



W E N D E L

**Condensed consolidated financial statements  
for the first half of 2007**

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This is a free translation into English of first half of 2007 financial statements,  
provided solely for the convenience of English speaking readers.

30 June 2007

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## Consolidated balance sheet

(in millions of euros)	Note	6.30.2007	12.31.2006
Goodwill, net		3,460.6	3,356.5
Intangible assets, net		1,523.6	1,560.3
Property, plant and equipment, net		995.8	985.3
Investment properties		139.3	118.3
Non-current financial assets	6	949.7	610.8
Equity method investments	4	522.0	525.9
Deferred tax assets		116.2	126.0
<b>Total non-current assets</b>		<b>7,707.3</b>	<b>7,283.1</b>
<b>Assets and operations held for sale</b>		<b>2.6</b>	<b>7.7</b>
Inventories and work-in-progress		397.4	408.4
Trade receivables		1,248.6	1,036.3
Other current assets		203.2	192.3
Current income tax assets		35.9	57.0
Other current financial assets	6	146.2	153.2
Cash and cash equivalents	5	1,858.4	1,026.9
<b>Total current assets</b>		<b>3,889.7</b>	<b>2,873.9</b>
<b>Total assets</b>		<b>11,599.6</b>	<b>10,164.7</b>
Share capital		201.3	222.0
Share premiums		232.0	228.6
Retained earnings and other reserves		1,290.0	1,014.2
Net income for the period		243.2	365.4
		1,966.6	1,830.3
Minority interests		115.1	97.1
<b>Total shareholders' equity</b>	7	<b>2,081.7</b>	<b>1,927.3</b>
Long-term provisions	8	432.1	394.3
Long-term borrowings	9	6,325.0	5,300.6
Other non-current financial liabilities	6	196.4	188.4
Deferred tax liabilities		589.0	612.0
<b>Total non-current liabilities</b>		<b>7,542.6</b>	<b>6,495.4</b>
<b>Liabilities of operations held for sale</b>		<b>2.1</b>	<b>3.1</b>
Short-term provisions	8	31.4	28.6
Short-term borrowings	9	291.8	215.0
Other current financial liabilities	6	239.1	98.3
Trade payables		640.3	618.1
Other current liabilities		655.6	647.7
Current income tax liabilities		115.0	131.2
<b>Total current liabilities</b>		<b>1,973.3</b>	<b>1,738.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>11,599.6</b>	<b>10,164.7</b>

## Consolidated income statement

(in millions of euros)	Note	H1 2007	H1 2006	2006
Net sales		2,627.8	1,726.4	4,273.5
Other income from operations		23.7	27.3	58.6
Operating expenses		-2,341.7	-1,570.8	-3,822.4
<b><i>Income from current activities</i></b>		<b><i>309.8</i></b>	<b><i>182.9</i></b>	<b><i>509.7</i></b>
Other operating income and expenses	10	-5.0	135.7	147.6
<b><i>Operating income</i></b>		<b><i>304.8</i></b>	<b><i>318.7</i></b>	<b><i>657.4</i></b>
Income from cash and cash equivalents		13.3	10.3	22.5
Finance costs, gross		-183.8	-138.1	-311.0
<i>Finance costs, net</i>	11	<i>-170.4</i>	<i>-127.8</i>	<i>-288.5</i>
Other financial income and expenses	12	143.2	37.8	50.1
Tax expense		-69.0	-47.5	-118.2
Share of net income from equity method investments	4	53.8	15.0	68.5
<b><i>Net income from continuing operations</i></b>		<b><i>262.4</i></b>	<b><i>196.1</i></b>	<b><i>369.3</i></b>
Net income or loss from discontinued operations and operations held for sale		-0.9	-1.2	-6.4
<b><i>Net income</i></b>		<b><i>261.5</i></b>	<b><i>194.9</i></b>	<b><i>362.9</i></b>
Net income (share of minority interests)		18.3	-2.5	-2.5
<b><i>Net income (Group share)</i></b>		<b><i>243.2</i></b>	<b><i>197.4</i></b>	<b><i>365.4</i></b>
Basic earnings per share (in euros)		4.84	4.00	7.39
Diluted earnings per share (in euros)		4.80	3.92	7.25
Basic earnings per share from continuing operations (in euros)		4.86	4.02	7.52
Diluted earnings per share from continuing operations (in euros)		4.82	3.94	7.37
Basic earnings per share from discontinued operations (in euros)		-0.02	-0.02	-0.13
Diluted earnings per share from discontinued operations (in euros)		-0.02	-0.02	-0.13

## Statement of recognized income and expenses

(in millions of euros)	Note	H1 2007	H1 2006
Translation reserves		8.7	-13.7
Actuarial gains and losses		5.6	-0.2
Gains and losses on assets available for sale		7.6	9.2
Gains and losses on derivatives qualifying for hedge accounting		-7.6	-14.5
Wendel-Participations securities and derivatives		-	-0.8
Tax effects		3.5	7.3
<b>Income and expenses directly accounted for in shareholders' equity (A)</b>		<b>17.8</b>	<b>-12.8</b>
Net income for the period (B)		261.5	194.9
<b>Total income and expenses recognized for the period (A) + (B)</b>		<b>279.3</b>	<b>182.2</b>
Attributable to:			
-shareholders of Wendel	7	259.8	186.4
-minority interests	7	19.5	-4.2

## Consolidated cash flow statement

(in millions of euros)

