified  
funding sources

- Funding sources that are tailored to dedicated purposes
  - ▶ Holding company: with recourse, bond and bank (undrawn) debt
  - ▶ Saint-Gobain: non-recourse to Wendel, bank debt, with and without margin calls
  - ▶ Subsidiaries: non-recourse to Wendel, bank and bond debt

High liquidity  
at all times

- Maintaining high levels of liquidity at all times: **€1.9bn** at end-March
- About **80%** of Group assets are liquid, vs. **25%** in 2002



# Continue working on the Group's financial flexibility

*Diversified funding sources tailored to specific purposes*



W E N D E L



W E N D E L

## Company financing at Holding level (with recourse)

- **Bond debt**
  - ▶ Long term
  - ▶ No covenant
  - ▶ No rating triggers
  - ▶ **Attractive costs: 4.8%** (excl. CGEY)

## Undrawn funding sources

- **Syndicated credit**
  - ▶ Long term
  - ▶ Bridge to asset sales
  - ▶ With covenants

## Financing of Saint-Gobain (non-recourse)

- **Bank debt**
- **Guaranteed**
- **Medium term:**
  - ▶ Maturing from end-2010 to 2013
  - ▶ 55% between 2012 and 2013
- **With and without margin calls (60% / 40%)**
- **Circa 40% of the position is hedged**

## Financing of subsidiaries (non-recourse)

- **Managed by the subsidiaries themselves**
- **Bank and bond debt**
  - ▶ **Mainly long-term**

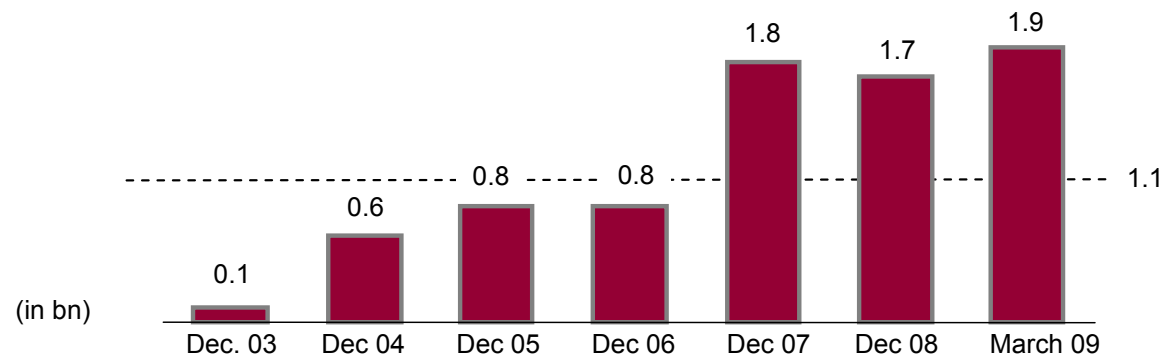
# Continue optimizing on the Group's capital structure

