

WENDEL: GROWTH IN CONSOLIDATED Q1 2013 SALES OF 3.0%

- Consolidated 1st quarter 2013 sales: €1,563 million, up 3.0%, of which 2.1% organically
- Wendel has invested \$176 million in IHS and become its largest shareholder
- Financial structure further strengthened:
 - Wendel's rating (S&P) upgraded to BB+ on April 24, with a stable outlook
 - Two successful bond transactions on 2018 and 2019 series
 - New 2018 bank line of credit increased from €400 million to €600 million

Frédéric Lemoine, Chairman of the Executive Board, said:

"The first quarter of 2013 faced, as expected, contrasting economic conditions, from one region to another and from one sector to another. The European economy remained in the doldrums, continuing to have a negative impact on several of our companies. The adaptation plans these companies have implemented enabled them to dampen the overall slowdown. Notwithstanding these difficulties, certain Group companies had a good first quarter. In particular, Bureau Veritas, Parcours and Mecatherm grew well.

Wendel is pursuing its strategic development and has finalized its investment in IHS, making it the company's largest shareholder with more than 30% of the capital. IHS is the Group's first direct investment in Africa.

Wendel's efforts to rationalize its financial structure since 2009 have been recognized by Standard & Poor's. The rating agency has upgraded Wendel's rating for the second consecutive year, to BB+, with a stable outlook.

Over the past four years Wendel has indeed strengthened its financial structure considerably. As a result, the Group can now aim for a return to investment grade status within the next four years. In parallel, Wendel intends to invest around €2 billion in Europe, North America and Africa, and possibly in other high-growth regions."

Contribution of Group companies to first quarter 2013 sales

Consolidated sales (in millions of euros)	Q1 2012	Q1 2013	Organic Δ	Δ
Bureau Veritas	868.3	930.6	+4.8%	+7.2%
Materis	483.2	464.1	-2.8%	-3.9%
Stahl	87.3	82.4	-4.7%	-5.7%
Oranje-Nassau Développement	78.1	86.2	+10.3%	+10.3%
Consolidated sales	1,517.0	1,563.2	+2.1%	+3.0%

Sales of companies accounted for by the equity method (in millions of euros)	Q1 2012	Q1 2013	Organic Δ	Δ
Saint-Gobain	10,162	9,674	-5.4%	-4.8%
Legrand	1,086.2	1,092.9	-0.6%	+0.6%
except (Oranje-Nassau Développement)	46.1	43.1	-16.5%	-6.4%

Sales of Group companies in the first three months of 2013

Bureau Veritas – Sales up 7.2%, acquisition of three companies

(Full consolidation)

Q1 2013 revenue rose 7.2% to €930.6 million and broke down as follows:

- organic growth stood at 4.8% against a difficult economic backdrop, impacted by a pronounced deterioration in Metals & Minerals and in Marine's new construction segment;
- the consolidation of companies acquired contributed 5.5 percentage points of growth, primarily Tecnicontrol (Industry), TH Hill (Industry), 7Layers (Consumer Products) and AcmeLabs (Commodities);
- business disposals accounted for a 1.1% decrease in revenue and concerned infrastructure inspection in Spain (Construction), laboratories in New Zealand (Industry) and Anasol in Brazil (IVS); and
- fluctuations in exchange rates had a negative impact of 2.0%, mainly due to the decline in the US and Australian dollars and the Brazilian real against the euro.

Since January 1, 2013, Bureau Veritas has announced three acquisitions, enabling it to develop its technical expertise in attractive market segments. These companies had combined revenue of more than €60 million on an annual basis in 2012. The principal acquisitions realized were:

- 7Layers, a German company specialized in testing and certification of electrical equipment and wireless technologies, positioning Bureau Veritas among the global leaders;
- Sievert, a leading company in non-destructive testing in onshore and offshore pipeline construction in India and the Middle East;
- LVQ-WP, a German group specialized in non-destructive testing and industrial inspection services.

Revenue in the **Marine** business declined in the first quarter. The ships in service inspection segment (57% of revenue) rose on the back of the 3.6% increase in the fleet classed to 92.9 million gross tons (GRT). The new construction segment (43% of revenue) incurred a decline, but Bureau Veritas noted a recovery in new orders to GRT 1.5 million, up 81% relative to Q1 2012.

The **Industry** business saw strong growth, driven by construction of new energy infrastructure in fast-growing regions as well as by the ramp-up of major contracts signed in 2012.

The **IVS** business remained stable in a difficult economic backdrop in Europe. Growth in activities in France and the development in the Middle East and Asia was offset by the ongoing decline in Spain and the slowdown in non-regulatory activities in northern Europe and the US.