	H1 2007	H1 2006
<b>Cash flows from operating activities</b>		
Net income (loss)	261.5	194.9
Share of net income from equity method investments	-53.8	-15.0
Depreciation, amortization, provisions, and other non-cash items	185.8	100.1
Non-cash income and expense related to stock options and similar items	1.7	1.6
Acquisition costs of property, plant and equipment, uncanceled	0.8	6.2
Gains/losses on disposal of non-current assets and operations	1.3	-153.1
Dividends received from non-consolidated companies	-17.1	-7.4
Unrealized gains and losses related to changes in fair value	-44.1	4.8
Financial income and expenses	62.0	104.2
Taxes (current and deferred)	69.0	46.8
Cash flow from consolidated companies before tax	467.1	283.1
Change in operating working capital requirement	-182.2	-88.1
<b>Net cash flows from operating activities</b>	<b>284.9</b>	<b>195.0</b>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets and property, plant and equipment	-96.7	-83.9
Disposal of intangible assets and property, plant and equipment	2.5	22.8
Investment in shares of subsidiaries and affiliates		
Acquisition of Deutsch	-	-260.7
Acquisition of Materis	-	-319.1
Acquisition of Stahl	-	-29.0
Acquisition of other non-current financial assets	-159.5	-193.7
Divestment of shares in subsidiaries and affiliates		
Disposal of Lumina Parent / (Legrand)	-	102.9
Disposal of Wheelabrator Allevard	-	9.6
Disposal of Capgemini	-	73.8
Disposal of Solfur	78.7	-
Disposal of Valeo	17.8	7.7
Disposal of other investments	22.9	1.8
Acquisition costs of property, plant and equipment, uncanceled	-0.8	-6.2
Impact of changes in Group structure and operations held for sale	3.8	57.9
Changes in other assets and financial liabilities and other (1)	-176.4	-79.3
Dividends received from affiliates and non-consolidated companies	59.3	40.6
Change in working capital related to investing activities	-11.4	5.0
<b>Net cash flows from investing activities</b>	<b>-259.9</b>	<b>-649.9</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	3.7	1.5
Contribution of minority shareholders	5.8	3.4
Share buybacks	2.5	-14.0
Dividend paid by the parent company	-100.5	-98.6
Dividend paid to minority shareholders	-4.1	-3.9
New borrowings	1,245.2	1,567.7
Repayment of borrowings	-146.5	-1,212.8
Finance costs, net	-162.8	-100.9
Other financial expenses	17.2	16.6
Change in working capital requirement related to financing activities	17.7	-20.2
<b>Net cash flows from financing activities</b>	<b>878.1</b>	<b>138.8</b>
<b>Cash flows related to taxes</b>		
Current tax	-76.3	-87.0
Change in tax assets and liabilities (excluding deferred taxes)	4.0	27.7
<b>Net cash flows related to taxes</b>	<b>-72.3</b>	<b>-59.3</b>
Effect of fluctuations in currency rates	0.7	-6.5
Net change in cash and cash equivalents	831.5	-381.8
Cash and cash equivalents at the beginning of the period	1,026.9	1,029.6
<b>Cash and cash equivalents at the end of the period</b>	<b>1,858.4</b>	<b>647.8</b>

(1) Related notably to derivatives described in note 6.3 (2)

Wendel is a public limited company (*société anonyme*) governed by French law, registered in the Paris Companies Register under 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 corporations to accelerate their growth and development.

The interim consolidated financial statements of Wendel cover the six-month period from January 1, 2007 to June 30, 2007. All amounts are in millions of euros.

## **Note 1- Accounting principles**

This set of financial statements for the first half ending June 30, 2007 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 2006 fiscal year included in the reference document filed with the AMF on May 23, 2007.

The accounting policies applied are the same as those adopted for the preparation of the financial statements for the 2006 fiscal year, as presented in the 2006 annual report.

The adoption of the following new standards, amendments to existing standards and interpretations is mandatory for the financial period ending on December 31, 2007 but do not have a significant impact on the financial statements of the Group:

IAS 1 “Amendments to IAS 1 Presentation of Financial Statements – *Capital disclosures*”, mandatory adoption from January 1, 2007;

-IFRS 7 “Financial instruments: Disclosures”, mandatory adoption from January 1, 2007

-IFRIC 7 “Applying the restatement approach under IAS 29 ‘Financial reporting in hyperinflationary economies’ ”, mandatory adoption for financial periods beginning on or after March 1, 2006;

-IFRIC 8 “Scope of IFRS 2”, mandatory adoption for financial periods beginning on or after May 1, 2006;

-IFRIC 9 “Reassessment of embedded derivatives”, mandatory adoption for financial periods beginning on or after June 1, 2006;

-IFRIC 10 “Interim financial reporting and impairment”, mandatory adoption for financial periods beginning on or after November 1, 2006;

The following new standards, amendments to existing standards and interpretations have been published but are not applicable in 2007 and Wendel has decided against their early adoption:

-IFRIC 8 “Operating segments”, effective for financial periods beginning after January 1, 2009;

-IFRIC 11 “IFRS2 -Group and treasury share transactions”, mandatory adoption for financial periods beginning on or after March 1, 2007;

-IFRIC 12 “Service concession arrangements”, mandatory adoption for financial periods beginning on or after January 1, 2008;

## **Note 2- Changes in the scope of consolidation**

Wendel gained control of Materis at the end of April 2006. Materis therefore contributed to the consolidated net result of Wendel for two months in 2006 (a loss of €13.5 million, after expenses related to shareholder loans and the impact of goodwill allocation) and for six months in 2007 (a profit of €7.6 million, after expenses related to shareholder loans and the impact of goodwill allocation).

At the end of June 2006 Wendel gained control of Deutsch. Deutsch was therefore not consolidated in the first half of 2006. It contributed a loss of €23.4 million to the consolidated results for the first half of 2007 (after expenses related to shareholder loans and the impact of allowances for goodwill).

Wendel acquired an investment in Stahl at the end of June 2006, which led to it being accounted for as an equity method investment from this date. It contributed a loss of €5.4 million to the consolidated results for the first half of 2007 (after expenses related to shareholder loans and the impact of goodwill allocation).

