CONSOLIDATED FINANCIAL STATEMENTS

as of December 31, 2015

WENDEL

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015

1	BALANCE SHEET – CONSOLIDATED FINANCIAL POSITION	2
2	CONSOLIDATED INCOME STATEMENT	4
3	STATEMENT OF COMPREHENSIVE INCOME	5
4	CHANGES IN SHAREHOLDERS' EQUITY	6
5	CONSOLIDATED CASH FLOW STATEMENT	7
6	GENERAL PRINCIPLES	10
7	NOTES	11
8	NOTES ON THE BALANCE SHEET	50
9	NOTES TO THE INCOME STATEMENT	76
10	NOTES ON CHANGES IN CASH POSITION	82
11	OTHER NOTES	85
12	STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	94

1 Balance sheet – Consolidated financial position

Assets

In millions of euros	Note	12/31/2015	12/31/2014
Goodwill, net	6 & 7	4,305.0	2,701.2
Intangible assets, net	6 & 8	2,705.3	1,254.9
Property, plant & equipment, net	6 & 9	1,592.7	1,415.8
Non-current financial assets	6 & 13	469.6	224.2
Pledged cash and cash equivalents	6 & 12	34.6	0.4
Equity-method investments	6 & 10	3,726.8	3,552.9
Deferred tax assets	6	196.8	182.0
TOTAL NON-CURRENT ASSETS		**13,030.8**	**9,331.6**
Assets of operations held for sale	**34**	**970.8**	**2.4**
Inventories	6	485.8	224.9
Trade receivables	6 & 11	2,044.0	1,524.5
Other current assets	6	264.5	235.4
Current income tax assets	6	73.1	91.2
Other current financial assets	6 & 13	421.3	407.3
Cash and cash equivalents	6 & 12	1,188.6	1,192.6
TOTAL CURRENT ASSETS		**4,477.3**	**3,675.9**
TOTAL ASSETS		**18,478.9**	**13,010.0**

The notes to the financial statements are an integral part of the consolidated statements.

Liabilities & shareholders' equity

In millions of euros	Note	12/31/2015	12/31/2014
Share capital		192.0	191.2
Share premiums		31.7	23.2
Retained earnings & other reserves		2,904.5	2,229.6
Net income for the year – Group share		-146.2	19.6
		2,982.0	2,463.5
Non-controlling interests		972.5	628.9
TOTAL SHAREHOLDERS' EQUITY	**14**	**3,954.5**	**3,092.4**
Short-term provisions	6 & 15	453.4	362.4
Financial debt (non-current portion)	6 & 16	8,660.9	6,187.7
Other non-current financial liabilities	6 & 13	748.4	329.3
Deferred tax liabilities	6	722.0	439.3
TOTAL NON-CURRENT LIABILITIES		**10,584.6**	**7,318.6**
Liabilities of operations held for sale	**34**	**794.3**	**0.0**
Short-term provisions	6 & 15	136.0	8.3
Financial debt (current portion)	6 & 16	910.3	894.3
Other current financial liabilities	6 & 13	184.6	209.3
Trade payables	6	785.0	572.5
Other current liabilities	6	1,034.3	834.1
Current income tax liabilities	6	95.2	80.5
TOTAL CURRENT LIABILITIES		**3,145.4**	**2,599.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**18,478.9**	**13,010.0**

Pursuant to IFRS 5, "Non-current assets held for sale and discontinued operations", the assets and liabilities of the Parcours Group have been reclassified as "Assets and liabilities of operations held for sale" as of December 31, 2015 (see note 2 "Changes in scope of consolidation").

The notes to the financial statements are an integral part of the consolidated statements.

2 Consolidated income statement

In millions of euros	Note	2015	2014
Net sales	6 & 17	7,867.1	5,574.5
Other income from operations		9.6	3.5
Operating expenses		-7,100.9	-4,986.1
INCOME FROM ORDINARY ACTIVITIES	**18**	**775.8**	**591.9**
Other operating income and expenses	19	-210.2	-94.3
OPERATING INCOME	**6**	**565.7**	**497.6**
Income from cash and cash equivalents		43.9	31.1
Finance costs, gross		-404.2	-396.6
Finance costs, net	*6 & 20*	*-360.3*	*-365.6*
Other financial income and expense	6 & 21	-10.1	-56.3
Tax expense	6 & 22	-211.0	-180.9
Net income from equity-method investments	6 & 23	25.6	-76.0
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**9.9**	**-181.2**
Net income from discontinued operations and operations held for sale	34	14.6	378.9
NET INCOME		**24.5**	**197.8**
Net income, non-controlling interests		170.7	178.2
NET INCOME, GROUP SHARE		**-146.2**	**19.6**

