



WENDEL  
INVESTISSEMENT



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# Results as of June 30, 2004

## Briefing, September 7, 2004



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# IMPLEMENTATION OF THE COMPANY'S STRATEGY

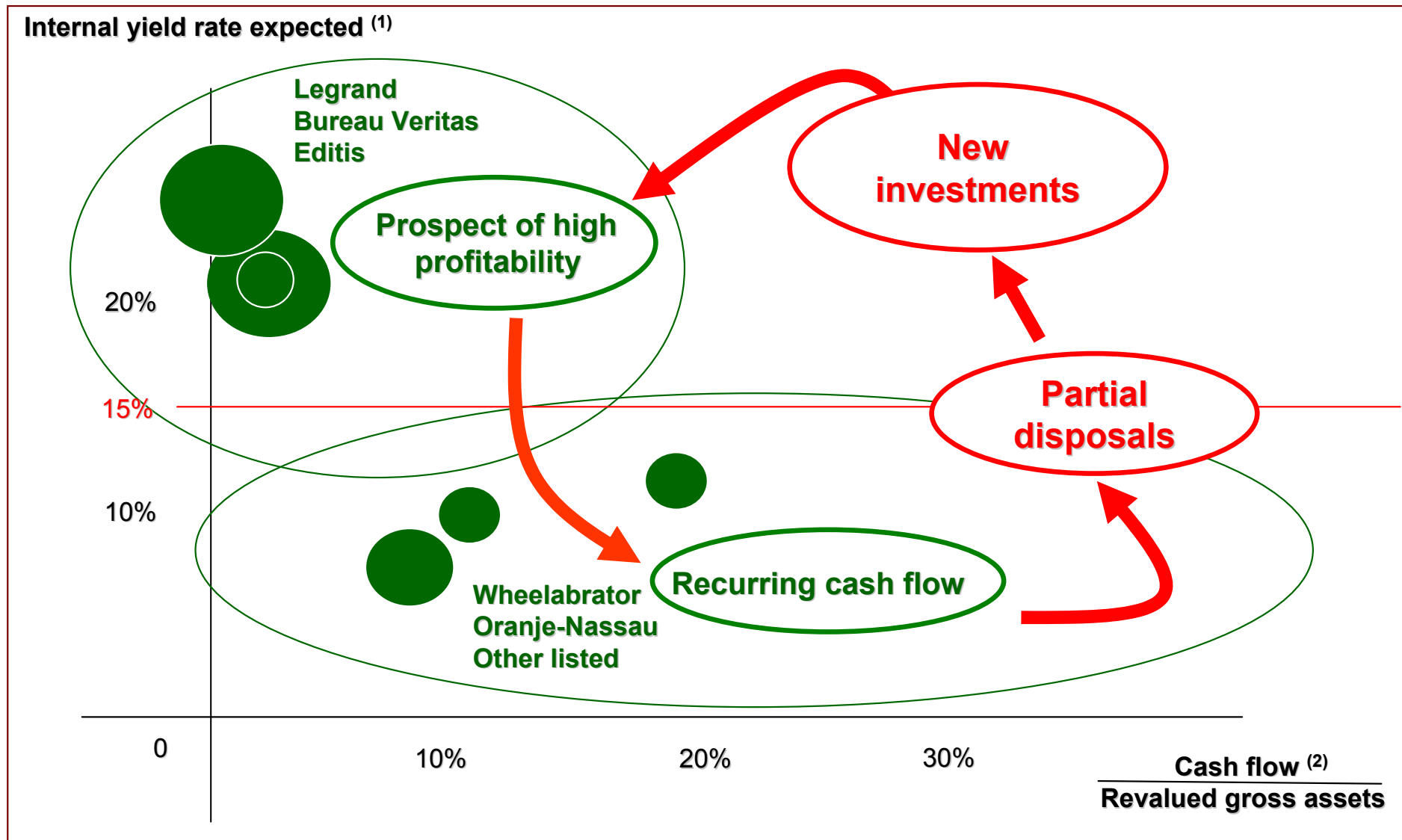
## STRATEGIC OBJECTIVES

## ACCOMPLISHED SINCE THE CREATION OF WENDEL INVESTISSEMENT (July 2002)

- Reduce the percentage of listed assets to **25%**
- Invest significant sums (> to **100 million euros** in equity)
- Strengthen the control of WENDEL Investissement
- Internal yield rate on revalued net assets of **+15%** (annual average)
- Pay a dividend with a net yield of **3%**

- from 55% in July 2002 to **15%** in August 2004
  - ▶ Capgemini
  - ▶ Valeo
  - ▶ Trader
- **840 million euros** invested in equity
  - ▶ Legrand: 660 million euros
  - ▶ Editis : 180 million euros
- Sale of minority holdings:
  - ▶ Trader : **321 million euros**
  - ▶ bioMérieux: **378 million euros**
- Project to increase stake in Bureau Veritas
- Average profitability June 02-August 04
  - ▶ Net asset value: **+16%** /year (with dividends)
  - ▶ WI share price: **+27%** /year (CAC 40: +3%)
- Average net yield 2002 and 2003: **3.8%**

- An established reputation
- A long-term partner
- An efficient financial structure:
  - ▶ cost of capital
  - ▶ liquidity for the shareholders



<sup>(1)</sup> on equity invested by WENDEL Investissement

<sup>(2)</sup> mobilized by WENDEL Investissement

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# MAIN EVENTS SINCE JANUARY 1, 2004

- **January** Sale of 1.8 of CapGemini
- **February** Bond issue, 500 million euros, maturity 7 years
- **March & April** Sale of Trader for 321 million euros
- **May** Sale of 5% of bioMérieux for 60 million euros
- **June** Projected acquisition of Editis for 180 million euros  
Bond issue increased to 600 million euros
- **July** bioMérieux floated on the stock market  
Proceeds from sale: 378 million euros
- **September** Editis settlement  
Project to increase stake in Bureau Veritas





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# SALE OF BIOMÉRIEUX

	Millions of shares	Selling price (euros)	Total (millions of euros)
<b>Preliminary exceptional dividend</b>			<b>10</b>
<b>Sale to a group of investors</b>			
CIC, Banque de Vizille, APICIL	1.95	30.80	<b>60</b>
<b>Stock market introduction</b>			
Initial placement	9.98	30.00	<b>299</b>
Additional allocation	0.30	30.00	<b>9</b>
<b>Total</b>	<b>12.23</b>	<b>30.12</b>	<b>378</b>
<b>Shares retained by WI</b>	<b>1.20</b>		
<b>Internal rate of return</b>	<b>+12% / year over 15 years</b>		
<b>Initial investment</b>	<b>X 4</b>		
<b>Capital gains in the consolidated accounts</b>	<b>€ 110M</b>		