Organically, revenue in the **Construction** business was virtually stable, as the decline in France (53% of revenue) was offset by healthy growth in fast-growing regions (China). The Group effectively withdrew from the infrastructure activity in Spain as of February 21, 2013.

The **Certification** business posted a solid performance. Revenue was boosted by the development of major global contracts and new certification schemes.

The slowdown in growth in the **Commodities** business stemmed from a decline in revenue in the Metals & Minerals segment, primarily in exploration projects in Australia and Canada. The other activities posted high growth rates.

The **Consumer Products** business posted high growth, driven by the Electrical & Electronics segment, Textiles & Softlines and by a return to stable conditions in the Toys and Hardiness testing segment after three years of decline.

The outstanding performance in **Government Services and International Trade** stemmed primarily from the verification of conformity in Iraq.

In 2013, the Group should deliver solid growth in revenue and adjusted operating profit, in line with the targets set out in the BV2015 strategic plan, and despite a difficult economic backdrop in Europe. The priority being to focus on profitability, 2013 organic growth should be slightly below the 6-8% range still valid for the 2012-15 period.

Materis – First quarter sales impacted by unfavorable weather and two fewer working days, but increase in profitability

(Full consolidation)

Materis, a world leader in specialty materials for the construction industry, posted sales of €464.1 million in the first quarter of 2013, down 3.9% from Q1 2012. Growth contracted organically by 2.8% (volume/mix effects: -5.2%; price effects: +2.4%). Changes in the scope of consolidation had a positive impact of 0.7% and corresponded essentially to Kerneos' acquisition of Elmin and ParexGroup's purchase of Chinese company Suzuka in 2012. The currency-related impact was a negative 1.8%.

Materis continued to benefit from rapid growth in emerging markets (11% organic growth) and the recovery in the mortars and admixtures businesses in the United States (up 7%). This partially offset the decline in other mature economies (down 8%), which were buffeted by an unfavorable base of comparison (cold snap in Europe and two fewer working days in 2013) and a gloomy economic climate in Europe.

- **Kerneos (Aluminates)** saw its sales decline 3.8% compared with Q1 2012. Sales contracted 3.6% organically, with contrasting rates across its geographic zones. Overall, chemicals for the building industry were stable, with strong growth in the United States and Asia and a decline in western Europe. The refractories business was down, with robust growth in Asia, tied to recovery in steel production, a decline in Europe and a lack of large oven refurbishment projects in the United States. The flux, pipes, technical concrete and mining activities saw strong growth;
- **Chryso (Admixtures)** posted sales down 5.7% (down 1.4% organically and a currency effect of -4.3%), also with contrasts from one geographic area to another. Growth in emerging markets (in particular Africa/Middle East) and recovery in the United States were offset by a decline in business in Europe (1-2 fewer working days and unfavorable weather), as well as unfavorable currency fluctuations;
- Sales at **ParexGroup (Mortars)** grew by 3.3% (3.7% organically), benefiting from healthy business growth in the United States, the United Kingdom and emerging economies, favorable price effects and the impact of consolidating Suzuka. These increases more than offset a decline in the rest of Europe, due in part to an unfavorable basis of comparison in terms of working days and weather;
- Business trends at **Materis Paints** were, as expected, negative, with sales down -10.6% overall and -9.3% organically. This came about because sales declined sharply in southern Europe (down -18% on average) and because the base of comparison was unfavorable (Q1 2012 was particularly high). In France, despite the unfavorable weather, sales initiatives contained the downward trend.

Despite lower sales than in the first quarter 2012, Materis held its EBITDA steady, by improving its profitability through the combined effect of a wider gross margin and a tight grip on expenses.

Stahl – Slowdown in Q1 2013 sales, but increase in profitability

(Full consolidation)

Stahl, world leader in leather finishing products and high-performance coatings, posted sales of €82.4 million in the first quarter of 2013, down 5.7% from Q1 2012. Organically sales for the quarter contracted by 4.7%.

Sales slowed in all divisions, because the overall economic environment was difficult, and because the Easter holiday, which fell in the first quarter this year (Q2 in 2012) caused sales to decline in Europe and Latin America.

High Performance Coatings experienced a relatively stable first quarter (down 1%), owing in particular to the growth of Picassian in Europe, China and Brazil.

Leather products saw a significant decline (8%), held back by a slowdown in economic activity in the first quarter and by a lower number of working days in South America and Europe.

As a result of industrial improvement plans launched in the past few years, aimed at reducing costs, Stahl improved its margin in the first quarter despite a decline in its top line.