In euros	Note	2015	2014
Basic earnings per share *(in euros)*	24	-3.17	0.42
Diluted earnings per share *(in euros)*	24	-3.43	0.31
Basic earnings per share from continuing operations *(in euros)*	24	-3.47	-6.93
Diluted earnings per share from continuing operations *(in euros)*	24	-3.69	-7.04
Basic earnings per share from discontinued operations *(in euros)*	24	0.31	7.35
Diluted earnings per share from discontinued operations *(in euros)*	24	0.26	7.35

Pursuant to IFRS 5, “Non-current assets held for sale and discontinued operations”, the contribution from Parcours has been reclassified on a single line of the income statement, “Net income from discontinued operations and operations held for sale” for fiscal years 2015 and 2014 (see note 2, “Changes in scope of consolidation”).

The notes to the financial statements are an integral part of the consolidated statements.

3 Statement of comprehensive income

In millions of euros	2015			2014		
	Gross amounts	**Tax effect**	**Net amounts**	**Gross amounts**	**Tax effect**	**Net amounts**
Items recyclable into net income						
Currency translation reserves[1]	70.7	-	70.7	192.8	-	192.8
Gains and losses on qualified hedges	16.9	-11.4	5.6	-8.1	2.3	-5.8
Gains and losses on assets available for sale[2]	43.3	-	43.3	-	-	-
Earnings previously recognized in shareholders' equity taken to the income statement	4.2	-1.3	2.9	-4.4	-1.9	-6.3
Items non-recyclable into net income						
Actuarial gains and losses	12.3	-7.4	4.9	-127.1	43.5	-83.6
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY (A)	**147.4**	**-20.0**	**127.4**	**53.2**	**43.9**	**97.1**
Net income for the period (B)			24.5			197.8
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A) + (B)			**151.9**			**294.9**
Attributable to:						
■ shareholders of Wendel			-4.0			88.4
■ non-controlling interests			155.9			206.4

(1) *This item integrates in particular the contributions of Saint-Gobain in the amount of €+50 million, IHS for €+63 million, set off by the AlliedBarton negative changes in the amount of €-19 million and Bureau Veritas, in the amount of €-17 million.*
(2) *The main impact is connected to changes in the fair value of Saham Group shares, for €+44 million (see note 13 "Details of financial assets and liabilities").*

The notes to the financial statements are an integral part of the consolidated statements.

4 Changes in shareholders' equity

In millions of euros	Number of shares outstanding	Share capital	Share premiums	Treasury shares	Retained earnings & other reserves	Currency translation adjustments	Group share	Non-controlling interests	Total shareholders' equity
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2013	**46,881,612**	**194.5**	**114.6**	**-143.0**	**2,634.5**	**-265.1**	**2,535.5**	**522.1**	**3,057.6**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	-74.8	143.6	68.9	28.3	97.1
Net income for the period (B)					19.6	-	19.6	178.2	197.8
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A) + (B)		**-**	**-**	**-**	**-55.2**	**143.6**	**88.4**	**206.4**	**294.9**
Dividends paid[2]					-86.4		-86.4	-113.7	-200.2
Movements in treasury shares	-987,515	-3.9	-96.1	-14.8			-114.9		-114.9
Capital increase									
▪ exercises of stock options	116,468	0.5	2.7				3.2		3.2
▪ Company savings plan	24,022	0.1	2.0				2.1		2.1
Share-based payments					16.8		16.8	9.5	26.2
Changes in scope of consolidation					27.2	42.8	69.9	11.1	81.0
Other					-51.0	-	-51.0	-6.5	-57.5
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2014	**46,034,587**	**191.2**	**23.2**	**-157.9**	**2,485.7**	**-78.7**	**2,463.5**	**628.9**	**3,092.4**
Income and expenses recognized directly in shareholders' equity (A)		-	-	-	54.4	87.9	142.2	-14.8	127.4
Net income for the period (B)					-146.2	-	-146.2	170.7	24.5
TOTAL INCOME AND EXPENSES RECOGNIZED DURING THE PERIOD (A) + (B)[1]		**-**	**-**	**-**	**-91.9**	**87.9**	**-4.0**	**155.9**	**151.9**
Dividends paid[2]					-92.6		-92.6	-146.6	-239.2
Movements in treasury shares	-201,353			-45.4			-45.4	-	-45.4
Cancellations of treasury shares							-	-	-
Capital increase								-	
▪ exercises of stock options	177,745	0.7	7.0				7.7	-	7.7
▪ Company savings plan	18,250	0.1	1.5				1.6	-	1.6
Share-based payments					16.2		16.2	11.8	27.9
Change in scope of consolidation[3]					671.5	6.0	677.5	522.7	1,200.2
Other[4]					-38.5	-4.0	-42.5	-200.1	-242.6
SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2015	**46,029,229**	**192.0**	**31.7**	**-203.3**	**2,950.3**	**11.2**	**2,982.0**	**972.5**	**3,954.5**