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# ACQUISITION OF EDITIS

## editis

### Literature



### Education & Reference



**BORDAS**

**LE ROBERT**



**CLE**  
INTERNATIONAL



### Distribution & Services

**interforum**  
editis

**Interforum France**

**Interforum Belgique**

**Interforum Suisse**

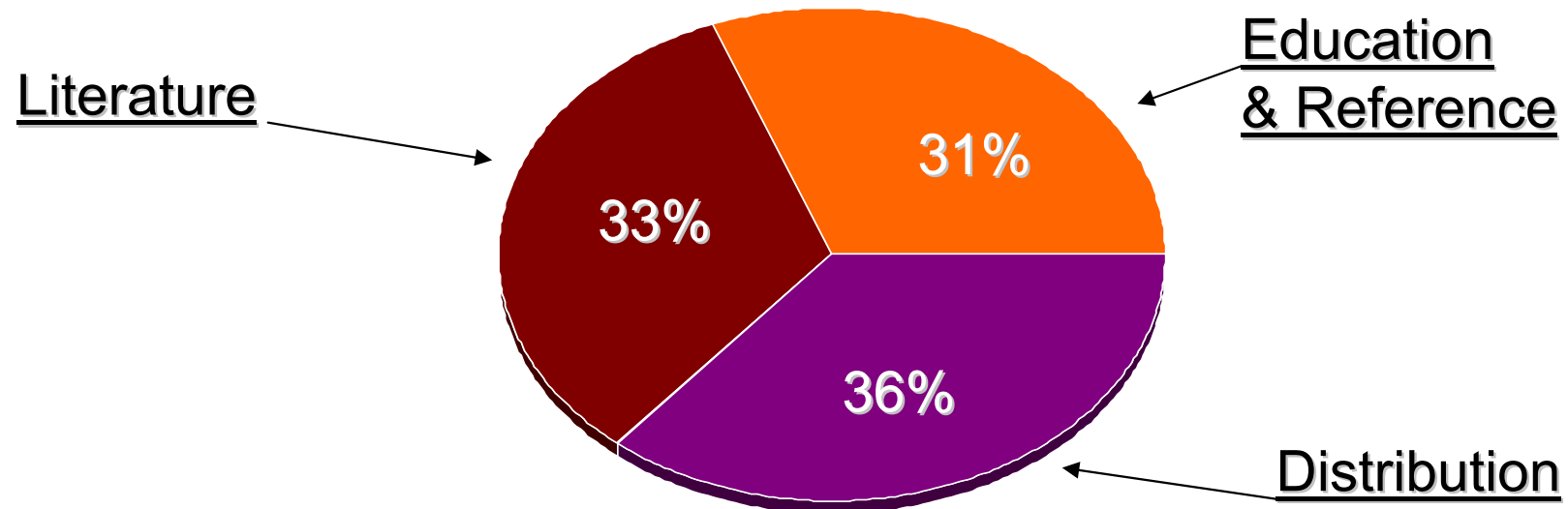
**Interforum Canada**

**Bookpole**

# Net sales and operating margin

(Millions of euros) (Pro forma)	2003	2002
Net sales	696	692
Operating income	55	52
<i>% of net sales</i>	<b>7.9%</b>	<b>7.5%</b>

## Breakdown of net sales 2003



## ■ Literature & Education

- ▶ Moderate but regular expansion in the supply market
- ▶ Major external growth opportunities
- ▶ Little sensitivity to prices

## ■ Editis ranks second with potential to become the leader

- ▶ Strong brands and solid market share
- ▶ Management team with great experience
- ▶ Ability to attract and federate talent
- ▶ Modern distribution platform
- ▶ Editorial diversity and vertical integration
- ▶ Significant profitability

- Preserve Editis's editorial independence, long-term operation and unity
- Re-conquer leadership in French-language publishing
- Become a major player in the French book distribution market
- Support acquisition and development projects

(Millions of euros)

<b>USES</b>		<b>RESOURCES</b>	
Entreprise value	660	Shareholders' equity	180
Gain/Settlement (economic)	(20)	Financing of working capital requirements at settlement + misc.	90
		Long-term debt net of commissions	370

*Estimation as of September 1, 2004*

- ▶ **Long-term financial debt without recourse on WENDEL Investissement**
- ▶ **"Economic closing" on July 31**



- Internal yield rate expected > 20%
- Tax consolidation by WENDEL Investissement
- Weight in WENDEL's gross assets: 6%

- **July**

Opinions of the works councils  
Initial syndication of the senior banking debt  
Approval by the European Commission

- **August**

Acquisition contract signed  
Approval by regulatory authorities in Belgium  
and Germany

- **September**

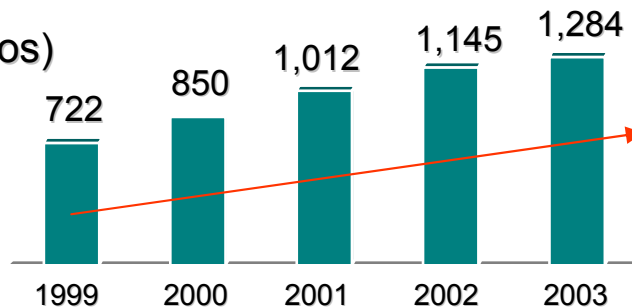
Approval by regulatory authorities expected in  
France  
Editis closing



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# PROJECT TO INCREASE STAKE IN BUREAU VERITAS

Net sales  
(Millions of euros)



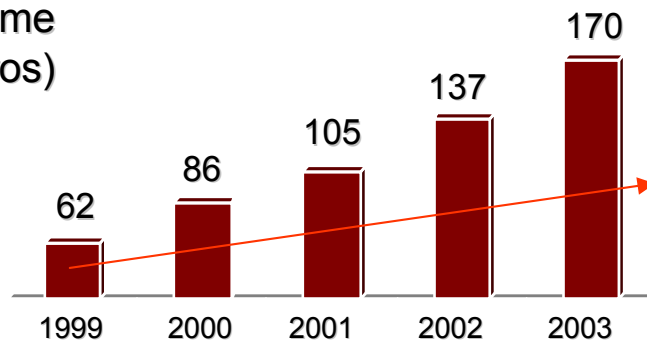
**+16%**  
per year

Net sales x 1.8

Growth

- ▶ strong organic
- ▶ successful external growth with integration of 9 companies
- ▶ self-financed