Saint-Gobain – First-quarter 2013 sales down 4.8%

(equity method)

Saint-Gobain posted €9,674 million in sales for the first quarter of 2013, down 4.8% on the same year-ago period (€10,162 million).

Exchange rates had a negative 1.3% impact on sales, mainly attributable to the depreciation against the euro of the currencies of the main emerging countries where the Saint-Gobain operates (particularly the Brazilian real) and, to a lesser extent, the weaker British pound. Changes in group structure had a positive 1.9% impact, resulting mainly from the acquisition of Brossette as of April 1, 2012. Like-for-like (constant group structure and exchange rates), sales fell 5.4%, with volumes declining 6.3% while sales prices advanced 0.9%.

These figures reflect the impact on Saint-Gobain's trading of fewer working days than in first-quarter 2012 (2.4 days less, accounting for a negative impact of around 3.7% on consolidated first-quarter sales) and the particularly harsh weather conditions in January and March, namely in Europe. They also point to the continued economic slowdown in most European countries, which could not be fully offset by brisk trading in North America and a return to growth in Asia and emerging countries.

Innovative Materials sales fell 5.2%, hit by declining sales volumes, while sales prices remained broadly stable over the quarter.

- Flat Glass sales were down 4.9%. Conditions on the Division's main markets (construction, automotive and solar) in Western Europe remained very tough (double-digit declines), and are not as yet conducive to an increase in sales prices - particularly float glass - despite significant capacity reductions. In contrast, business in Asia and emerging countries (particularly Latin America) rallied, both in construction and automotive markets.
- High-Performance Materials (HPM) sales retreated 6.4%, reflecting the decline in businesses related to capital spending (Ceramics) in both mature and fast-growing markets. However, HPM's other activities (Abrasives, Plastics, Textile Solutions) held up well, particularly in the US and in Asia and emerging countries.

Construction Products (CP) sales fell 1.9%, owing to the downturn in sales volumes in Western Europe. Sales prices remained upbeat across the Business Sector.

- Interior Solutions reported a 4.4% drop in sales, chiefly due to the drop in volumes in Western Europe that was not fully offset by the sharp 8.8% rebound in Asia and emerging countries. Sales prices remained upbeat, buoyed by the significant increases implemented in the US early in the year, particularly in Gypsum.
- Exterior Solutions reported a very slight 0.7% rise in sales, which conceals a very mixed performance from its different businesses. Exterior Products delivered double-digit growth fuelled by the ongoing recovery in US residential construction. Pipe sales declined further, albeit at a slower pace than in first-quarter 2012, hit by the impact of austerity measures in Europe.

Building Distribution reported an 8.6% drop in sales, hit by very harsh weather conditions in the first three months of 2013 and by fewer working days than in the same year-ago period (2.6 days less over the quarter, accounting for a negative 3.9% impact on volumes for the Business Sector). Volumes were down in all of the countries where Saint-Gobain operates, while sales prices went up. Trading in France proved fairly resilient, as a result of further market share gains in a tough economic environment.

Packaging (Verallia) saw sales fall 2.6% over the quarter, despite a rise in its sales prices in all of the countries where it operates (up 2.5% on average). Volumes were down in the US and in most European countries, but advanced in Russia and Latin America.

Against this backdrop, Saint-Gobain will continue to implement its action plan over the next few quarters, focusing in particular on:

- increasing sales prices, with the aim of passing on the rise in raw material and energy costs over the year as a whole;
- pursuing its cost cutting program in order to achieve savings of €1,100 million in 2013 (calculated on the 2011 cost base). As announced in February, Saint-Gobain has rolled out new vigorous measures since the beginning of the year that will enable it to achieve in 2013 additional cost savings of €580 million compared to 2012;
- keeping a close watch on cash management and financial strength;

Saint-Gobain will also continue to pursue its strategic goals (development in high-growth countries, energy efficiency and energy markets, and consolidation in Building Distribution and Construction Products). Profitability will remain a constant focus, underpinned by strict financial discipline.

Saint-Gobain is therefore confirming its targets for full-year 2013.

Legrand – first-quarter results in keeping with Legrand’s development plan. 2013 targets confirmed *(equity method)*

Reported figures set sales for the first quarter at €1,092.9 million, a year-on-year rise of 0.6%. Sales at constant scope of consolidation and exchange rates declined 0.6%, impacted, as expected, by a mechanical unfavorable calendar effect in many countries, and reflect business trends that varied from market to market. Changes in the scope of consolidation made a 2.7% contribution to growth, while exchange rates had a negative impact of 1.4%.