(1) See "Statement of comprehensive income".
(2) In 2015, Wendel paid a cash dividend of €2.00 per share, for a total of €92.6 million. In 2014, Wendel paid a cash dividend of €1.85 per share, for a total of €86.4 million.
(3) Changes in scope of consolidation include the impacts connected to the disposal of the block of Bureau Veritas shares, i.e. a gain of €727.5 million, Group share, and a change of €141.7 million in the share of non-controlling interests, as well as the impacts connected to entries into the scope of the Constantia Flexibles Group for an amount of €356 million in non-controlling interests, and of the AlliedBarton Group, for an amount of €30.5 million in non-controlling interests. All of the changes in scope of consolidation are detailed in note 2 "Changes in scope of consolidation".
(4) Other changes include the impact of minority put options, in particular the put option granted to the H. Turnauer foundation, as well as the impact of liquidity granted in the framework of co-investments (see note 35, "Off-balance-sheet commitments").

The notes to the financial statements are an integral part of the consolidated statements.

5 Consolidated cash flow statement

In millions of euros	Note	2015	2014
Cash flows from operating activities			
Net income		24.5	197.8
Share of net income/loss from equity-method investments		-25.6	76.0
Net income of tax from discontinued operations and operations held for sale		-14.6	-368.0
Depreciation, amortization, provisions and other non-cash items		622.3	528.0
Expenses on investments and divestments		17.2	3.5
Cash flow from companies held for sale		201.6	-
Gains/losses on divestments		4.1	20.1
Financial income and expense		370.4	429.2
Taxes (current & deferred)		211.0	189.1
Cash flow from consolidated companies before tax		1,411.0	1,075.5
Change in working capital requirement related to operating activities		24.2	13.6
NET CASH FLOWS FROM OPERATIONS, EXCLUDING TAX	**6**	**1,435.2**	**1,089.2**
Cash flows from investing activities, excluding tax			
Acquisition of property, plant & equipment and intangible assets	25	-707.1	-522.0
Disposal of property, plant & equipment and intangible assets	26	102.6	93.4
Acquisition of equity investments	27	-2,447.5	-1,069.0
Disposal of equity investments	28	1,078.2	2,170.1
Impact of changes in scope of consolidation and of operations held for sale	29	131.3	-12.7
Changes in other financial assets and liabilities and other	30	-191.6	-108.3
Dividends received from equity-method investments and unconsolidated companies	31	87.3	86.6
Change in working capital requirements related to investment activities		23.6	53.0
NET CASH FLOWS FROM INVESTMENT ACTIVITIES, EXCLUDING TAX	**6**	**-1,923.4**	**691.1**
Cash flows from financing activities, excluding tax			
Proceeds from issuance of shares		9.4	5.3
Contribution of non-controlling shareholders	32	271.0	4.5
Share buybacks			
■ Wendel		-45.4	-114.9
■ Subsidiaries		-45.2	-46.1
Dividends paid by Wendel		-92.6	-86.4
Dividends paid to non-controlling shareholders of subsidiaries		-146.6	-113.7
New borrowings	33	2,911.8	2,479.4
Repayment of borrowings	33	-1,603.9	-3,052.8
Net finance costs		-383.9	-354.1
Other financial income/expense		-61.5	16.1
Change in working capital requirements related to financing activities		-28.3	110.0
NET CASH FLOWS FROM FINANCING ACTIVITIES, EXCLUDING TAX	**6**	**784.7**	**-1,152.8**
Cash flows related to taxes			
Current tax expense		-280.3	-213.4
Change in tax assets and liabilities (excl. deferred taxes)		9.1	8.8
NET CASH FLOWS RELATED TO TAXES	**6**	**-271.2**	**-204.6**
Effect of currency fluctuations		4.9	5.8
Net change in cash and cash equivalents		30.1	428.7
Cash and cash equivalents at beginning of period		1,193.0	764.4
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6 AND 12**	**1,223.2**	**1,193.0**

The principal components of the consolidated cash flow statement are detailed beginning in note 25 *et seq*.