*Liquidity has significantly improved since 2007*

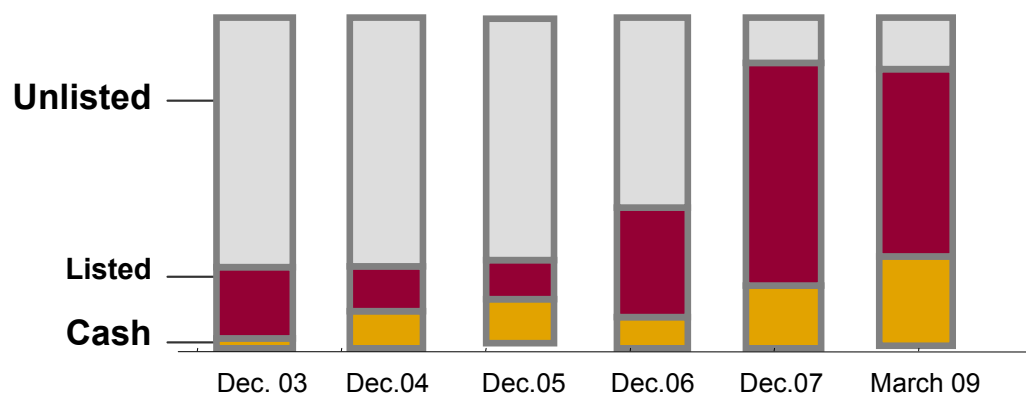


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High  
liquidity  
level



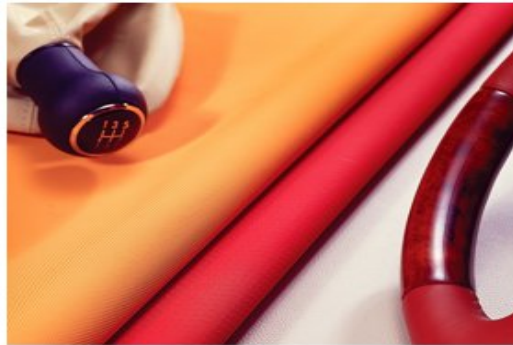
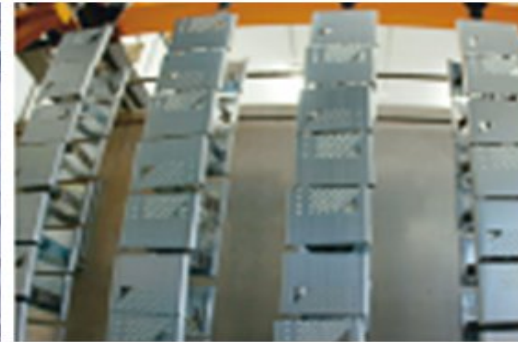
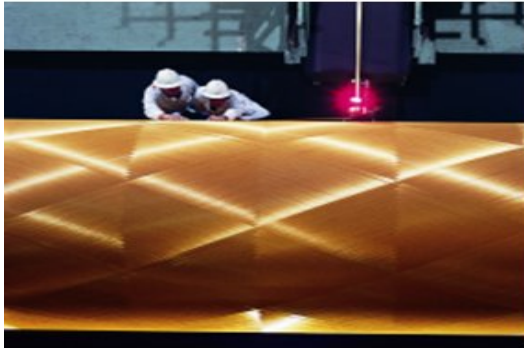
An  
increasingly  
liquid portfolio



Available  
assets

- **Unpledged cash and securities: €1.9bn**
  - ▶ Theoretical economic exposure\* in the event Saint-Gobain's share price dropped to zero is below €300m as of end-March 2009
- **Cash available as of end of March 2009: €1bn**

\* Amount of non-recourse debt subject to margin calls, linked to the Saint-Gobain investment, minus the margin calls and the initial guarantee, made up of listed shares and cash (with the exception of financed Saint-Gobain shares), which have been mark to market.