Operating income  
(Millions of euros)

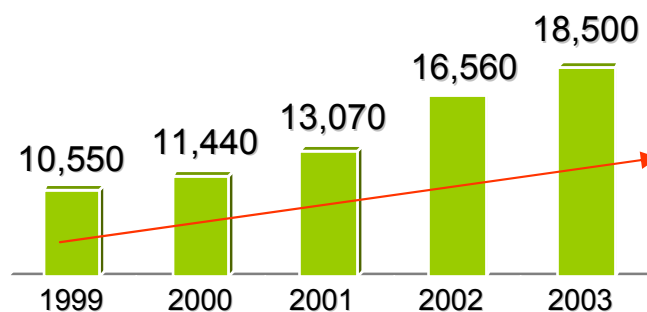


**+29%**  
per year

Operating income x 2.7

Regular rise in operating margin

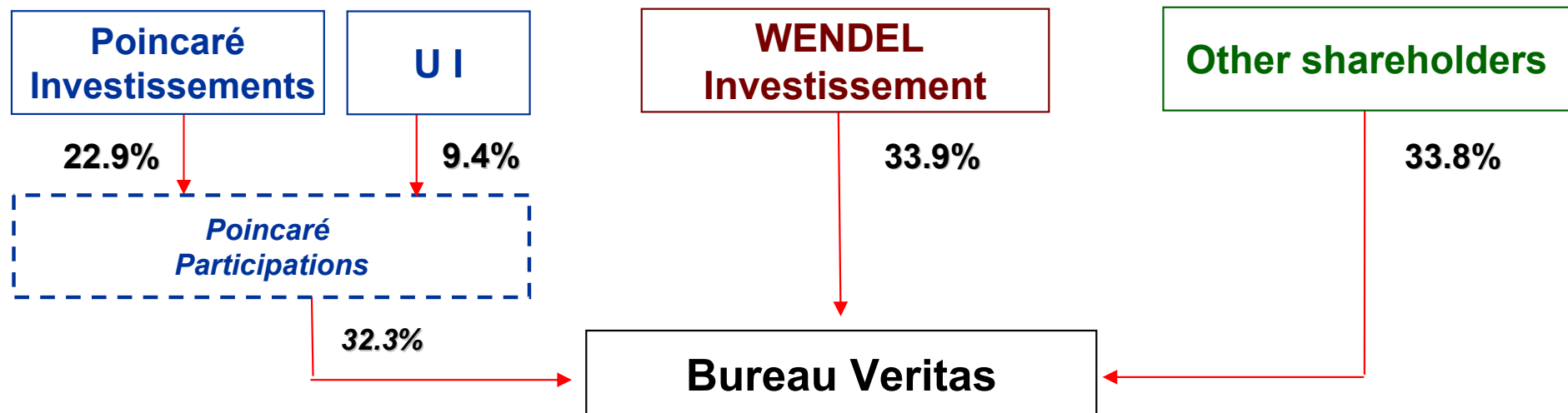
Workforce

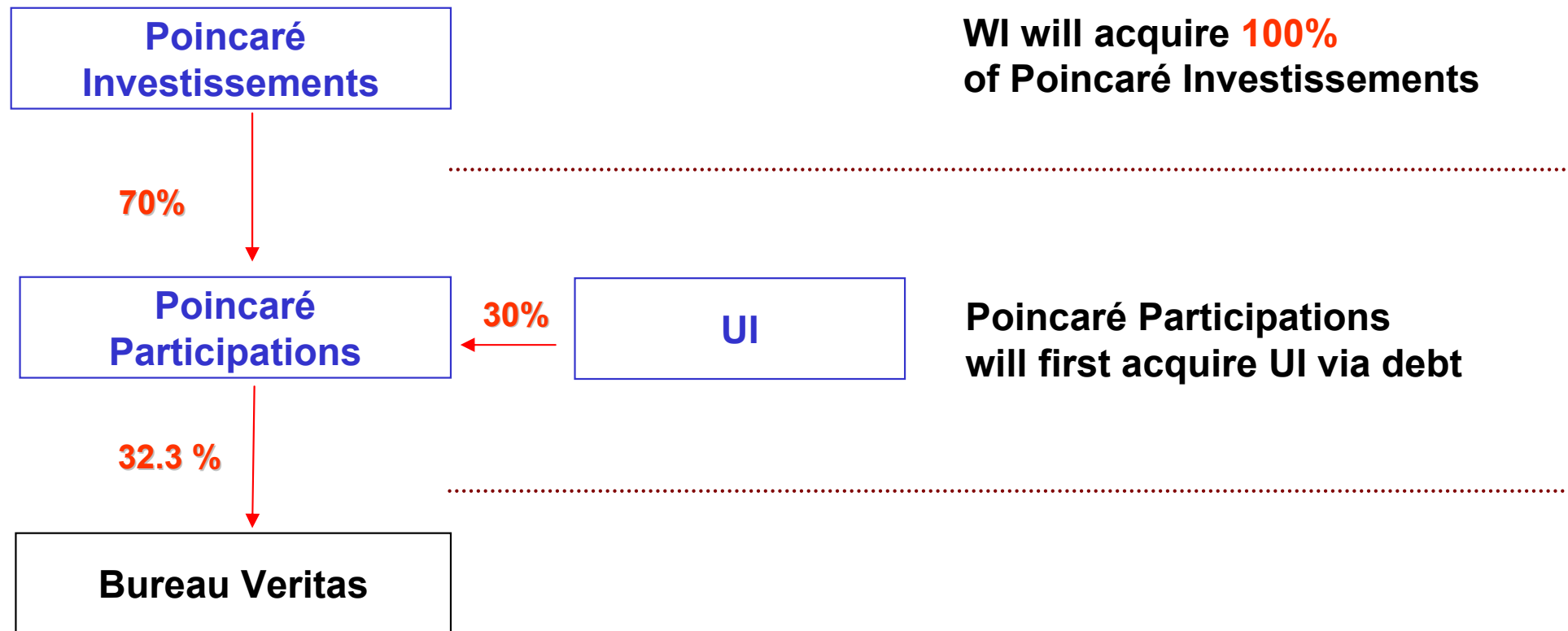


**+15%**  
per year

Investment in human resources and training

- Acquisition of 20% of the capital in 1995 for 21 million euros
- Current shareholding structure:





**WENDEL Investissement would thus acquire 32.3% of Bureau Veritas for 660 million euros (approximately 140 euros per Bureau Veritas share), i.e. 2 billion euros for 100% of Bureau Veritas**

- **Equity interest increased to 66% of the capital of Bureau Veritas after the acquisition**
- **Full consolidation**
  - ▶ Free cash flow of Bureau Veritas: 135 million euros in the 12 months prior to June 2004
- **Settlement planned at the end of October 2004 after:**
  - ▶ Opinion of the Bureau Veritas works council
  - ▶ Approval of regulatory authorities

- WENDEL Investissement is considering making an offer to Bureau Veritas minority shareholders through an exchange of Bureau Veritas shares for WENDEL Investissement shares, or in cash under conditions comparable with those applied for the acquisition of the equity interest held by Poincaré Investissements
- The Royal Bank of Scotland has made a firm commitment to finance this offer for five and six years with no recourse on WENDEL Investissement
- WENDEL Investissement will repurchase its own shares  
They will be used within the framework of the projected offer to Bureau Veritas minority shareholders



- World leadership
- External growth strategy via acquisition of medium-sized companies
- Amplification of organic growth
- Gains in productivity, in particular, because of increased size

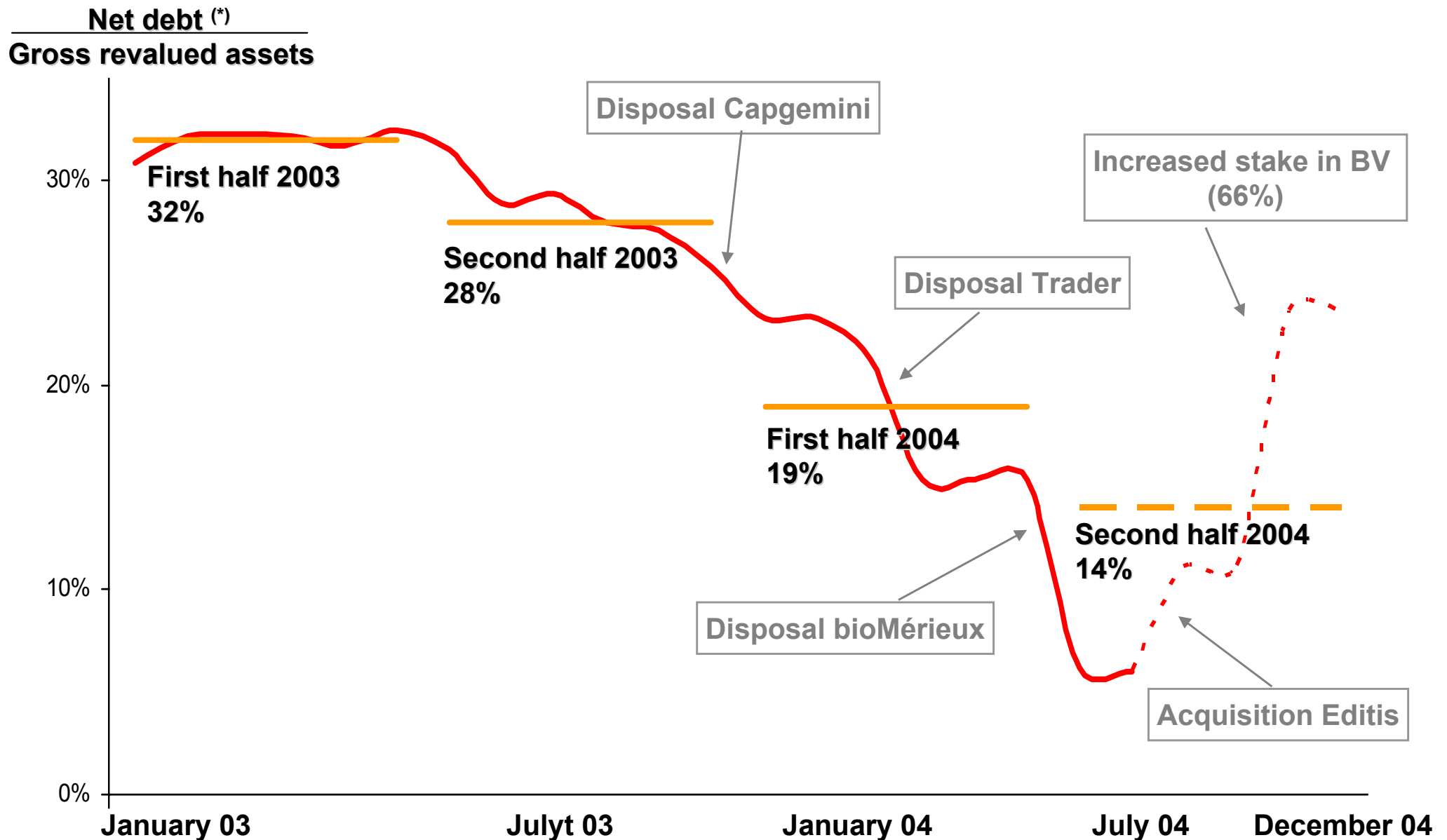


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# FINANCIAL RESOURCES WENDEL INVESTISSEMENT

(Millions of euros)	August 2004	
	Amount	Maturity
<b>Long Term</b>	<b>879</b>	
Bond issue	600	2011
Capgemini exchangeable bonds	279	2009
Syndicated loan (350 million euros)	0	2008
<b>Short term</b>	<b>471</b>	
Valeo exchangeable bonds	409	2005
Miscellaneous short term	62	
<b>Gross financial debt (*)</b>	<b>1,350</b>	
<b>Treasury (*)</b>	<b>(1,160)</b>	
<b>Net financial debt</b>	<b>190</b>	

(\*) Financial debt (minus treasury) of WENDEL Investissement and holding companies excluding those with no recourse on WENDEL Investissement



(\*) Financial debt (minus treasury) of WENDEL Investissement and holding companies excluding those with no recourse on WENDEL Investissement

# Simplified statement of cash flows

(Millions of euros)	Last 12 months to June 2004	+ Bureau Veritas 66% and Editis 100% pro forma
<b>Cash flow of fully consolidated companies</b>	<b>150</b>	<b>376</b>
Change in working capital requirements	1	3
Investments	(23)	(78)
	<b>128</b>	<b>301</b>
Dividends received (unconsolidated companies)	30	20
WENDEL Investissement (operating costs and financial expense)	(49)	(96)
	<b>109</b>	<b>225</b>
Dividends paid	(59)	(69)
<b>Available cash flow (*)</b>	<b>50</b>	<b>156</b>