Details on the cash and cash equivalents accounts and how they are classified on the consolidated balance sheet are shown in note 12 “Cash and cash equivalents”.

The cash flow of Parcours, which was reclassified in operations held for sale as of December 31, 2015, was maintained in each of the cash flow categories for the full year 2015. Cash as of December 31, 2015 was entered in the line “Impact of changes in scope of consolidation and of operations held for sale” in the amount of €21.5 million.

The notes to the financial statements are an integral part of the consolidated statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: DETAILED CONTENTS

7 Notes 11

NOTE 1 Accounting principles 11
NOTE 2 Changes in scope of consolidation 20
NOTE 3 Related parties 26
NOTE 4 Participation of managers in Group investments 27
NOTE 5 Managing financial risks 29
NOTE 6 Segment information 39

8 Notes on the balance sheet 50

NOTE 7 Goodwill 50
NOTE 8 Intangible Assets 52
NOTE 9 Property, plant and equipment 54
NOTE 10 Equity-method investments 55
NOTE 11 Trade receivables 60
NOTE 12 Cash and cash equivalents 61
NOTE 13 Financial assets and liabilities (excl. financial debt and operating receivables and payables) 62
NOTE 14 Shareholders' equity 64
NOTE 15 Provisions 66
NOTE 16 Financial debt 72

9 Notes to the income statement 76

NOTE 17 Net sales 76
NOTE 18 Income from ordinary activities 77
NOTE 19 Other operating income and expenses 78
NOTE 20 Finance costs, net 78
NOTE 21 Other financial income and expense 79
NOTE 22 Tax expense 79
NOTE 23 Net income (loss) from equity-method investments 80
NOTE 24 Earnings per share 81

10 Notes on changes in cash position 82

NOTE 25 Acquisition of property, plant & equipment and intangible assets 82
NOTE 26 Disposal of property, plant & equipment and intangible assets 82
NOTE 27 Acquisition of equity investments 82
NOTE 28 Divestments 83
NOTE 29 Impact of changes in scope of consolidation and of operations held for sale 83
NOTE 30 Changes in other financial assets and liabilities and other 83
NOTE 31 Dividends received from equity-method investments and unconsolidated companies 83
NOTE 32 Contribution of non-controlling shareholders 83
NOTE 33 Net change in borrowing and other financial liabilities 84

11 Other notes 85

NOTE 34 Operations discontinued or held for sale 85
NOTE 35 Off-balance-sheet commitments 86
NOTE 36 Stock options, bonus shares and performance shares 90
NOTE 37 Subsequent events 92
NOTE 38 List of principal consolidated companies as of December 31, 2015 92

6 General principles

Wendel is a *Société européenne* with an Executive Board and a Supervisory Board, governed by European and French legislative and regulatory provisions applicable now or in the future. The Company is registered in the Paris Trade and Company 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 companies, in order to accelerate their growth and development.

As of December 31, 2015, the Wendel Group primarily comprised:

- fully consolidated operating companies: Bureau Veritas (40.5% net of treasury shares), Materis (84.5%)[1], itself composed of the holding companies Materis and Cromology (formerly known as Materis Paints), Stahl (75.3%), AlliedBarton (95.1%), Constantia Flexibles (61.1%) and the companies held by Oranje-Nassau Développement: Mecatherm (99.2%), NOP (97.7%), CSP Technologies (98.2%) and Parcours (99.1%), which is classified under "Assets and liabilities of operations held for sale" as of December 31, 2015;
- operating companies consolidated using the equity method: Saint-Gobain (11.8% net of treasury shares), IHS (25.6%)[2] and exceet (28.4% net of treasury shares), which is held by Oranje-Nassau Développement; and
- Wendel and its fully consolidated holding companies.

The consolidated financial statements of the Wendel Group cover the 12-month fiscal year from January 1 to December 31, 2015 and are expressed in millions of euros. They include:

- the balance sheet (statement of financial position);
- the income statement and the statement of comprehensive income;
- the statement of changes in shareholders' equity;
- the cash flow statement;
- the notes to the financial statements.