## STRATEGIC OBJECTIVES FOR 2009 - 2010



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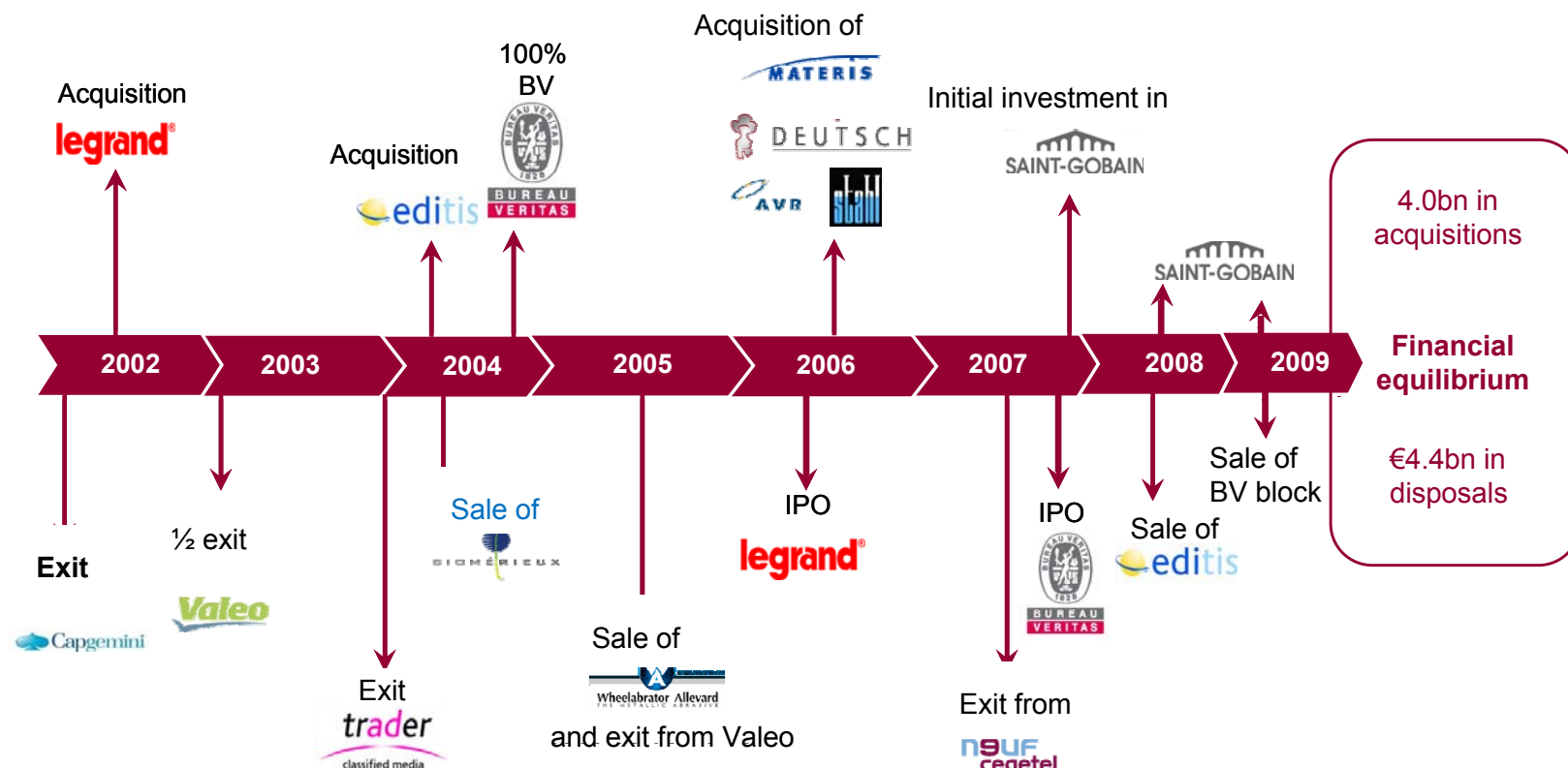
# Long-term strategic objectives

*Realising value throughout the cycle*



WENDEL

## Portfolio rotation and value creation



## Return to Shareholders

- Dividends paid out since 2002: **€0.6bn**
  - ▶ 2009 dividend proposed : **1 euro**
- Share buybacks since 2002: **€1.1bn**

**Total = €1.7bn  
returned to  
shareholders**

# Strategic objectives for 2009-2010

## *Getting positioned to benefit from the rebound*

### Enhance subsidiaries' rebound potential

- Adaptation plans
- Strengthening productivity
- Highly selective approach to acquisitions