(\*) before acquisitions, disposals and debt repayment



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# CONSOLIDATED FINANCIAL DATA AS OF JUNE 30, 2004

(Millions of euros)	June 30, 2004	June 30, 2003	2004/2003	June 30, 2002
<b>Income from consolidated business sectors (*)</b>	<b>129</b>	<b>99</b>	<b>+30%</b>	<b>59</b>
Capgemini and Valeo dividends	9	8		11
Financing	(24)	(18)		(10)
Operating expense and tax	(7)	(9)		(6)
<b>Income from business sectors</b>	<b>107</b>	<b>80</b>	<b>+34%</b>	<b>54</b>
Capital gains on disposals & revaluation	144	123		
Other non-recurring items	9	(2)		
Amortization of goodwill	(26)	(32)		
Minority interests	(3)	21		
<b>Net income – Group share</b>	<b>231</b>	<b>190</b>		

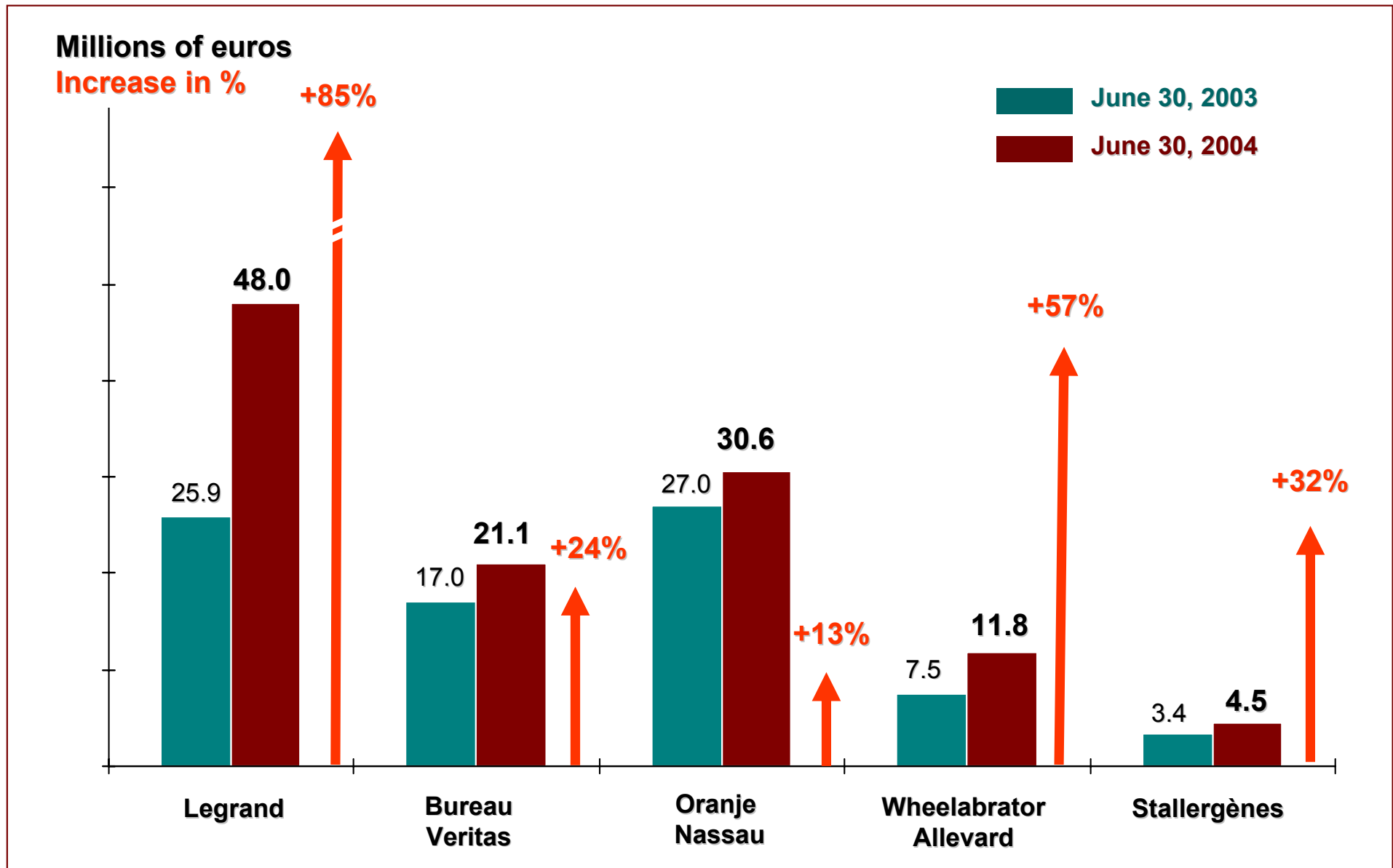
(\*) *Net income before non-recurring items and amortization of goodwill*

(Millions of euros)	June 30, 2004	June 30, 2003	2004/2003	June 30, 2002
Legrand	48.0	25.9	+85%	-
Oranje-Nassau	30.6	27.0	+13%	17.5
Wheelabrator Allevar	11.8	7.5	+57%	9.2
Stallergènes	4.5	3.4	+32%	1.8
Bureau Veritas	21.1	17.0	+24%	15.4
Trader Classified Media	-	5.9		4.5
bioMérieux (**)	12.6	12.7		10.3
<b>Net income from business sectors</b>	<b>128.6</b>	<b>99.4</b>	<b>+30%</b>	<b>58.7</b>

(\*) Net income before non-recurring items and amortization of goodwill

(\*\*) Since bioMérieux has not yet published its first half financial statements, net income has been estimated prudently based, in particular, on forecasts by financial analysts plus the net income of Silliker





(Millions of euros) <i>French GAAP</i>	June 30, 2004		June 30, 2003
Net sales	<b>1,486</b>	<b>+ 7%</b>	1,389
EBITDA before non-recurring items	<b>336.6</b>	<b>+ 18%</b>	285.8
<i>% of net sales</i>	<b>22.6%</b>		<b>20.6%</b>
EBITA before non-recurring items	<b>257.1</b>	<b>+ 30%</b>	198.5
<i>% of net sales</i>	<b>17.3%</b>		<b>14.3%</b>
Net income (*)	<b>128</b>	<b>+ 85%</b>	69

