

**Q1 2009 consolidated sales maintained at €1,184 million  
in a very difficult economic environment**

- **Improvements in the Group's flexibility with the sale of a block of Bureau Veritas shares and the sale of Oranje-Nassau Groep's oil & gas assets.**
- **Continuing efforts to adapt Group companies to the economic slowdown**

Wendel's consolidated sales rose slightly by +1.5% for the first quarter of 2009 to €1,184 million.

Thus despite an unfavorable first-quarter 2008 base of comparison, consolidated sales in the first quarter of 2009 rose slightly, notably due to the excellent performances of Bureau Veritas and Stallergenes.

Frédéric Lemoine, Chairman of the Executive Board said: *"In the context of recession, which became more pronounced in the fourth quarter of 2008 and the first quarter of 2009, Wendel Group companies reacted differently to the economic slowdown depending on their business segments and their end-user markets. Nevertheless, they have all reacted very rapidly with major operational and financial adaptation plans. As the economic environment continues to deteriorate due to various technical adjustments particularly the dilution loss on the Saint-Gobain shares (for more than €600 million) Wendel may report a net loss in the first half of 2009 and for the whole year, with no impact on its solid liquidity position.*

*My priority for Wendel, in the coming months, will be to increase its head rooms to support the Group companies throughout the current crisis, strengthen its financial structure and to be in position from 2010 to take advantage of all investment opportunities creating value."*

**Contribution of Group companies to Q1 2009 sales**

**Consolidated sales (except for Editis, in accordance with IFRS 5)**

(€ million)	<b>Q1 2009</b>	<b>Q1 2008</b>	<b>% chg.</b>	<b>Organic growth</b>
Bureau Veritas	648.2	552.0	+17.4%	+10.6%
Deutsch	92.8	102.7	-23.2%	-28.2%
Materis	387.0	444.9	-13.0%	-13.1%
Stallergenes	56.2	49.0	+14.7%	+14%
<b>Total</b>	<b>1,184.1</b>	<b>1,166.6</b>	<b>+1.5%</b>	

**Sales of companies accounted for by the equity method**

(€ million)	<b>Q1 2009</b>	<b>Q1 2008</b>	<b>% chg.</b>	<b>Organic growth</b>
Legrand	901.4	1,049.9	-14.1%	-14.9%
Saint-Gobain	8,782.0	10,301.0	-14.8%	-14.9%
Stahl	47.7	79.9	-40.3%	-40.1%

## Business activity of Group companies in Q1 2009

### Bureau Veritas: A +17.4% rise in sales / +10.6% organic growth.

Sales in the first quarter of 2009 were €648.2 million, up by 17.4% on the same period in 2008 and 16.2% at constant exchange rates, reflecting organic growth of 10.6%, a contribution from acquisitions of 5.6% and a positive impact from currency fluctuations of 1.2%.

The Consumer Products, Marine and Industrial divisions experienced the strongest organic growth with +38.4%, +21.8% and +17% respectively:

In the **Consumer Products division**, the very strong demand for testing on toys and certain products in the hardline product category continued, sustained by the new regulations that came into force in the United States under the Consumer Product Safety Improvement Act. Business in the textile and electrical & electronic product sectors also experienced solid growth.

The **Marine Division** benefited from the strong growth in ships under construction in Asia and Europe requiring classification and inspection of on-board equipment.

Outstanding orders for new construction in the first quarter of 2009 remain high at 35.2 million tons and reflected the growth in Bureau Veritas' market share. This ensures good visibility for 2009 and 2010. The inspection business for ships in service is also growing. At March 31, 2009, the fleet classified by Bureau Veritas was up by 9.4% compared to March 31, 2008.

This growth will continue over the next few years.

The **Industry division** experienced robust growth in Europe (Spain, Italy), Asia (China, Malaysia), the United States, Latin America, India, the Middle East and South Africa. In all these countries, growth is linked to high levels of investment and increased externalization of inspection and control functions in the energy sector.

Although it is difficult to provide estimates in the current economic environment, Bureau Veritas' business should continue to grow in 2009, albeit at a slower pace than in 2008. The Group aims at maintaining its operating margin in 2009 as compared to 2008. Bureau Veritas' resilience is due to the regulatory and periodic nature of the majority of its businesses, as well as the diversity of its business portfolio and the existence of structural factors such as the strengthening of regulations, the privatization and the outsourcing of control and inspection operations

### Deutsch: Significant decline in business generated by underlying markets.

In the first quarter of 2009, Deutsch experienced a significant deterioration in its business, with sales down by 23.2% compared to the first quarter of 2008 due to the very sharp fall in Ladd and industrial divisions. In contrast, business remained sound in the Aerospace division in Europe with a few signs of slowdown in the United States. A limited decline in business is forecast during the bottom of the 2009-10 cycle due to the following factors:

- Civilian aircraft: very diversified customer base for short-distance aircraft, and an increase in the connector content on new platforms (A380, B787)
- Military aircraft: potential fall in the United States that should remain limited, however, as there is a need to renew and upgrade technologies.
- Business aviation: sharp fall in volumes expected due to the economic crisis but Deutsch is only slightly exposed to this market segment.

