

**First half of 2007: Continued fast-paced growth**  
**Net income from business sectors, Group share : 182 M€, up 21%**  
**Net income, Group share: 243 M€, up 23%**

*"The results of the first half of 2007, marked by strong growth in net income from Group's business sectors, reflect the good performance of Group companies and confirm our decision to target development, diversification and internationalization. Within the framework of this strategy, Wendel bolstered its investment team. The Group's performance in the first half exceeds the objectives set and makes us confident with regard to the outlook for net sales and results in 2007."*

Jean-Bernard Lafonta, Chairman of the Executive Board

**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 M€, up 21% from the first half of 2006. Non-recurring income in the period (62 M€) 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 M€, up 23%.

**Bureau Veritas**

Bureau Veritas reported consolidated net sales of 969 M€ 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 M€ in the first half of 2007. This trend mainly reflected a 22 M€ increase in adjusted operating income to 141 M€. 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 M€, 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 M€ versus 63 M€ 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 M€. 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, 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 M€ in the first half of 2007.

## **Stallergènes**

Stallergènes continued to report strong growth in net sales, up 17% to 75 M€. 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 accompany this step forward.

## **Editis**

In the first half of 2007, net sales totaled 321 M€, representing organic growth of +1%, a figure above the publishing market average. The operating margin increased by 21% to 15.8 M€. 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 M€ to 5 M€. 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 M\$, with sustained organic growth (+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 (45 M\$) is 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.

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

At the end of the first half, net sales totaled 154 M€. Organic growth stabilized in the second quarter after a decline of 2% in the first quarter of 2007. Operating income stood at 20 M€, 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%.

## **Oranje-Nassau**

Net sales totaled 121 M€, 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)  | June 2007     |             | June 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)  | June 2007    |             | June 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

*N.B. The consolidated financial statements for the first half of 2007 and the accompanying notes will be published in September, providing specific information on balance sheet items, off-balance sheet commitments and the main items that make up recurring and non-recurring income.*

## **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 French stock market authorities (AMF) on July 10.

## **Wendel teams bolstered**

Last year, Wendel made major investments. In order to follow developments in all its business sectors and to increase its ability to pursue its development strategy in France and internationally, Wendel bolstered its management team.

Following **Philippe Donnet**, **Gaël de la Rochère** and **Patrick Tanguy** will join Wendel's investment team in September, as Managing Directors.

**Philippe Donnet**, 47, joined the Group in May 2007 as Managing Director, in charge of the Asia-Pacific region, to create a subsidiary in Singapore and develop investment in the Asia-Pacific region, especially in Japan and South Korea.

**Gaël de la Rochère**, 42, HEC, IEP Paris, was a partner at Pargesa-Bruxelles Lambert from 1985 to 1989, and then worked in the Schneider Group successively as Vice-President in charge of development in the USA, Vice-President in charge of acquisitions in Paris, CEO of Schneider Electric High Voltage, and lastly CEO of Schneider Electric UK.

**Patrick Tanguy**, 46, HEC, began his career at Bain & Co. (1984-1990) and then worked for the Steelcase Strafor Group, where he was successively in charge of Sales and CEO of Airborne. In 1993, he joined the Dafsa Group as CEO and then became Chairman. After a year as Chairman of the Courrier-Express division of the Hays Group in France, he was named Chairman of the Technal Group (1999-2004). He was Chairman of Monné-Decroix until 2005 then of Prezioso in 2006-2007.

**Stéphanie Besnier**, **Bruno Fritsch**, and **Félicie Thion de la Chaume** have joined the investment team as Associates.

**Bruno Fritsch**, 31, ESSEC, MBA Rotterdam, first worked at L'Oréal than at Bain & Co. Beginning in 2005, he was Vice-President at Asian Business Bridge and was posted in Hong Kong.

**Stéphanie Besnier**, 30, Ecole Polytechnique, Engineer Ponts et Chaussées, was an analyst at BNP Paribas in London in 2001-2002 ; since 2003, she worked as a deputy officer in the Treasury department of the Ministry of Finances, where she was in charge of Latin American countries. She then worked for the agency that manages the French State's equity holdings.

**Félicie Thion de la Chaume**, 27, ESCP, was an analyst at Goldman Sachs on the firm's French M&A team from 2003 to 2006; she then worked for the United in Sports private equity fund created by Robert Louis-Dreyfus, and was in charge of investments in the field of sports in Europe and China.

Wendel's investment team now has 16 specialized members.

## 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.

## Agenda

November 8, 2007 : Q3 2007 Revenues

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