Each accounting item in these financial statements includes the contribution of all of the Group's fully consolidated companies. However, each of Wendel's subsidiary companies is managed independently under the responsibility of its own executive management. It is therefore important to analyze subsidiaries' individual performance using relevant aggregate accounting data for their respective business activities. Aggregate data for each fully-consolidated subsidiary are presented in note 6 "Segment information", which shows the contribution of each subsidiary to the income statement, balance sheet, and cash flow statement. Aggregate accounting data for equity-method investments are set out in note 10 "Equity-method investments". An analysis of the Group's overall performance by business activity is provided in note 6 "Segment information", which details recurring net income by business activity and non-recurring net income. There is no financial recourse between the different operating subsidiaries or from the operating subsidiaries to Wendel and its holding companies (see note 5-2.2.2 "Impact of liquidity risk of subsidiaries on Wendel"). The debt positions of the fully-consolidated subsidiaries, and of Wendel and its holding companies, are presented individually in note 5-2 "Managing Liquidity Risk".

These financial statements were finalized by Wendel's Executive Board on March 17, 2016 and will be submitted for shareholders' approval at the General Meeting of Shareholders.

(1) This is the percentage held from a legal point of view. For consolidation purposes, Materis has been consolidated with a holding of 90%. This percentage includes the shares held by Materis managers that might be repurchased in the context of the liquidity to be offered to them in 2016 (see note 35-6, "Shareholder agreements and co-investment mechanisms").
(2) This rate does not integrate the co-investors' share, which is recognized in the Group's share pursuant to IFRS (see note 10, "Equity-method investments").

7 Notes

NOTE 1 Accounting principles

Wendel's consolidated financial statements for the fiscal year ended December 31, 2015 have been prepared in accordance with IFRS (International Financial Reporting Standards) principles and methods as adopted by the European Union on December 31, 2015, in accordance with Regulation no. 1606/2002 of the European Council and the European Parliament pertaining to the application of international accounting standards, adopted on July 19, 2002.

With the exception of the new standards and interpretations that became mandatory for fiscal years beginning on or after January 2015, these accounting principles are the same as those used in preparing the consolidated financial statements for the fiscal year ended December 31, 2014. They correspond to the International Financial Reporting Standards as adopted by the European Union, which are available on the European Commission's website:

"http://ec.europa.eu/finance/accounting/ias/index_en.htm"

Note 1-1 Standards, interpretations and amendments to existing standards that were mandatory in 2015

IFRIC 21, "Levies", is applicable to the Wendel Group as from January 1, 2015. IFRIC 21 aims to clarify the event triggering the expense in relation to all taxes and fees other than income taxes. The main impact of IFRIC 21 is to fully recognize the expense by way of certain taxes as from the moment that the trigger event (in this instance, the tax liability) occurs, instead of spreading out such debt over the fiscal year. In particular, the rhythm for the recognition of two taxes in force in France, the property tax and the *contribution sociale de solidarité des sociétés* (C3S), was thus modified. The change in accounting method is to be applied retrospectively. Its application has no impact on the operating results for the full year. Moreover, no significant impact as of December 31, 2014 was recorded. In 2015, the changes were posted to the "consolidated reserves" of the statement of changes in shareholders' equity. This impact being non-significant at the Group level, the prior data was not restated.

The implementation of the following amendments applicable to the Wendel Group as of January 1, 2015, had no significant impact on the consolidated financial statements for the 2015 fiscal year:

- amendment to IFRS 3, "Business combinations" – Non-application of IFRS 3 to the formation of a partnership in the financial statements of said partnership;
- amendment to IFRS 13, "Fair value measurement" – Exemption referenced in paragraph 52 on portfolios of financial instruments;
- amendment to IAS 40, "Investment property" – Clarification of the interaction between IFRS 3 and IAS 40 for the classification of a building, between an investment building and a building occupied by its owner.

Note 1-2 Standards, interpretations and amendments to existing standards, for which early adoption was not applied in the 2015 financial statements

Standards, interpretations and amendments to existing standards, for which early adoption was not applied in the 2015 financial statements

In general, the Group has not opted for early adoption of standards and interpretations applicable to accounting periods beginning on or after January 1, 2016, whether or not they have been adopted by the European Commission. In particular, the Group has not applied the amendments and standards presented below, to fiscal year 2015, which might more particularly concern it:

- amendment to IAS 19, "Employee benefits", published in November 2013 by the IASB, for which application is mandatory for fiscal periods opened no later than January 1, 2016;
- amendment to IFRS 2, "Share-based payment", from the Annual Improvements to IFRSs 2010-2012 Cycle, published in December 2013 by the IASB, and which is to be applied prospectively for share payment plans granted starting from July 1, 2014;
- amendment to IFRS 3, "Business combinations," also from the Annual Improvements to IFRSs 2010-2012 Cycle, which is to be applied prospectively for business combinations starting from July 1, 2014;
- amendment to IFRS 8, "Operating segments" from the Annual Improvements to IFRSs 2010-2012 Cycle, which is to be applied mandatorily for fiscal periods opened not later than January 1, 2016.