In offshore, business remains brisk and the group is forecasting double-digit growth for this market.

### Legrand (equity method): Decline in business in all of its geographic markets

Published data set sales for the quarter at €901 million, down 14.1% from the first quarter of 2008, with the decline standing at 14.9% at constant scope of consolidation and exchange rates. Consolidation of acquisitions added 1.6% to sales and variations in exchange rates reduced the total by 0.7%.

- **France:** Systems for commercial and residential applications and VDI progressed, and the overall trend in product mix remained favorable. This did not, however, suffice to offset the overall decline in the market and sales were down 6.6%.

- **Italy:** Sales were down 25.3% but this in fact corresponds to a decline in downstream sell-out of our products by distributors of around 13%. Like most mature markets, Italy saw a general decline in business as well as cuts in distributor inventories. This trend was significantly worsened in Italy by the change in the seasonal trends in distributors' inventory building.

- **Rest of Europe:** Some countries saw rises in the quarter, but with the spread of economic slowing, sales showed an overall decline of 18.3%.

- **United States and Canada:** Watt Stopper, the market leader for energy-efficient lighting, remained on the rise. However, the continuation of steep falls in the residential market and deterioration in the commercial sector led to an overall decline of 16.1% in sales.

- **Rest of the World:** sales were down 9.6%, reflecting general market contraction. However growth continued in several Latin American countries.

*Considering these results, and assuming economic conditions do not deteriorate further, Legrand confirms its target for a recurrent adjusted operating margin of at least 14% in 2009.*

### **Materis: Decline in activity related to slowdown in end-user markets**

Sales in the first quarter of 2009 fell by 13% compared to Q1 2008. Organic growth (-13%) was penalized in terms of volumes (-16%), which were down in all businesses due to the lower number of business days (one day fewer in France), weather conditions that were not very favorable for outdoor working and a difficult environment (fall in new construction and steel production, inventory rundowns and postponements of renovations).

Price increases, introduced at the end of 2008 and the beginning of 2009, and improvements in the product mix contributed 3% to organic growth for the quarter. The impact of changes to the consolidation scope and currency fluctuations were insignificant in the period.

### **Saint-Gobain (equity method): Sales down by 14.8%**

Saint-Gobain's consolidated sales for first-quarter 2009 came in at **€8,782 million**, compared to €10,301 million for the year-earlier period. This represents a decline of 14.8% on a reported basis and 12.9% at constant exchange rates.\*

Changes in Group structure accounted for a 1.9% increase in sales. This was almost entirely offset by the 1.8% negative currency effect, due for the most part to the slide in the pound sterling and the Brazilian real against the euro, which was not offset by the climb in the US dollar.

On a like-for-like basis, consolidated net sales contracted by 14.9%. Sales prices remained firm, gaining 2.3%, while volumes slumped 17.2%.

The sharp downturn in trading conditions observed in the fourth quarter of 2008 intensified in the first quarter of 2009 as the economic climate continued to deteriorate, with virtually every country across the globe now affected. In addition, sales in the first two months of the year were weighed down by particularly unfavorable weather conditions in both Europe and the United States.

With all global markets in the doldrums during the first quarter of the year and faced with persistent uncertainty going forward, Saint-Gobain has not yet seen any concrete evidence that the economic crisis has bottomed out. As a result, and given the unfavorable basis for comparison, the first half of 2009 will be extremely challenging.

In 2009, Saint-Gobain will therefore pursue and amplify the operational adjustment work it has already accomplished. In particular, it will seek to optimize selling prices and accelerate the cost reduction program in all lines of business. The group has already undertaken programs representing additional savings of €700 million so far this year. This will bring the total of reductions achieved in 2008 and 2009 to €1.1 billion. At the same time, industrial investments will be trimmed to €500 million, acquisition plans will be put on ice, and an asset disposal program will be carried out in a dynamic and timely fashion.