## **Note 3- Segment information**

Wendel's business segments are represented by those of its subsidiaries. The Group publishes the following segment information:

- Bureau Veritas (Certification, quality control)
- Editis (Publishing)
- Stallergènes (Immunotherapy)
- Oranje-Nassau Énergie (Energy)
- Deutsch (Connectors)
- Materis (Specialty chemicals for the construction sector)
- Holding companies



## **Analysis by business segment for the six months to June 30, 2006:**

<b>(in millions of euros)</b>	<b>Bureau Veritas</b>	<b>Editis</b>	<b>Materis</b>	<b>Oranje Nassau Energie</b>	<b>Oranje Nassau Groep excl. Energie</b>	<b>Stallergènes</b>	<b>Wendel and holding companies</b>	<b>Eliminations and unallocated</b>	<b>Total Group</b>
Net sales	896.5	318.3	311.7	130.1	5.6	64.2	-	-	1,726.4
Income from current activities before allocation of goodwill	115.8	13.2	55.5	88.5	1.2	12.2	-18.8	-	267.6
Income from current activities	78.2	7.7	13.9	88.5	1.2	12.2	-18.8	-	182.9
Net cash flows from operating activities	71.8	-39.6	22.3	112.8	0.4	16.6	10.6	-	195.0
Net cash flows from investing activities	-73.1	-15.7	38.1	-14.5	-9.3	-5.3	-570.0	-	-649.9
Net cash flows from financing activities	15.6	2.0	-6.9	7.1	-39.4	-4.0	164.6	-	138.9
Net cash flows related to taxes	-28.1	-8.3	-10.6	-48.4	-5.5	-3.7	45.2	-	-59.3
Goodwill, net	1,367.9	567.7	1,376.3	10.9	30.6	29.2	-	-	3,382.6
Intangible assets, net	541.4	36.9	166.4	-	-	3.6	0.0	-	748.3
Property, plant and equipment, net	100.2	31.2	398.2	199.0	1.0	26.2	5.4	-	761.1
Investment properties	-	-	-	-	112.7	-	1.0	-	113.6
Non-current assets not allocated by segment								1,496.5	1,496.5
<b>Non-current assets</b>									<b>6,502.2</b>
Assets held for sale								0.8	0.8
Inventories and work-in-progress	49.6	63.9	187.0	0.7	-	13.9	-	-	315.1
Trade receivables	419.3	121.8	414.2	19.4	0.1	17.0	0.6	-	992.4
Other receivables	24.6	56.7	57.1	0.1	18.3	6.1	12.0	-	174.9
Prepaid expenses	25.3	3.3	-	0.3	-	0.7	0.4	-	30.0
Other current assets not allocated by segment								889.7	889.7
<b>Current assets</b>									<b>2,402.2</b>
<b>Total assets</b>									<b>8,905.2</b>
Shareholders' equity								1,727.7	1,727.7
Provisions	67.6	-	9.9	103.9	-	0.3	58.1	-	239.8
Employee benefits	78.5	13.7	25.7	-	8.2	2.3	2.3	-	130.8
Other non-current liabilities not allocated by segment								5,450.3	5,450.3
<b>Non-current liabilities</b>									<b>5,820.9</b>
Provisions	-	14.1	7.5	-	-	2.1	-	-	23.8
Trade payables	104.5	133.6	262.8	22.5	0.8	24.0	5.6	-	553.7
Other creditors	226.8	113.5	135.8	3.6	3.2	12.1	10.3	-	505.3
Unearned revenue	67.1	5.1	-	1.8	0.9	0.0	-	-	74.9
Other current liabilities not allocated by segment								198.9	198.9
<b>Current liabilities</b>									<b>1,356.7</b>
<b>Total liabilities and shareholders' equity</b>									<b>8,905.2</b>

## Analysis by business segment for the six months to June 30, 2007:

(in millions of euros)	Bureau Veritas	Deutsch	Editis	Materis	Oranje Nassau Energie	Oranje Nassau Groep excl. Energie	Stallergènes	Wendel and holding companies	Eliminations and unallocated	Total Group
Net sales	969.4	224.1	320.8	917.8	115.5	5.4	74.8	-	-	2,627.8
Income from current activities before allocation of goodwill	139.8	26.2	15.3	123.4	66.9	2.0	15.4	-15.4	-	373.7
Income from current activities	103.3	13.3	10.2	114.0	66.9	2.0	15.4	-15.4	-	309.8
Net cash flows from operating activities	108.1	32.9	-36.9	92.7	89.4	2.0	13.6	-16.8	-	284.9
Net cash flows from investing activities	-72.7	-10.4	-43.8	-62.3	-11.1	27.6	-5.9	44.8	-126.0	-259.9
Net cash flows from financing activities	7.4	-11.9	49.8	-18.8	-27.9	-26.4	-5.9	785.7	126.0	878.1
Net cash flows related to taxes	-32.4	-2.7	-24.7	-14.1	-26.8	-1.4	-0.3	30.2	-	-72.3
Goodwill, net	1,397.3	385.7	627.9	979.1	10.9	30.6	29.2	-	-	3,460.6
Intangible assets, net	487.1	188.1	41.2	804.2	-	-	2.9	-	-	1,523.6
Property, plant and equipment, net	111.7	140.8	39.1	471.2	189.7	0.4	36.8	6.1	-	995.8
Investment properties	-	-	-	-	-	138.4	-	1.0	-	139.3
Non-current assets not allocated by segment									1,588.0	1,588.0
<b>Non-current assets</b>										<b>7,707.3</b>
Assets held for sale									2.6	2.6
Inventories and work-in-progress	-	92.5	72.8	214.8	1.8	-	15.5	-	-	397.4
Trade receivables	527.3	86.3	131.4	456.7	24.8	0.2	20.9	1.1	-	1,248.6
Other receivables	26.2	6.9	55.6	63.0	0.1	-	6.0	3.4	-	161.2
Prepaid expenses	34.1	2.3	4.0	-	0.2	0.1	0.8	0.4	-	42.0
Other current assets not allocated by segment									2,040.5	2,040.5
<b>Current assets</b>										<b>3,889.7</b>
<b>Total assets</b>										<b>11,599.6</b>
Shareholders' equity									2,081.7	2,081.7
Provisions	71.6	1.6	-	10.9	108.5	-	0.2	84.6	-	277.4
Employee benefits	86.0	11.0	14.6	31.1	2.1	6.8	1.7	1.5	-	154.7
Other non-current liabilities not allocated by segment									7,110.5	7,110.5
<b>Non-current liabilities</b>										<b>7,542.6</b>
Liabilities of operations held for sale									2.1	2.1
Provisions	-	4.2	11.9	12.3	-	-	3.1	-	-	31.4
Trade payables	121.1	28.4	139.1	299.4	21.5	1.4	25.3	4.2	-	640.3
Other creditors	252.4	29.6	99.1	153.6	2.8	4.3	12.8	13.8	-	568.5
Unearned revenue	74.6	1.4	8.0	-	1.5	1.5	-	-	-	87.0
Other current liabilities not allocated by segment									646.0	646.0
<b>Current liabilities</b>										<b>1,973.3</b>
<b>Total liabilities and shareholders' equity</b>										<b>11,599.6</b>