- Organic growth (\*\*): **+10.1%**
  - Market improvement
  - Development of new product lines
  - Sales teams bolstered
- Strong growth in EBITA margin: **+300 basis points**
  - Optimization of production facilities with specialization of plants
  - Increase in productivity

(\*) Before non-recurring items, amortization of goodwill and restatements related to the acquisition

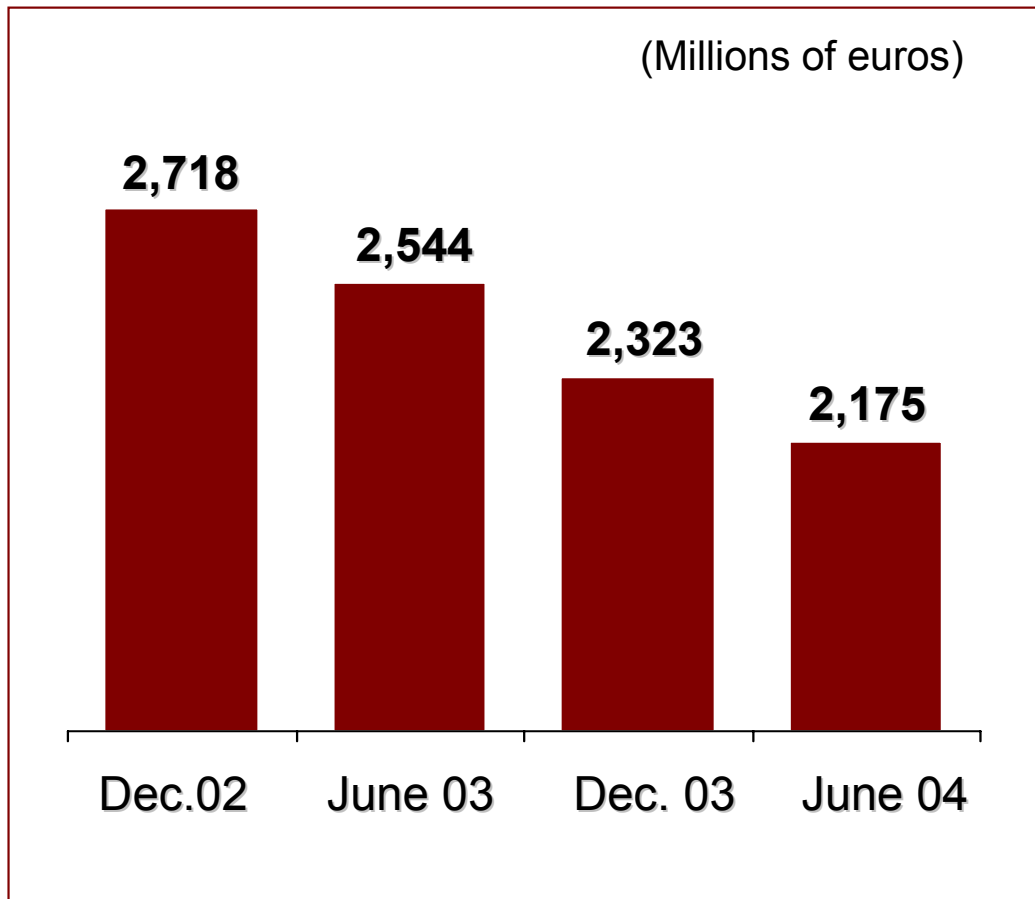
06/09/2004 Excluding the impact of foreign exchange and on a comparable basis

## Organic growth in net sales

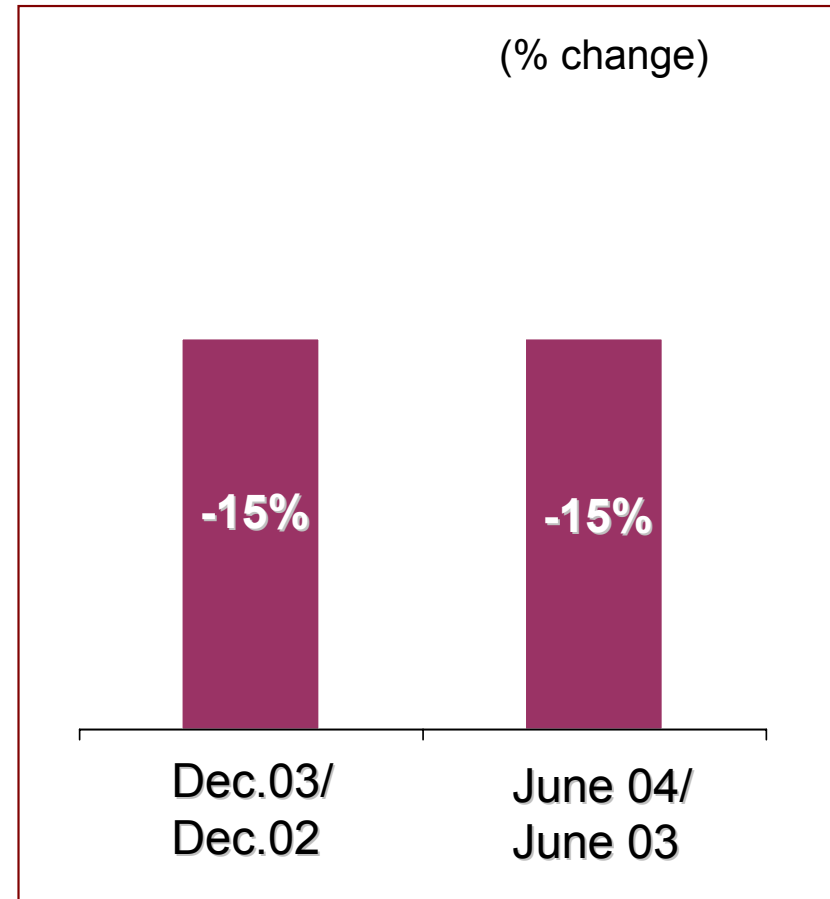
(Millions of euros)	Net sales	Organic growth (*)
France	427	+7.1%
Italy	321	+6.5%
Other Europe	281	+12.1%
USA - Canada	264	+15.0%
Rest of the World	193	+13.0%
<b>Total</b>	<b>1,486</b>	<b>+ 10.1%</b>

(\*) Excluding the impact of foreign exchange and on a comparable basis

### Net debt pro forma French GAAP



### Ongoing reduction in net debt



## ■ Build sales

- ▶ Introduction of development strategies by product, market and country
- ▶ Launch of new high value-added product lines
- ▶ Bolstering of marketing and sales teams (+5% since June 2002)  
Opening of new commercial structures in emerging countries