Existing standards, interpretations and amendments which could not be early adopted in 2015, in the absence of adoption by the European Union.

The Wendel Group is currently assessing the potential impact of the application of these texts on its financial statements:

- IFRS 9, "Financial instruments", published in July 2014 by the IASB in its final version, not yet adopted by the European Commission This new standard aims to replace IAS 39, "Financial instruments: recognition and measurement". This standard must mandatorily be applied for fiscal periods opened starting not later than January 1, 2018;
- IFRS 15, "Revenue from contracts with customers", published in May 2014 by the IASB and not yet adopted by the European Commission. The standard specifies the rules for the recognition of revenue, regardless of the types of contracts entered into by the entity with its customers. This standard must mandatorily be applied for fiscal periods opened starting not later than January 1, 2018; The Group does not envisage applying it in advance. Wendel Group companies reviewed the impact of IFRS 15 on the principles of recognition of their various types of contracts, in particular, Bureau Veritas and Mecatherm. Regarding Bureau Veritas, revenue from short-term contracts, currently recognized after the end of the work, must be deferred up until the issuance of the report, for contracts which do not give an enforceable right to payment for the services rendered as of the closing date. For the other contracts, in particular, in Marine & Offshore, and Construction and Industry operations, the percentage-of-completion method, currently being used, will be maintained. Mecatherm, which now recognizes revenue utilizing the percentage-of-completion method for a portion of its long-term contract operations, and upon completion, for after-sales service operations, reviewed the consequences of IFRS 15 on its practices and its organization. The wording of certain contractual points must be reinforced; and
- IFRS 16, "Leases", published in January 2016 by the IASB and not yet adopted by the European Commission. This standard must mandatorily be applied for fiscal periods opened not later than starting not later than January 1, 2019.

Note 1-3 Method of consolidation

The companies over which Wendel has exclusive control are fully consolidated. Companies over which Wendel has significant influence have been accounted for using the equity method. Net income of acquired subsidiaries is consolidated from their acquisition date, while net income of divested subsidiaries is consolidated up to their divestment date.

Note 1-4 Financial statements used as the basis for consolidation

Wendel's consolidated financial statements have been prepared on the basis of:

- the consolidated financial statements of Bureau Veritas, Cromology, Stahl, Saint-Gobain, IHS, exceet, Mecatherm, Nippon Oil Pump (NOP), and Parcours for the 12-month fiscal year ended December 31, 2015 (the last four companies are included in the Oranje-Nassau Développement subgroup);
- the consolidated financial statements of CSP Technologies for the 11-month period following the acquisition, i.e. from February 1 to December 31, 2015;
- the consolidated financial statements of Constantia Flexibles for the 9-month period following the acquisition, i.e. from April 1 to December 31, 2015;
- the AlliedBarton consolidated financial statements for the one-month period following the acquisition, i.e. from December 1 to of December 31, 2015;
- for all other companies, their individual financial statements for the 12-month fiscal year ended December 31, 2015.

Financial information relating to these subsidiaries and associates has been prepared in accordance with IFRS recognition and measurement rules.

Significant changes in the Group's scope of consolidation for fiscal year 2015 are presented in note 2 "Changes in scope of consolidation". The main subsidiaries consolidated as of December 31, 2015 are presented in note 38 "List of principal consolidated companies".

Note 1-5 Business combinations

IFRS 3 "Business combinations", and IAS 27 "Consolidated and separate financial statements", revised, applicable since January 1, 2010, affect the accounting for transactions that lead to the taking of control, or partial sales that lead to a loss of control. Specifically:

- ancillary transaction costs are recognized in operating income for the period; price adjustments are initially recognized at their fair value, and future fluctuations in their value are recognized in operating income;
- when control is obtained (or lost) the percentage previously held (or remaining) is revalued at fair value and recognized in profit or loss;
- when control is obtained, non-controlling interests are recognized either in proportion to their share in the fair value of the assets and liabilities of the acquired entity, or at their fair value. A proportion of goodwill is also allocated to non-controlling interests at that time. This choice is made on a case-by-case basis for each acquisition;
- purchases and sales of shares in controlled companies that do not lead to the assumption or loss of control are recognized as transfers between the Group share of consolidated shareholders' equity and the share held by non-controlling interests. There is no impact on profit or loss;
- non-controlling interests may become negative because the net income or loss of a subsidiary is allocated between the Group share and the non-controlling interests' share, according to their respective equity interests.