## Note 4- Equity method investments

(in millions of euros)	6.30.2007	12.31.2006
	Net amount	Net amount
Lumina Parent	0.2	0.2
Legrand	487.4	488.1
Stahl	29.1	32.5
Investments in Bureau Veritas	2.2	2.1
Investments in Editis	0.1	-
Investments in Materis	3.0	2.9
<b>Total</b>	<b>522.0</b>	<b>525.9</b>

The variation in equity method investments was as follows:

(in millions of euros)	H1 2007	H1 2006
At beginning of period	525.9	436.5
Dividends for the period	-40.3	-36.2
Increases		
Acquisition of Stahl	-	28.5
Adjustment on Stahl	-	11.4
Impact of changes in the scope of consolidation	6.2	36.2
Impact of business combinations	-	2.7
Impacts of changes in currency translation adjustments	2.0	-21.6
Changes due to operations sold	-	-0.1
Share in net income for the period	53.8	68.5
Other	-25.7	-
<b>At end of period</b>	<b>522.0</b>	<b>525.9</b>

## Note 5- Cash and cash equivalents

(in millions of euros)	6.30.2007	12.31.2006
Bureau Veritas	118.5	106.8
Deutsch	20.8	13.0
Editis	32.4	88.1
Materis	75.8	78.6
Oranje-Nassau	146.4	121.1
Stallergènes	15.2	13.7
Wendel and holding companies	1,449.4	605.4
<b>Total</b>	<b>1,858.4</b>	<b>1,026.9</b>

## Note 6- Financial assets and liabilities

Financial assets broke down as follows:

(in millions of euros)	6.30.2007	12.31.2006
Assets available for sale	212.9	358.3
Financial assets at fair value through profit or loss	116.0	135.2
Loans	84.8	104.1
Deposits and guarantees	22.1	21.0
Derivatives	633.4	129.4
Other	26.8	16.0
<b>Total</b>	<b>1,095.9</b>	<b>764.0</b>
<i>of which non-current financial assets</i>	<i>949.7</i>	<i>610.8</i>
<i>of which current financial assets</i>	<i>146.2</i>	<i>153.2</i>

Financial liabilities broke down as follows:

(in millions of euros)	6.30.2007	12.31.2006
Derivatives	372.4	251.5
Other	63.1	35.3
<b>Total</b>	<b>435.5</b>	<b>286.8</b>
<i>of which non-current financial liabilities</i>	<i>196.4</i>	<i>188.4</i>
<i>of which current financial liabilities</i>	<i>239.1</i>	<i>98.3</i>

### 6.1 Assets available for sale

(in millions of euros)	6.30.2007	12.31.2006
Listed securities		
Listed securities in the euro zone	149.6	138.6
Unlisted securities		
Wendel-Participations (1)	-	138.9
Other investment securities	63.3	80.8
<b>Total</b>	<b>212.9</b>	<b>358.3</b>
<i>of which non-current financial assets</i>	<i>212.9</i>	<i>358.3</i>

(1) See the note on related party transactions

### 6.2 Financial assets at fair value through profit and loss

(in millions of euros)	6.30.2007	12.31.2006
Listed securities		
Listed securities in the euro zone	96.8	106.9
Listed securities in the United States	-	9.8
Other	19.1	18.5
		-
<b>Total</b>	<b>116.0</b>	<b>135.2</b>
<i>of which non-current financial assets</i>	<i>-</i>	<i>-</i>
<i>of which current financial assets</i>	<i>116.0</i>	<i>135.2</i>

### 6.3 Derivatives

(in millions of euros)	6.30.2007		12.31.2006	
	Assets	Liabilities	Assets	Liabilities
Options on shares – not qualifying for hedge accounting (1)	130.2	131.4	98.1	171.4
Share derivatives – not qualifying for hedge accounting (2)	472.7	211.0	4.5	61.0
Commodity derivatives – hedging of cash flows	1.0	24.9	0.9	13.6
Commodity derivatives – not qualifying for hedge accounting	-	-	0.8	0.3
Interest rate swaps – hedging of cash flows	5.1	-	1.5	0.0
Interest rate swaps – not qualifying for hedge accounting	23.9	5.0	17.0	5.2
Forward contracts – hedging of cash flows	0.1	0.1	0.0	0.1
Forward contracts – not qualifying for hedge accounting	0.5	-	6.6	-
<b>Total</b>	<b>633.4</b>	<b>372.4</b>	<b>129.4</b>	<b>251.5</b>
Non-current portion:				
Options on shares - not qualifying for hedge accounting	130.2	131.4	98.1	171.4
Share derivatives - not qualifying for hedge accounting	462.5	43.5	-0.0	0.0
Commodity derivatives - hedging of cash flows	0.1	16.6	0.2	11.7
Commodity derivatives - not qualifying for hedge accounting	-	-	-	-
Interest rate swaps - hedging of cash flows	5.1	-	1.5	-
Interest rate swaps - not qualifying for hedge accounting	15.6	4.7	13.1	5.0
Forward contracts - not qualifying for hedge accounting	-	-	-	-
<b>Total</b>	<b>613.5</b>	<b>196.2</b>	<b>112.9</b>	<b>188.2</b>
<b>Current portion of derivatives</b>	<b>19.9</b>	<b>176.3</b>	<b>16.5</b>	<b>63.3</b>

(1) Including:

-the option component of bonds issued by the Group that are exchangeable for Capgemini shares (7,000,000 options) is almost fully hedged by American call options on Capgemini shares (6,939,658 options) whose characteristics are substantially the same as those of the bonds. The hedged portion of these bonds is therefore transformed into “plain vanilla” bonds.

- at December 31, 2006, the sales of call options on Wendel Participations (see note on Related Parties main transactions).

(2) Wendel may use equity or index-based derivatives in the management of its portfolio of investments. It may also use derivatives with a view to the sale of one of its investments or with a view to obtaining a specific economic exposure.

The book value used for these derivatives corresponds to the value at which the counterparties would have accepted to settle them as of June 30, 2007. It has been established using non-contractual information supplied by these counterparties.