## ■ Increase productivity

- ▶ Specialization at production sites and systematic make or buy approach
- ▶ Globalization and standardization of procurement at the Group level

## ■ Optimization of capital employed

- ▶ Investments: 43 million euros  
of which 49% for new products in 2004, versus 37% in 2003 and 36% in 2002
- ▶ Reduction in working capital requirements

(Millions of euros)	June 30, 2004		June 30, 2003
Net sales	691	+15%	598
Operating income	99.6	+26%	79.1
% of net sales	14.4%		13.2 %
Net income (*)	62.4	+22%	51.2
Net cash	58		(20)

- Organic growth (\*\*): **+12%**
- Continued external growth with the acquisition of three companies: 20 million euros
- Improvement in operating margin: **+120 basis points**  
Strong growth in margins in the Industry and Infrastructures, and Consumer Goods sectors

(\*) Before non-recurring items and amortization of goodwill

(\*\*) Excluding the impact of foreign exchange and on a comparable basis

(Millions of euros)	June 30, 2004	June 30, 2003
<b>Net sales:</b>	<b>110</b>	<b>119</b>
<b>Energy</b>	<b>105</b>	<b>113</b>
<i>Production (BOE millions)</i>	4.2	4.5
<i>Price per barrel (euros)</i>	27.2	26.3
<b>Real estate</b>	<b>5</b>	<b>6</b>
<b>Net income<sup>(*)</sup>:</b>	<b>30.6</b>	<b>27.0</b>
<b>Energy</b>	<b>27.5</b>	<b>23.2</b>
<b>Real estate</b>	<b>1.7</b>	<b>2.0</b>
<b>Investment</b>	<b>1.4</b>	<b>1.8</b>
<b>Operating cash flow</b>	<b>58</b>	<b>64</b>
<b>Net cash</b>	<b>44</b>	<b>(90)</b>

- Annual cash flow / Revalued assets: **37%**
- **Energy**: increase in net margin
- **Real estate**: sale of three buildings at the end of 2003
- **Investment**: disposal of assets 24 million euros in cash & 15 million euros in capital gains

(Millions of euros)	June 30, 2004		June 30, 2003
Net sales	166	+21%	137
Operating income	18.2	+28%	14.2
% of net sales	11.0%		10.4%
Net income (*)	11.8	+57%	7.5
Net debt	79		78

- Return to growth in new sales
- **Abrasive pellets:** improved margin  
Reduced production capacity in the United Kingdom and the United States
- **Diamond tools:** Restructuring of Diamant Winter acquired in July 2003



(Millions of euros)	June 30, 2004		June 30, 2003
Net sales	<b>46.3</b>	<b>+9%</b>	42.5
Operating income	<b>7.7</b>	<b>+24%</b>	6.2
% of net sales	<b>16.7%</b>		<b>14.6%</b>
Net income (*)	<b>4.5</b>	<b>+32%</b>	3.4
Net debt	<b>10</b>		18

- Organic growth (\*\*): **+9%**
- Advances in new under-the-tongue treatments
- Increase in operating margin: **210 basis points**
- Trials related to the study / tablets

(\*) Before non-recurring items and amortization of goodwill

(\*\*) Excluding the impact of foreign exchange and on a comparable basis



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# NET ASSET VALUE

WENDEL INVESTISSEMENT		Type of consolidation	% interest
Industry	Legrand	E	37.4%
	Oranje-Nassau	FC	100%
	Wheelabrator Allevard	FC	100%
	Stallergènes <sup>(1)</sup>	FC	47.5%
Media & Services	Bureau Veritas	E	33.9%
	Editis <sup>(2)</sup>	FC	100%
Non-strategic holdings	Valeo <sup>(1)</sup>	U	9.9%
	Capgemini <sup>(1)</sup>	U	2.4%
	Neuf telecom	U	4.2%
	bioMérieux <sup>(1)</sup>	U	3.0%

E : Equity method

FC : Full consolidation

U : Unconsolidated

<sup>(1)</sup> : Listed

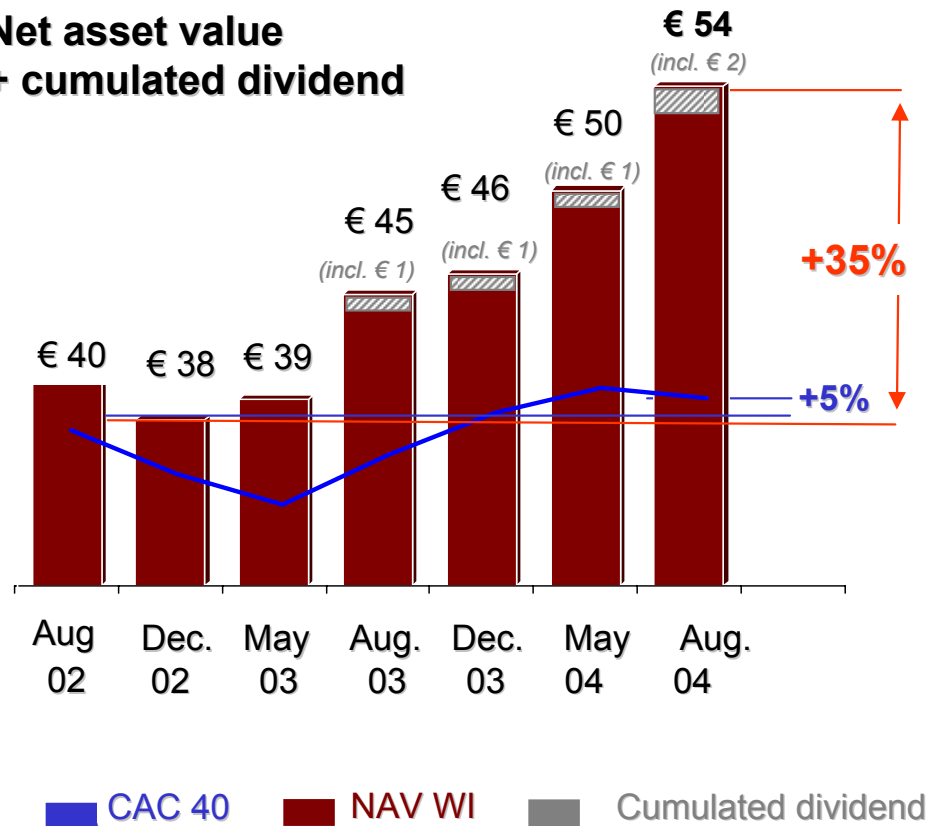
<sup>(2)</sup> : Acquisition in progress