- **France:** Sales were down 4.3% impacted in particular by an unfavorable calendar effect of about 3 points. Against this backdrop, Legrand turned in good performances in energy distribution, notably thanks to the successful launch of Drivia, the new range of residential cabinets, and in door-entry and home systems.
- **Italy:** Sales to distributors (sell-in) were down 8.0%, but downstream sell-out of Legrand products by distributors (sell-out) remained higher than sell-in by 2 points and thus stood at around -6%. In economic conditions that remain unfavorable, Legrand continued to benefit from its robust leadership positions, especially in wiring devices but also in door-entry and home systems.
- **Rest of Europe:** Overall sales for the region were down 5.1%, impacted by an unfavorable calendar effect in many countries. Good performances in Russia, Romania and Hungary partially offset the continued decline in mature economies.
- **United States/Canada:** Sales rose 6.7% driven by the dynamic commercial initiatives of US teams and business development with new retailers. Particularly noteworthy were strong showings in wiring devices, home systems and cable management. The residential market continues to recover, and while the non-residential market remains flat on the whole, Legrand has nonetheless recorded some encouraging results here.
- **Rest of the World:** Sales continued to rise, with good performances in new economies in Africa/Middle East and Asia. These more than offset lower sales in mature countries (Australia and South Korea). Sales rose 4.5% for the region as a whole.

Legrand's sales in new economies are rising by nearly 5% at constant scope of consolidation and exchange rates. Sales growth at constant scope of consolidation and exchange rates in new economies is more than eight points higher than in mature markets. More generally, new economies accounted for close to 37% of Legrand's sales in the first quarter of 2013, up 2 points compared to the same period of 2012.

In the first quarter of 2013, Legrand announced the acquisition of Seico, the Saudi leader in industrial metal cable trays, and a top contender in this segment in Gulf Cooperation Council member countries⁽¹⁾. Seico's strong ties to key oil and gas players in the Gulf region strengthen Legrand's positions in this high-growth market segment. Legrand's annual sales in Saudi Arabia, including Seico, stand at nearly €60 million.

Pursuing this momentum in the highest-growth businesses, Legrand today announced the acquisition of S2S Onduleurs, a French specialist in uninterruptible power supplies (UPS). The move strengthens Legrand's positions in the promising UPS market, building on S2S Onduleurs's solid sales and service network; the company employs nearly 50 people and reported sales totaling over €20 million in 2012.

Based on previously announced acquisitions and their consolidation dates, changes in the scope of consolidation should boost growth in consolidated sales by around 2% in 2013.

Based on first-quarter achievements and in an industry structured with no order book, Legrand confirms its 2013 targets for:

- Organic⁽²⁾ growth in sales at between -2% and +2% and
- adjusted operating margin before acquisitions at between 19% and 20% of sales.

(1) Saudi Arabia, Bahrain, United Arab Emirates, Kuwait, Oman and Qatar

(2) Organic: at constant scope of consolidation and exchange rates

Oranje-Nassau Développement

Through Oranje-Nassau Développement, Wendel brings together opportunities for investment in growth, diversification and innovation, and in particular has invested in Parcours, Mecatherm, exceet and Van Gansewinkel Groep in Europe and in IHS Holding in Africa.

exceet – Decline in sales of 6.4% in the first three months

(Equity method)

exceet Group SE, a leading international provider of intelligent electronics and security solutions, posts consolidated sales of € 43.1 million (€ 46 million in Q1 2012) for the first three months of the current business year. Organically the group's sales declined by 16.5 % in comparison to an exceptional strong Q1 2012. The first quarter showed a cautious ordering behaviour of several key customers, which have requested postponed deliveries. However, exceet estimates that the order situation will recover during the running year. The very positive start in Q2 confirms the overall expectations for 2013.

Parcours – Sales growth of 7.6%, in line with 2012 performance

(Full consolidation since April 2011)

Parcours, the independent, long-term vehicle leasing specialist, posted sales of €74.5 million in the first quarter, up 7.6% compared with Q1 2012. **Long-term vehicle leasing and repair** revenues advanced by 7.0% to €53.4 million. Amid a lackluster market, Parcours' business was buoyed by a +3.9% year-on-year increase in the fleet of vehicles, which numbered 47,532 at the end of March 2013.

Parcours continued to gain market share, increasing its fleet of vehicles at a faster pace than its competitors.

Parcours' second-hand vehicle sales business also performed well, with nearly 9.2% growth in sales (€21.1 million in Q1), owing to vibrant sales at the company's sites devoted to vehicle resale.

In addition, Parcours is continuing to convert its French locations to the "3D" model, as exemplified by its new Bordeaux office, opened in April, and the development of its international business.