This value is difficult to determine given the characteristics of these instruments. It takes account of the market conditions at the balance sheet date including, notably, the price, the volatility and liquidity of the underlyings leading to a discount compared to the prices of the underlyings. This value is liable to vary according to market conditions, and possibly, the dates and timeframe in which these derivatives are to be settled. At the balance sheet date a variation of 5% to prices of the underlyings related to these derivatives would have had an impact on total net income of around €230 million, or around 4% of the Net Asset Value (NAV) announced by Wendel in June 2007. The amount of risk associated with all these derivatives is restricted to guarantees and pledges given whose maximum cumulative nominal value (securities, cash and guarantees) totals less than €1.6 billion.

As of the date that the financial statements were approved, the crisis in the financial markets in the summer of 2007 has not required Wendel to offer additional guarantees or pledges to those in place at June 30, 2007. On the basis of positions at the date the financial statements were approved and the updated NAV at the end of August that showing a 5% fall compared to that announced in June, the sensitivity referred to above is of the order of 5% of this NAV

## Note 7- Shareholders' equity

(in millions of euros)	Number of shares	Share capital	Share premiums	Treasury shares	Retained earnings and other reserves	Translation adjustments	Group share	Minority interests	Total shareholder s' equity
<b>Balance at December 31, 2005 (1)</b>	<b>49,377,978</b>	<b>218.9</b>	<b>203.6</b>	<b>-313.8</b>	<b>1,401.7</b>	<b>-7.5</b>	<b>1,502.8</b>	<b>114.6</b>	<b>1,617.4</b>
Income and expenses accounted for directly in shareholders' equity (A)		-	-	-	1.1	-12.1	-11.0	-1.8	-12.8
Net income for the period (B)					197.4		197.4	-2.4	194.9
Total income and expenses recognized for the period (A)+(B)		-	-	-	198.5	-12.1	186.4	-4.2	182.2
Dividends paid (2)					-98.6		-98.6	-3.9	-102.5
Treasury shares	-108,002			-11.4	0.5		-10.9	-3.2	-14.1
Cancellation of shares							-		-
Increase in capital							-		-
exercise of stock options	1,098	0.0	0.0				0.0		0.0
due to employee stock ownership plan	20,070	0.1	1.4				1.5		1.5
other							-	56.0	56.0
Share-based payment: stock options					2.0		2.0	0.3	2.3
Change in the liquidity commitment on Bureau Veritas shares					-8.7		-8.7	0.0	-8.7
Changes in scope of consolidation					-2.9		-2.9	-2.9	-5.8
Other movements					-0.6		-0.6	-0.0	-0.6
<b>Balance at June 30, 2006 (1)</b>	<b>50,191,599</b>	<b>218.9</b>	<b>205.1</b>	<b>-325.2</b>	<b>1,491.9</b>	<b>-19.6</b>	<b>1,571.1</b>	<b>156.6</b>	<b>1,727.7</b>

(in millions of euros)	Number of shares	Share capital	Share premiums	Treasury shares	Retained earnings and other reserves	Translation adjustments	Group share	Minority interests	Total shareholder s' equity
<b>Balance at December 31, 2006 (1)</b>	<b>50,191,599</b>	<b>222.0</b>	<b>228.6</b>	<b>-319.9</b>	<b>1,717.4</b>	<b>-17.9</b>	<b>1,830.3</b>	<b>97.1</b>	<b>1,927.3</b>
Income and expenses accounted for directly in shareholders' equity (A)		-	-	-	8.4	8.1	16.5	1.3	17.8
Net income for the period (B)					243.2	-	243.2	18.2	261.5
Total income and expenses recognized for the period (A)+(B)		-	-	-	251.6	8.1	259.8	19.5	279.3
Dividends paid (2)					-100.5		-100.5	-4.1	-104.6
Treasury shares	5,268,606			317.3	0.9		318.2		318.2
Cancellation of shares	-5,257,773	-21.0			-294.2		-315.2		-315.2
Increase in capital							-		-
exercise of stock options	44,799	0.2	1.5				1.6		1.6
due to employee stock ownership plan	18,800	0.1	1.9				2.0		2.0
other							-		-
Share-based payment: stock options					2.2		2.2	0.1	2.3
Change in the liquidity commitment on Bureau Veritas shares					-10.2		-10.2	0.7	-9.4
Changes in scope of consolidation					-27.3	-0.1	-27.4	2.2	-25.2
Other movements					5.9		5.9	-0.4	5.5
<b>Balance at June 30, 2007 (1)</b>	<b>50,266,031</b>	<b>201.3</b>	<b>232.0</b>	<b>-2.6</b>	<b>1,545.7</b>	<b>-9.9</b>	<b>1,966.6</b>	<b>115.1</b>	<b>2,081.7</b>

(1)	Par value	Number of shares share capital	Treasury shares
At 12.31.2005	€4	54,713,540	5,335,562
At 6.30.2006	€4	54,734,708	5,443,564
At 12.31.2006	€4	55,507,161	5,315,562
At 6.30.2007	€4	50,294,187	28,156

(2) Net dividend paid in 2006: €2.00 per share; net dividend paid in 2007: €2.00 per share.

## Note 8- Provisions

Provisions were broken down as follows:

(in millions of euros)	6.30.2007	12.31.2006
Provisions for liabilities and charges	308.9	274.4
Employee benefits	154.6	148.6
<b>Total</b>	<b>463.5</b>	<b>422.9</b>
<i>of which current</i>	<i>31.4</i>	<i>28.6</i>
<i>of which non-current</i>	<i>432.1</i>	<i>394.3</i>