Note 1-6 Commitments to buy non-controlling interests of consolidated subsidiaries

When the Group has made firm or conditional commitments to non-controlling shareholders in consolidated subsidiaries to buy their stakes, a financial liability is recognized in an amount corresponding to the estimated present value of the purchase price.

As of December 31, 2015, in the absence of any specific IFRS guidance, this financial liability was offset:

- firstly, by eliminating the carrying amount of the corresponding non-controlling interests;
- secondly, by a decrease in shareholders' equity, Group share: the difference between the estimated exercise price of the purchase commitments granted and the carrying amount of non-controlling interests is recorded as a deduction from the Group share of consolidated reserves. This balance is adjusted at the end of each accounting period to reflect changes in the estimated exercise price of the purchase commitments and the carrying amount of the non-controlling interests.

This has no impact on the consolidated income statement, barring subsequent changes to standards and interpretations.

Note 1-7 Intercompany asset sales and transfers

Gains and losses on the sale or transfer of assets between consolidated companies have been eliminated from income and the assets have been maintained at their initial value, except in the event of losses deemed permanent, for which an impairment charge is recognized on the income statement.

Note 1-8 Conversion of the financial statements of foreign companies, for which the functional currency is not the euro

Wendel presents its financial statements in euros.

The balance sheets of foreign companies whose functional currency is not the euro have been converted into euros at the exchange rate prevailing at the closing date, and their income statements converted at the average exchange rate for the fiscal year or consolidation period. The discrepancy between the opening and closing balance sheets, as well as that resulting from the application of these exchange rates have been allocated to retained earnings and other reserves under "translation adjustments". Translation adjustments related to subsidiaries are recognized on the income statement when those subsidiaries are divested.

The principal exchange rates used in the consolidated financial statements are as follows:

	Closing rate		Average rate	
	December 31, 2015	December 31, 2014	2015	2014
EUR/USD	1.0887	1.2141	1.1091	1.3267

Note 1-9 Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the amounts reported in such financial statements. These estimates and judgments are based on Wendel's and its subsidiaries' appreciation of the facts and circumstances existing at the balance sheet date, as well as on information available on the date the accounts were finalized. They are based on Group management's past experience and various other factors deemed reasonable, such as market data or the work of an independent appraiser, and are reviewed on a regular basis. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be different from the forecasts.

Estimates and assessments made in order to prepare these financial statements concern in particular, for the most significant elements, goodwill, impairment tests on goodwill and equity-method investments, provisions, deferred taxes, derivatives, valuation of purchase commitments of non-controlling interests, and the treatment of co-investments.

Note 1-10 Rules of evaluation

Note 1-10.1 Goodwill

Goodwill represents the difference between the cost of acquiring a company and the Group's share of the fair value of its net assets, liabilities, and identifiable contingent liabilities on the date of acquisition. The identifiable assets and liabilities of the acquired company that meet the IFRS recognition criteria are recognized at their fair value at the date of the acquisition. Adjustments in the fair values of assets and liabilities acquired as part of business combinations and initially recognized on the basis of temporary values (because of ongoing appraisals or outstanding additional analyses) are recognized as retroactive goodwill adjustments if they occur within 12 months after the acquisition date. Thereafter, such adjustments are recognized directly on the income statement unless they are made in correction of errors. The revised version of IFRS 3 "Business combinations" provides that goodwill may be applied to non-controlling interests, if the Group so chooses. Goodwill is presented, where applicable, net of any cumulative recognized loss in value.

Goodwill is not amortized, but is instead tested for impairment at least once per year, on December 31, or more frequently if there is any indication that it may be impaired. Indications of impairment may include, in particular, a significant or prolonged decline in the share price of a listed company, a difference in net income compared with budget, or a deterioration in the environment in which a company operates. For these tests, goodwill is broken down by Cash Generating Units (CGUs); each operating subsidiary (Bureau Veritas, Cromology, Stahl, Mecatherm, NOP, CSP Technologies, Constantia Flexibles and AlliedBarton) corresponding to a CGU. Goodwill impairment losses are recognized on the income statement under "Other operating income and expenses" and cannot be reversed.