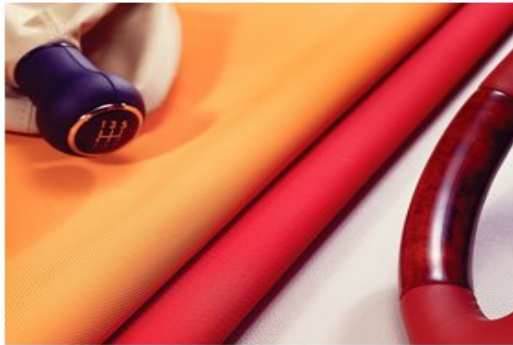
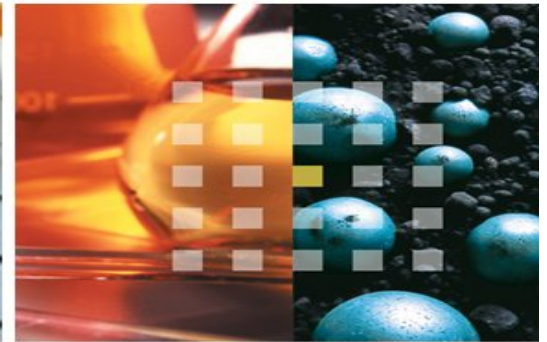
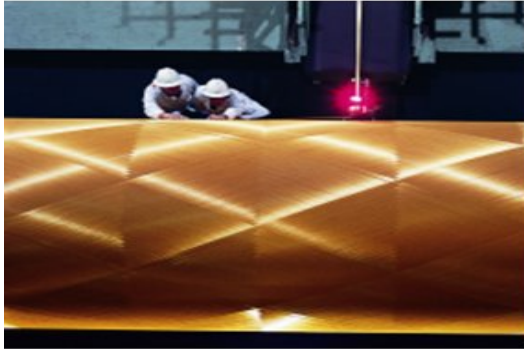
### Cope with market risks and riding a future rebound

- Realizing value and maintaining significant cash on the balance sheet
  - ▶ Strong protection against market risks
  - ▶ Increase capacity to seize cycle-bottom opportunities

### Seize opportunities

- In Wendel: Discounted holding-company and subsidiary debt: yields of **15** to **30%**
- On the market: Discounted assets





## APPENDICES



W E N D E L



# Consolidated income statement

in millions of euros	2008	2007
Net sales	5,412.5	4,712.0
Other income from operations	8.2	63.7
Operating expenses	-4,639.6	-4,170.9
<b><i>Income from ordinary activities</i></b>	<b><i>781.1</i></b>	<b><i>604.9</i></b>
Other operating income and expenses	-191.2	724.5
<b><i>Operating income</i></b>	<b><i>589.9</i></b>	<b><i>1,329.4</i></b>
Income from cash and cash equivalents	108.4	65.6
Finance costs, gross	-718.1	-417.3
<i>Finance costs, net</i>	<i>-609.7</i>	<i>-351.7</i>
Other financial income and expenses	183.0	-171.8
Tax expense	-237.0	-121.4
Share of net income from equity-method investments	44.5	128.6
<b><i>Net income from continuing operations</i></b>	<b><i>-29.4</i></b>	<b><i>813.0</i></b>
Net income from discontinued operations and operations held for sale	256.6	80.8
<b><i>Net income</i></b>	<b><i>227.2</i></b>	<b><i>893.8</i></b>
Net income - minority interests	69.1	14.5
<b>Net income - Group share</b>	<b>158.1</b>	<b>879.3</b>