### **Provisions for liabilities and charges:**

(in millions of euros)	12.31.2006	Additions	Reversals used provisions	Reversals unused provisions	Discounting impact	Translation adjustments, reclassifications	6.30.2007
<b>Wendel and holding companies</b>							
Commitment to guarantee the liquidity of Bureau Veritas shares	41.1	-	-	-	-	9.4	50.6
Other	19.0	15.0	-	-	-	-	34.0
<b>Bureau Veritas</b>							
Claims and litigation	57.8	4.2	-0.3	-2.7	-	0.1	59.0
Other	11.9	5.6	-2.5	-2.3	-	-0.2	12.6
<b>Deutsch</b>							
Other	5.1	1.5	-0.3	-0.2	-	-0.4	5.8
<b>Editis</b>							
Restructuring	7.3	-	-1.7	-	-	0.9	6.5
Other	6.5	0.8	-2.3	-	-	0.5	5.4
<b>Materis</b>							
Restructuring	2.6	0.9	-	-	-	-1.6	1.9
Claims and litigation	7.7	2.1	-1.2	-0.2	-	1.4	9.8
Other	8.0	0.5	-0.3	-	-	3.4	11.5
<b>Oranje-Nassau Groep</b>							
Dismantling of oil installations	102.5	-0.2	-	-	2.7	0.9	106.0
Other	2.5	-	-	-	-	-	2.5
<b>Stallergènes</b>							
Other	2.2	1.1	-0.1	-	-	-	3.3
<b>Total</b>	<b>274.4</b>	<b>31.5</b>	<b>-8.8</b>	<b>-5.4</b>	<b>2.7</b>	<b>14.5</b>	<b>308.9</b>
<b>-of which current</b>	<b>28.6</b>						<b>31.4</b>

## Note 9- Borrowings

(in millions of euros)	6.30.2007	12.31.2006
	Amounts drawn down	
<b>Wendel</b>		
Bond issues	2,779.1	1,979.1
Deferred issuance costs	-68.8	-30.7
Other borrowings and accrued interest	46.0	29.4
	<b>2,756.3</b>	<b>1,977.8</b>
<b>Matéris Investor</b>		
Shareholder loan	12.6	11.9
	<b>12.6</b>	<b>11.9</b>
<b>Bureau Veritas</b>		
Bank borrowings	728.3	472.0
Deferred issuance costs	-4.5	-3.0
Other borrowings and accrued interest	34.2	25.3
	<b>758.0</b>	<b>494.4</b>
<b>Deutsch</b>		
Bank borrowings	527.2	519.3
Deferred issuance costs	-12.1	-13.2
Shareholder loans	17.0	53.4
Other borrowings and accrued interest	6.4	13.8
	<b>538.4</b>	<b>573.2</b>
<b>Editis</b>		
Bank borrowings	512.0	468.0
Deferred issuance costs	-3.3	-3.6
Other borrowings and accrued interest	11.0	4.4
	<b>519.7</b>	<b>468.8</b>
<b>Materis</b>		
Bank borrowings	1,782.9	1,731.9
Deferred issuance costs	-24.9	-26.7
Shareholder loans	50.6	47.0
Other borrowings and accrued interest	71.7	69.7
	<b>1,880.4</b>	<b>1,821.9</b>
<b>Oranje-Nassau Groep</b>	127.1	141.9
<b>Stallergènes</b>	24.4	25.8
<b>Total</b>	<b>6,616.9</b>	<b>5,515.6</b>

### *Principal variations:*

#### **Wendel:**

- Wendel issued €400 million of bonds maturing in May 2015 with a coupon of 4.875%.
- Wendel issued an additional €400 million in bonds maturing in August 2017 with a coupon of 4.375%.



## Note 10- Other income and operating expenses

(in millions of euros)	H1 2007	H1 2006	2006
Net gains on disposal of intangible assets and property, plant and equipment (1)	0.8	7.3	25.8
Net income on sale of consolidated investments (2)	-	132.9	130.8
Restructuring costs, net	-4.4	-1.5	-5.3
Other income and expenses	-1.4	-2.9	-3.7
<b>Total</b>	<b>-5.0</b>	<b>135.7</b>	<b>147.6</b>

(1) Including a capital gain of €20.4 million in 2006 on the sale of energy investments by Oranje-Nassau Groep and a capital gain of €6.6 million from the sale of a property by Editis.

(2) Includes, notably in 2006, the income from the dilution of Legrand, of €132.9 million.

## Note 11- Finance costs, net

(in millions of euros)	H1 2007	H1 2006	2006
Income from cash and cash equivalents			
Interest generated by cash and cash equivalents	13.4	12.3	23.0
Changes in the fair value of marketable securities	-	-2.0	-0.5
	13.4	10.3	22.5
Finance costs, gross			
Interest expense	-170.1	-113.2	-274.4
Interest expense on the minorities portion of shareholder loans	-6.1	-	-4.8
Deferral of debt issuance costs and premiums (calculated according to the effective interest method)	-7.6	-25.0	-31.8
	-183.8	-138.1	-311.0
<b>Total</b>	<b>-170.4</b>	<b>-127.8</b>	<b>-288.5</b>

## Note 12- Other financial income and expenses

(in millions of euros)	H1 2007	H1 2006	2006
Gains / losses on disposal and fair value adjustments to unconsolidated investments	3.4	4.6	14.2
Dividend income from non-consolidated companies	17.1	7.4	5.0
Interest income on loans and gains on disposal of other financial assets	5.3	30.4	25.2
Changes in the fair value of other financial assets and liabilities (1)	76.9	3.2	9.7
Net currency exchange gains	9.5	0.6	21.7
Other (1)	45.9	0.3	14.8
<b>Other financial income</b>	<b>158.2</b>	<b>46.5</b>	<b>90.6</b>
Changes in the fair value of other financial assets and liabilities	-1.5	-4.7	-4.2
Net currency exchange losses	-6.7	-	-11.9
Other	-6.8	-4.0	-24.4
<b>Other financial expenses</b>	<b>-15.0</b>	<b>-8.7</b>	<b>-40.5</b>
<b>Other financial income and expenses</b>	<b>143.2</b>	<b>37.8</b>	<b>50.1</b>

(1) Related notably to the derivatives described in note 6.3 (2)

## Note 13- Off-balance sheet commitments

At June 30, 2006 there were no commitments that could have a material impact on Wendel's financial position other than those disclosed below.