Mecatherm – Strong recovery in Q1 2013 sales, up 31%

(Full consolidation since October 2011)

Mecatherm posted sales of €11.7 million in the first quarter of 2013, up 31%. Following a difficult 2012, characterized by postponed investments in Europe, the recovery in orders observed since Q3 2012 appears to be a durable one. Business has regained momentum in western Europe and North America, with a more favorable product mix and with lower discounts. This momentum is continuing in emerging market countries as well, with Mecatherm signing its first significant contracts in Algeria and India.

The initiatives of the Mecatherm 2020 plan launched in 2012 are beginning to pay off through greater efficiency, both in sales and marketing and in manufacturing, and through a wider range of products and services.

Other events since the beginning of 2013

- **Wendel is now IHS Holding's largest shareholder**

Wendel has made its first investment in Africa via Oranje-Nassau Développement, taking a stake in IHS Holding, leader in telecom tower infrastructure in Africa. On April 18, 2013, Wendel invested \$176 million, i.e. more than the \$125 million initially planned; this amount will enable IHS to step up its expansion, in particular the construction of additional towers in Nigeria. With more than 30% of its capital, Wendel is now IHS's largest shareholder and will have three seats on the company's Board of Directors.

Furthermore, IHS signed an 15-year agreement with Orange on April 2 to manage more than 2,000 towers in Côte d'Ivoire and Cameroon. The terms of this agreement will enable IHS to strengthen its presence in these two countries as well as to lease available space on these towers to other operators. With this agreement, IHS is now the largest manager of telecom towers in Côte d'Ivoire and Cameroon.

- **S&P has upgraded Wendel's rating to BB+**

On April 24, 2013, Standard & Poor's announced that it had upgraded its credit rating for Wendel from "BB" to "BB+", with a stable outlook. This decision was motivated by the decline in Wendel's loan-to-value ratio and to the overall improvement in Wendel's risk profile. This was the second upgrade in Wendel's rating, following the one in April 2012. Wendel confirms that it intends to continue strengthening its financial structure so as to return to investment grade within the next four years.

- **Two successful bond placements at very favorable terms**

Also on April 24, 2013, Wendel announced two successful, simultaneous bond placements, totaling €300 million. Of this amount €200 million will form a single series with the existing bonds due 2018, and €100 million will form a single series with the existing bonds due 2019. Following the transaction, the 2018 series now has a par value of €500 million and the 2019 series also has a par value of €500 million. These two transactions were very well received by the market. The transaction on the 2018 series was increased from €100 million to €200 million in order to satisfy investor demand. Overall, the two transactions were more than five times oversubscribed.

The bonds were placed with more than 100 international investors, including French (53%), UK (12%), German (12%) and Scandinavian (9%).

- **Full repayment of 2013-14 syndicated loan**

Wendel has repaid the €250 million outstanding under the syndicated loan maturing in 2013-14. The Company has thus repaid this loan in its entirety and no longer has any debt maturing before November 2014.

- **New bank line of credit increased from €400 million to €600 million**

As announced on March 28, 2013, Wendel is continuing to renew and extend the maturity of its various financing lines. An agreement has been reached with eight banks to increase the amount of the syndicated loan to €600 million, maturity 2018, vs. the €400 million announced on March 28. Pending approval of final documentation, this new financing line will replace the current €1.2 billion undrawn syndicated credit line maturing in 2013-14.

2013 Calendar

May 28: Annual Meeting of Shareholders – Publication of net asset value

August 29: First-half 2013 net sales and results (pre-market release) – Publication of net asset value

November 8: Publication of third-quarter 2013 net sales (pre-market release)

December 5: Investor Day – Publication of net asset value

About Wendel

Wendel is one of Europe's leading listed investment firms. The Group invests internationally, in companies that are leaders in their field, such as Bureau Veritas, Legrand, Saint-Gobain, Materis and Stahl. Wendel plays an active role as industry shareholder in these companies. It implements long-term development strategies, which involve boosting growth and margins of companies so as to enhance their leading market positions. Through Oranje-Nassau Développement, which brings together opportunities for investment in growth, diversification and innovation, Wendel is also a shareholder of Van Gansewinkel Groep in the Netherlands, except in Germany, Mecatherm and Parcours in France and IHS in Africa.

Wendel is listed on Eurolist by Euronext Paris.

Standard & Poor's ratings: Long term: BB+, stable outlook; short term: B since April 24, 2013.

Wendel is the Founding Sponsor of Centre Pompidou-Metz. In recognition of its long-term patronage of the arts, Wendel received the distinction of "Grand Mécène de la Culture" on March 23, 2012.



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