# Consolidated balance sheet

in millions of euros	12/31/2008	12/31/2007	in millions of euros	12/31/2008	12/31/2007
Goodwill, net	2,607.6	3,211.3	Share capital	201.5	201.3
Intangible assets, net	1,509.7	1,530.5	Share premiums	246.9	244.8
Property, plant & equipment, net	1,061.6	985.1	Retained earnings and other reserves	1,427.4	1,006.8
Non-current financial assets	2,295.2	1,349.7	Net income for the year	158.1	879.3
Equity-method investments	5,881.3	5,337.5		2,033.8	2,332.1
Deferred tax assets	168.5	123.3			
<b>Total non-current assets</b>	<b>13,524.0</b>	<b>12,537.3</b>	Minority interests	283.7	248.4
<b>Assets held for sale</b>	<b>20.6</b>	<b>52.8</b>	<b>Total shareholders' equity</b>	<b>2,317.6</b>	<b>2,580.5</b>
Inventories and work-in-progress	373.0	393.7	Long-term provisions	357.2	355.8
Trade receivables	1,203.2	1,253.4	Long-term borrowings and debt	11,318.4	10,691.1
Other current assets	150.4	193.5	Other non-current financial liabilities	150.3	116.4
Current income tax	6.8	66.4	Deferred tax liabilities	602.4	567.2
Other current financial assets	1,444.4	2,189.3	<b>Total non-current liabilities</b>	<b>12,428.4</b>	<b>11,730.4</b>
<b>Total current assets</b>	<b>3,177.7</b>	<b>4,096.4</b>			
<b>Total assets</b>	<b>16,722.3</b>	<b>16,686.5</b>	<b>Liabilities of operations held for sale</b>	<b>23.5</b>	<b>29.4</b>
			Short-term provisions	9.3	27.5
			Short-term borrowings and debt	624.8	344.2
			Other current financial liabilities	62.1	428.9
			Trade payables	555.0	691.6
			Other current payables	618.1	734.8
			Current income tax liabilities	83.6	119.2
			<b>Total current liabilities</b>	<b>1,952.8</b>	<b>2,346.2</b>
			<b>Total liabilities and shareholders' equity</b>	<b>16,722.3</b>	<b>16,686.5</b>

# Conversion from accounting presentation to economic presentation

<i>in millions of euros</i>	Income from equity investments	Holding company costs	Non-recurring income Group share	<b>Net income Group share</b>
<b>Operating income</b>	948	(41)	(317)	590
<b>Finance costs, net</b>	(530)	(75)	(5)	(610)
<b>Other financial income and expense</b>	(38)	(0)	221	183
<b>Tax expense</b>	(276)	(0)	39	(237)
<b>Net income from equity-method investments</b>	537	0	(492)	45
<b>Share of net income from continuing operations</b>	641	(117)	(554)	(29)
<b>Net income from discontinued operations and operations held for sale</b>	(5)	0	262	257
<b>Consolidated net income</b>	636	(117)	(292)	227
<b>Net income - minority interests</b>	124	0	(55)	69
<b>Net income - Group share</b>	512	(117)	(237)	158

# Financing terms that befits the Wendel Group, and its subsidiaries

## and equity investments: *No rating trigger*

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Debt with recourse	Maturities		Specifications	
	With recourse to Wendel: Bond Debt	June 2009: €279m 2011: €600m 2014/15/16: €400m 2017: €700m	Par value: €2.8bn Spot value (MTM debt): €1.9bn Average cost <sup>(*)</sup> : 4.8% No covenant or rating trigger	
	Undrawn syndicated loan	2013 One-year extension clause	Amount: €1.2bn Bridge in the event of acquisitions/disposals Covenants tested half-yearly if facility is used	
	Non-recourse to Wendel  Saint-Gobain's acquisition structure net financing	Bank debt with margin calls: 2011 to 2013  Bank debt without margin calls: End-2010 to 2012	Medium-term non-recourse bank debt No other financial covenant Downside protection on about 40% of the investment	
Non-recourse debt	Non-recourse to Wendel  Net debt of subsidiaries and equity investments	Bureau Veritas: 2009-2020 Materis / LBO: 2009-2016 Stallergenes: NS ONG: NS Deutsch / LBO: 2013-2016 Saint-Gobain: 2009-2024 Legrand: 2013-2025 Stahl / LBO: 2013-2016	Net debt/EBITDA (LTM-2008) (debt at par value)  <b>2.5x Average</b>  In compliance with all covenants as of December 31, 2008	

<sup>(\*)</sup> excluding CGEY

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