(in millions of euros)	6.30.2007	12.31.2006
<b>Bid bonds</b>	<b>21.6</b>	<b>25.4</b>
<b>Outstanding sold receivables</b>	<b>-</b>	<b>-</b>
<b>Pledges, mortgages and collateral</b>	<b>3,920.4</b>	<b>2,788.8</b>
including:		
- 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 a guarantee for the repayment of the debt owed by the Materis group	1,782.9	1,731.9
- pledge of cash by various Group companies in connection with securities derivatives	652.0	-
- pledge by Matinvest (Deutsch group) of shares of the principal companies of the Deutsch group, and of certain bank accounts, trade receivables and assets as a guarantee for the repayment of the debt owed by the Deutsch group	527.2	507.9
- pledge by Odysée 1 (Editis group) and certain of its subsidiaries of shares in Editis group companies as a guarantee for the repayment of debt owed by the Editis group	512.0	468.0
-pledge of listed securities in favor of banks as a guarantee for transactions related to securities derivatives	368.6	-
- property mortgaged by Oranje-Nassau Groep	72.6	72.8
- other	5.1	8.3
<b>Other guarantees and endorsements given</b>	<b>371.2</b>	<b>42.8</b>
-guarantees given in connection with transactions related to securities derivatives	337.5	-
-other	33.7	-
<b>Other commitments given and received</b>	<b>20.2</b>	<b>18.5</b>

## Note 14- Related party main transactions

### Solfur divestment:

In April 2007, as part of the process of simplifying the Wendel Group's corporate structure, Wendel sold Solfur, a company held by the Wendel management team, including certain corporate officers, for €79 million. An independent expert determined the price. This agreement was approved by the Supervisory Board of Wendel in accordance with the procedure for related-party agreements and was approved by shareholders' in their General Meeting of June 4, 2007. As the sale price was the same as the value shown for Solfur in Wendel's consolidated balance sheet at December 31, 2006, there was no gain or loss recognized from this transaction.

### Executive officers' holdings of Wendel shares:

In the first half of 2007 executive officers purchased 2,083,348 shares, 4.1% of shareholders' equity as of June 30, 2007, sold 68,000 shares, 0.1% of shareholders' equity, and exercised options on 3,000 shares.

## Report for the first half of 2007

### **New increase in net income from business sectors: +21%**

Net income from business sectors, Group share (which indicates the performance of Group companies) rose to €182 million, up 21% from the first half of 2006. Non-recurring income in the period (€62 million) mainly represented changes in the fair value of financial assets and liabilities, income from the sale of assets and charges related to the allocation of goodwill.

Net income, Group share, totaled €243 million, up 23%.

*\* The "net income from business sectors" is defined on page 68 of the 2006 reference document filed with the AMF on May 23, 2007.*

### **Bureau Veritas**

Bureau Veritas reported consolidated net sales of €969 million in the first half, representing an increase of 8%. Organic growth was 9%, in particular owing to strong growth in the Marine and Industry divisions, a return to growth in the Government Services and International Trade division, and good performance in Certification and Consumer Products. Consolidated net income, Group share, rose significantly (23%) to €83 million in the first half of 2007. This trend mainly reflected a €22 million increase in adjusted operating income to €141 million. The operating margin was higher than 14% in the first six months, rising 130 basis points, especially as a result of increased productivity in the Construction, Marine, Certification and Consumer Products divisions. Bureau Veritas pursued its investment strategy with, in particular, the acquisition of CCI Holdings in June, thereby enabling Bureau Veritas to double in size in Australia, and the complete takeover of the Spanish firm ECA GLOBAL at the end of August, making Bureau Veritas a leader in Spain in inspection and control. The latter operation remains subject to the approval of Spanish anti-trust authorities.

### **Legrand** *(accounted for by the equity method)*

At €2,096 million, net sales rose 11%, of which 9% can be attributed to organic growth.

In an environment characterized by strong growth in business, Legrand controlled production costs across the board while investing in its future growth by launching more than 20 new products, strengthening its marketing and sales team, and integrating its recent acquisitions. Adjusted operating income thus increased by 16% and represented an adjusted operating margin of 18.6%. Net income, Group share, was more than tripled at €195 million versus €63 million in the first half of 2006.

In addition, Legrand pursued its external growth strategy with the acquisition at the beginning of the year of HPM (Australia and New Zealand) and UStec (USA), and more recently the acquisition (subject to the approval of the relevant authorities) of Kontaktor, the Russian leader in high-current circuit breakers.

## **Materis**

In the first half, Materis reported strong growth (13%) in net sales, which totaled €918 million. Organic growth was 8% and external growth was 7%.

Adjusted operating income increased by 14%, and the slight rise in the margin to 13.5% was due to the combined effect of the rise in selling prices and gains in productivity, which offset the increase in the price of raw materials and energy, as well as the dilutive impact of acquisitions. Synergies achieved with acquisitions in strong growth areas (India, China and South America) are expected to improve the margin. In 2007, Materis pursued its acquisition program, taking control of four companies in mortars and paints. Net income from activities totaled €32 million in the first half of 2007. Wendel acquired a controlling interest in the Materis Group at the end of April 2006. Materis therefore contributed to the consolidated results of Wendel for only two months of the first half of 2006 and for six months of the first half of 2007.

## **Stallergènes**

Stallergènes continued to report strong growth in net sales, up 17% to €75 million. Organic growth also increased by 17%, fueled by the dynamic performance of the company's sublingual allergy treatments. Operating income before research and development increased by 23%, and net income, Group share, by 32% compared with the first half of 2006. Authorization to sell ORALAIR® tablets and the launch of this allergy treatment product are expected by the end of the year, and significant sales and marketing efforts will accompany this step forward.

## **Editis**

In the first half of 2007, net sales totaled €321 million, representing organic growth of 1%, a figure above the publishing market average. The operating margin increased by 21% to €15.8 million. The refinancing negotiated in April 2006 generated a gain in terms of financial expense, which in addition to ongoing cost reductions, contributed to the rise in net income from activities from €1 million to €5 million. Since in publishing, most of the year's net income is concentrated in the second half, this performance does not fully reflect the increase in profitability. Editis pursued its growth through the development of digital activities, e-learning and new acquisitions (De Boeck in the first half and, more recently, Les Editions Gründ).

## **Deutsch**

In the first half of 2007, net sales totaled \$298 million, with sustained organic growth, of 5%, in line with expectations. The new organization based on global divisions (Industry and Aerospace) has been operational since the beginning of the second quarter of 2007, and it serves to launch programs to develop synergies to increase revenues and reduce costs. In the first half of 2007, adjusted operating income - which amounted to \$45 million - was affected by costs linked to the setting up of the central headquarters. The objective of the programs launched is principally to improve the operating margin by approximately 300 basis points by 2009.