	Millions of euros	%	euros per share
Unlisted assets	2,650	85%	47.6
Listed assets	450	15%	8.1
<b>Gross revalued assets</b>	<b>3,100</b>	<b>100%</b>	<b>55.7</b>
Net financial debt (*)	(190)	6%	(3.5)
<b>Net asset value (**)</b>	<b>2,910</b>		<b>52.2</b>

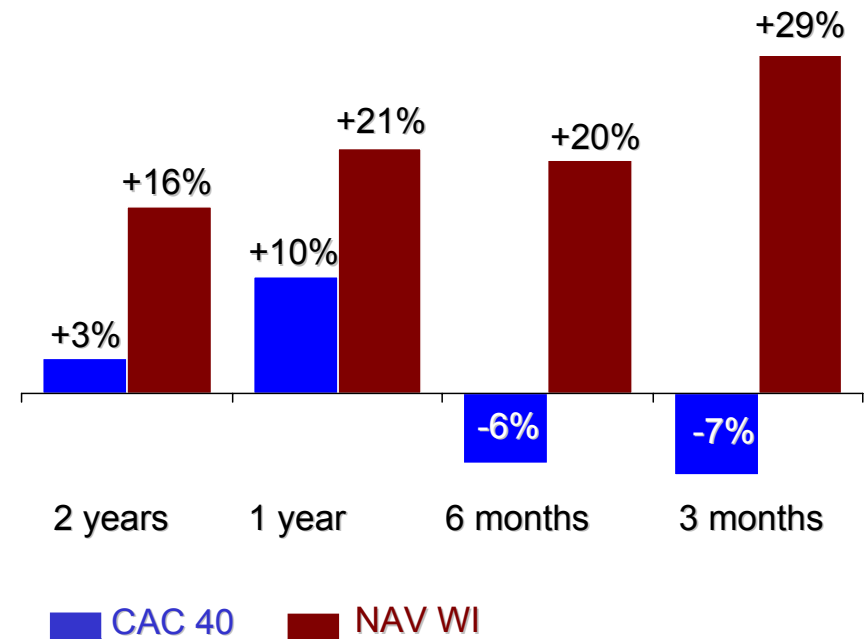
(\*) Financial debt (minus treasury) of WENDEL Investissement and holding companies excluding those with no recourse on WENDEL Investissement

(\*\*) Negligible latent tax

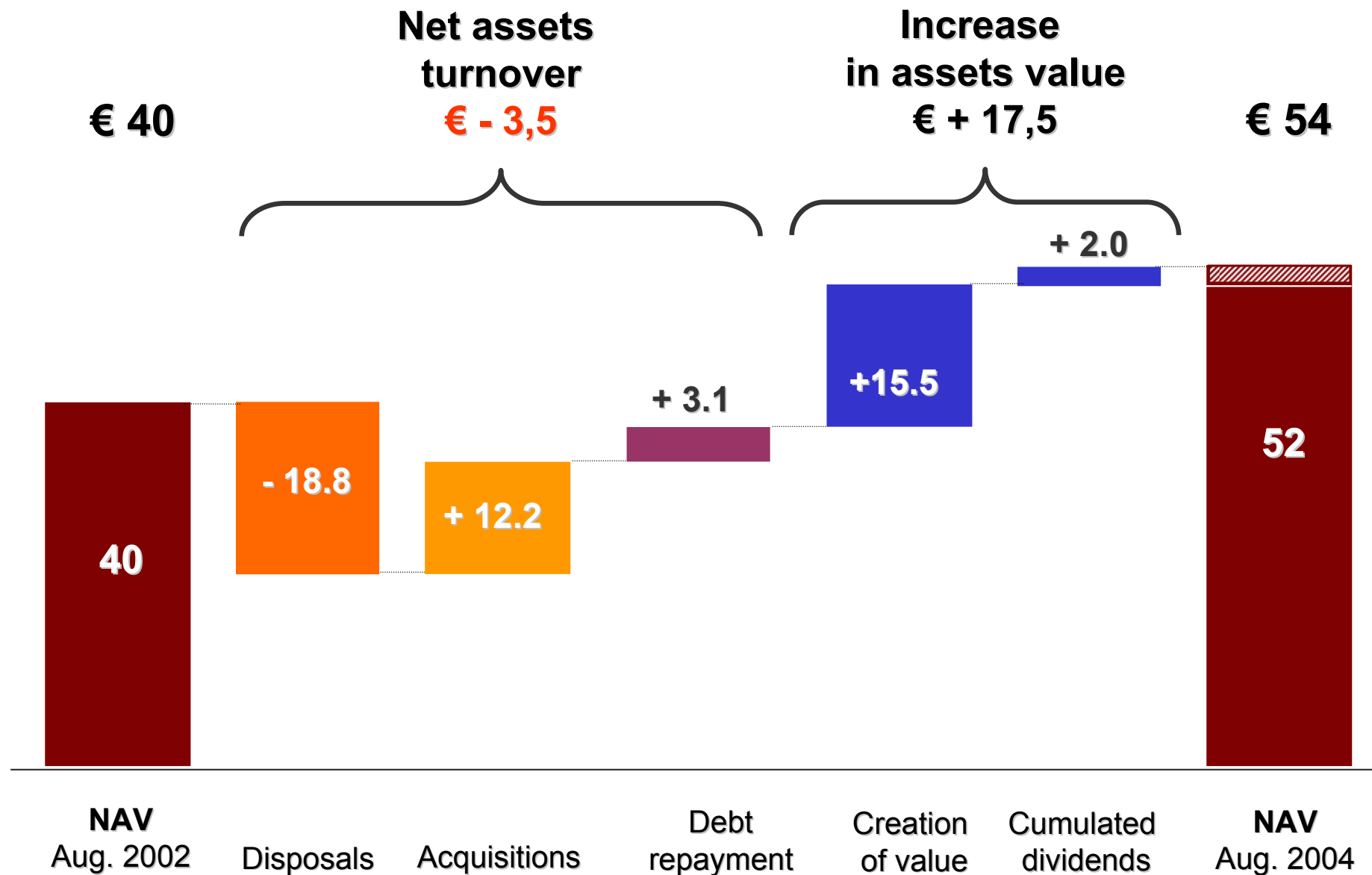
## Net asset value + cumulated dividend



## Performance on a annual basis



# Creation of value for shareholders since the formation of WI



Since the formation of WENDEL Investissement