*\* Based on average exchange rates for first quarter of 2008.*

**Stahl (equity method): Decline in sales linked to the slowdown in end-user markets and an unfavorable 2008 base of comparison. The business low-point seems to have been reached in January/February 2009**

Sales fell by 40.3% in the first quarter of 2009 compared to the first quarter of 2008, when they were particularly high. January and February represented a low point, impacted by the weakness of underlying markets, notably automobile, and the rundown of inventories. The business grew in March.

Restructuring efforts implemented in advance have enabled the company to significantly reduce its fixed cost base, compared to 2008.

**Stallergenes: Continuing strong growth: +15% / Successful launch of Oralair® in Germany**

Consolidated sales grew by 14.7% (organic 14%) in the first quarter of 2009 to €56.2 million. The foreign exchange effects were only slightly unfavorable (0.6%). This increase once again reflected the advance of sublingual route products. Analysis by geographic region highlights the marked increase of "Other EU countries", whose sudden growth (up 36% in 2009 -organic 28%-, up 16% in 2008) comes mainly from the launch of Oralair® in Germany and the transfer from a distributor to a subsidiary of the operations in Switzerland. Southern European markets performed well in spite of the economic recession in a context of partial reimbursement with 10% growth. Lastly, in export markets, operations expectedly marked time following the exceptional 45% growth recorded over the same period in 2008.

On April 29, 2009 Stallergenes S.A. announced the first positive results of its phase IIb/III clinical trial (VO 57.07) in relation to the development of a sublingual dust mite desensitization tablet. This is the first large-scale study to demonstrate the efficacy of dust mite immunotherapy in treating perennial allergic rhinitis. This study is a genuine landmark which confirms desensitization as a new therapeutic class in the treatment of allergic respiratory disorders. Stallergenes is consolidating its leadership in this field through its innovation and development capabilities.

**Consolidated liquidity despite poor economic conditions and other financial items**

**Saint-Gobain capital increase**

Wendel subscribed to 8.3 million shares, at €14 per share, in Saint-Gobain's right issue of March 2009. Following this issue, Wendel holds 89.8 million Saint-Gobain shares, or 18.3% of its share capital (18.5% net of treasury shares). Unexercised warrants were sold for around €66 million. The impact of the dilution (from 21.6% to 18.5%) will result in a dilution loss of around €600 million in Wendel 2009 financial results, taking the value of the Saint-Gobain share in its books from €65.7 to €54.2. This dilution loss has no impact on the net asset value and cash position of the Group.

**Sale of a 10% block in Bureau Veritas**

Wendel sold 11 million Bureau Veritas shares in March 2009 at official €25 a share representing a net proceed of €272 million. Wendel continues to be the majority shareholder with over 52% of the share capital after the sale. The impact of the sale will be booked in 2009 and for approximatively +€120 million.

**Sale of Oranje-Nassau oil & gas assets**

Following a strategic review of its businesses, the Oranje-Nassau Group announced that it has signed an agreement with a view to selling the businesses of its Oranje-Nassau Energie (ONE) subsidiary.

This sale was achieved at a very attractive price of €630 million and on the basis of a forward oil price of \$70 a barrel. The closing of the transaction is due by the end of May 2009.

Oranje Nassau capital gain from the transaction amounts to around €350 million. After repayment of a debt of around €125 million to Oranje-Nassau Groep, this will result in net cash proceeds for the Wendel Group of around €505 million.

**Financing of Materis**

In terms of financing, an important step was reached on the 4th of May with the agreement of more than 2/3 of the pool on the general amendment to the facilities agreement, which provides among others for:

- the reset of financial covenants based on a revised business plan
  - the availability of a €100m facility to finance acquisitions and industrial capex
- Votes are being collected for the partial deferral of debt amortisation.

## **Financial structure**

Wendel's financial structure is in line with its long-term investment strategy and relies on long-term financing (principal bond issues mature between 2011 and 2017) and a high level of liquidity.

In a context of a deteriorating economy in the first quarter of 2009, and in anticipation that this deterioration continues in 2009, the Wendel Group's priority is to prepare and support its businesses. All of them have undertaken measures intended to adjust and resize their operational capacities, reduce their costs and optimize their working capital requirements. They are also examining, proactively, the financial flexibility required to face the recession in 2009.

At the end of April 2009, after the sale of the Oranje-Nassau oil & gas businesses, Wendel cash available amounts to €1.6 billion. In June 2009 therefore, Wendel has enough resources to face short-term market risks, meet its next debt repayment (€279 million of CapGemini exchangeable bonds), and increase its flexibility.

## ***About Wendel***

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

*Wendel posted 2008 consolidated sales of €5.4 billion. Wendel is listed in Paris on Eurolist by Euronext.*



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