Wendel acquired a controlling interest in the Deutsch Group at the end of June 2006. Deutsch therefore contributed to the consolidated results of Wendel for the six months of the first half of 2007 whereas it did not contribute to the consolidated results for the first half of 2006.

## **Stahl** *(accounted for by the equity method)*

At the end of the first half, net sales totaled €154 million. Organic growth stabilized in the second quarter after a decline of 2% in the first quarter of 2007. Operating income stood at €20 million, representing a margin of 13%. In the first six months of 2007, the performance of the European market, up 3%, offset the continued lackluster environment in the Asia-Pacific region. The objectives of executive management (the team was bolstered in the second quarter) are to re-establish the conditions for organic growth of approximately 5% and, in the shorter term, to reduce fixed costs to boost the operating margin to more than 15%.

Wendel acquired a controlling interest in the Stahl Group at the end of June 2006. Stahl therefore contributed to the consolidated results of Wendel for the six months of the first half of 2007 whereas it did not contribute to the consolidated results for the first half of 2006.

## **Oranje-Nassau**

Net sales totaled €121 million, down 11% from the first half of 2006. This change reflected the decrease in the average price of oil in the first half, expressed in euros. The startup of operations at the Buzzard oil field at the beginning of 2007 will lead to an increase in production in 2007.

## Net income from business sectors

(millions of euros)	H1 2007		H1 2006
Bureau Veritas	92.7		71.1
Legrand	67.9		61.8
Materis	32.0		20.8
Stallergènes	9.8		7.7
Editis	4.9		0.9
Deutsch	1.2		-
Stahl	0.1		-
Oranje-Nassau	30.0		41.6
<b>Subtotal</b>	<b>238.6</b>	<b>+17%</b>	<b>203.9</b>
Operating expense	(14.3)		(18.8)
Tax	12.9		6.6
Financing	(37.7)		(30.6)
<b>Subtotal</b>	<b>(39.1)</b>		<b>(42.8)</b>
Net income from business sectors <sup>(1)</sup>	199.5		161.1
<b>Net income from business sectors, Group share<sup>(1)</sup></b>	<b>182.0</b>	<b>+21%</b>	<b>150.2</b>

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

## Net income, Group share

(millions of euros)	H1 2007		H1 2006
<b>Net income from business sectors, Group share<sup>(1)</sup></b>	<b>182.0</b>	<b>+21%</b>	<b>150.2</b>
Non-recurring income	62.0		33.8
Net income	261.5		194.9
<b>Net income, Group share</b>	<b>243.2</b>	<b>+23%</b>	<b>197.4</b>

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

### **Wendel borrowings**

In March 2007 Wendel issued bonds for €400 million maturing in September 2015 with a coupon rate of 4.875%.

In June 2007 Wendel issued an additional €400 million of bonds maturing in August 2017 with a coupon rate of 4.375%.

### **Decision to launch an IPO for Bureau Veritas**

Wendel confirms its intention to sell a part of its equity interest in Bureau Veritas by the end of the year, subject to market conditions, while maintaining control of the company. Within the framework of IPO procedures, Bureau Veritas announced that it had registered its primary document with the French stock market authorities (AMF) on July 10, 2007.

### **Wendel's net asset value**

At the end of August 2007, Wendel's net asset value stood at €121 per share compared with €95 per share at the end of August 2006. In a year, the net asset value rose 30% and the share price was up 38% (including the €2 dividend paid in June), exceeding the performance of the CAC 40 (12%).

### **Situation and objectives**

The crisis in the financial markets this summer had no major impact on Wendel's net asset value (valued by applying market multiples), which decreased by 5% from May 2007. In a world environment that remains promising, the good performance of Group companies and the decision to target development, diversification and internationalization make Wendel confident with regard to the outlook for net sales and results in 2007.



## **Parent company financial statements**

The net financial income of Wendel in the first half of 2007 was €73 million. It included €87 million in income from subsidiaries, a net financial expense of €48 million related to external financing, net financial income of €24 million related to intra-group financing and a currency transaction gain of €8 million.

Income before exceptional items and tax, after taking into account corporate overheads, was €67 million in the first half of 2007.

Exceptional items of €122 million were comprised mainly of intra-group operations and the gain on the divestment of Solfur (the investment holding subsidiary of Wendel, see the special report of the auditors on regulated agreements and commitments with third parties on page 166 of the 2006 reference document).

After taking into account €23 million gain from tax consolidation, net income for the first half was €212 million.

The company's total shareholders' equity at June 30, 2007 was €1,691 million, after taking into account net income for the first half, the cancellation of treasury shares and the payment of the dividend in June 2007.

## **Wendel**

Period from January 1, 2007 to June 30, 2007

Statutory auditors' review report on the first half-year financial information for 2007

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex  
*Société anonyme* (joint-stock company) with  
capital of €2,510,460

Statutory Auditors  
Member of the Versailles  
Association of Statutory Auditors

**ERNST & YOUNG Audit**

Faubourg de l'Arche  
11, allée de l'Arche  
92037 Paris-La Défense Cedex  
*Société par actions simplifiée* (simplified  
joint-stock company) with variable capital

Statutory Auditors  
Member of the Versailles  
Association of Statutory Auditors

# Wendel

Period from January 1, 2007 to June 30, 2007

## Statutory auditors' review report on the first half-year financial information for 2007

*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.*

To the Shareholders,

In our capacity as Statutory Auditors and in accordance with the requirements of article L.232-7 of the French Commercial Code (*Code de commerce*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Wendel, for the period from January 1 to June 30 2007;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

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 appropriate 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 half-year consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", standard of the IFRSs as adopted by the European Union applicable to Interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to paragraph 2 of note 6.3 “Derivatives” to the condensed half-year consolidated financial statements.

In accordance with professional standards applicable in France, we have also verified the information given in the half-year management report commenting on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine et Paris-La Défense, September 11, 2007

The Statutory Auditors

*French original signed by*

PricewaterhouseCoopers Audit

ERNST & YOUNG Audit

Olivier Thibault

Jean-Pierre Letartre