Whenever an operating subsidiary identifies an impairment loss on a CGU recognized within its scope of consolidation (and not recognized at the level of the Wendel Group), this loss is maintained at the level of Wendel's consolidation, with this being the case even if the analysis conducted by Wendel on the subsidiary's goodwill does not show any impairment. This stance has been taken to allow Wendel to recognize unrealized losses as soon as they appear, as they would inevitably be recognized anyway if the subsidiary were to sell the CGU showing such losses.

Goodwill pertaining to equity-method investments is included in the carrying amount of these companies and therefore not presented separately (IAS 28 "Investments in associates and joint ventures", s.23). It is therefore not subject to a separate impairment test, as the value of equity-method investments is subject to a separate test, goodwill included. Hence, as regards equity-method shareholdings, in the event of an improvement in their value justifying an impairment writeback, the portion of the impairment pertaining to goodwill is also written back. Impairment losses and the gain or loss on divestments and dilution are recognized in the income statement under "Net income from equity-method investments".

Impairment tests on goodwill and equity-method investments are described in notes 7 "Goodwill" and 10 "Equity-method investments".

Note 1-10.2 Intangible assets

1. Brands of the Bureau Veritas, AlliedBarton, Cromology and Mecatherm groups.

These brands have been valued using the relief-from-royalty approach, which consists in discounting to perpetuity royalty cash flows determined at a theoretical rate based on net sales generated by the brands. The brands are considered as having an indefinite useful life as there is no foreseeable time limit on their potential to generate cash flow. They are therefore not amortized but are tested for impairment on an annual basis.

The brands of the Bureau Veritas Group's subsidiaries have been amortized over a period of 5-15 years. Only those brands identified at the Wendel Group level when Wendel acquired control of Bureau Veritas are considered to have an indefinite life.

2. Contracts and customer relations of the Bureau Veritas, Constantia Flexibles, AlliedBarton, Cromology, Parcours, NOP and CSP Technologies groups.

The value of these assets corresponds to the margin expected to be generated over the residual lives of contracts in force at the date Wendel assumed control, taking into account contract renewals where such renewals are considered probable based on historical statistical data. These contracts and client relationships are therefore amortized over the period used for the calculation of each contract category (from 5 to 23 years, depending on the contract and subsidiary).

Note 1-10.3 Other intangible assets

The cost of developing software intended for internal use and other development costs have been capitalized when it is likely that these expenditures will generate future economic benefits. These costs are then amortized over the asset's estimated useful life.

Note 1-10.4 Property, plant & equipment

Property, plant & equipment are recognized at their historical cost, determined at the time of acquisition of these assets or at fair value in the event of a business combination. Historical cost includes all costs directly attributable to the acquisition or construction of the assets concerned, in particular borrowing costs that are directly attributable to the acquisition or production of the property, plant & equipment during the accounting period prior to being brought into service.

Property, plant & equipment other than land and investment properties are depreciated on a straight-line basis over a period corresponding to their probable useful life. The depreciation basis for property, plant & equipment is its historical cost less the residual value, i.e. the value expected at the end of the asset's useful life, after allowing for any divestment costs.

The duration of useful life utilized for buildings is from 10 to 50 years; for industrial facilities, from 3 to 10 years, and for equipment and tooling, from 3 to 10 years.

Assets that the Wendel Group has acquired under long-term or other leases where the risks and rewards of ownership have been substantially transferred to the Group are accounted for as finance leases and are depreciated on a straight-line basis over their estimated useful life, as described above.

Note 1-10.5 Impairment of tangible and intangible assets

In accordance with IAS 36 "Impairment of assets", the value in use of property, plant & equipment, and intangible assets is tested when there is an indication of impairment. These tests are performed either when there is an indication of a loss of value, or once a year for assets having indefinite useful lives, which in Wendel's case is limited to goodwill and brands. Impairment losses are recognized on the income statement under "Other operating income and expenses".

Note 1-10.6 Financial assets and liabilities

Financial assets include investments in unconsolidated companies, operating receivables, debt securities, marketable securities, derivatives, and cash. Financial liabilities include borrowings, other funding sources and bank overdrafts, derivatives, operating liabilities, and certain liquidity commitments on the Group's shares held by certain co-shareholders (see note 35-6 "Shareholder agreements and co-investment mechanisms"). Financial assets and liabilities are recognized and measured in accordance with IAS 39 "Financial instruments: recognition and measurement". In accordance with IFRS 13 "Fair value measurement", the value of financial assets and liabilities was adjusted for the impact of Wendel's own credit risk.

1. Financial assets at fair value through profit or loss

These assets include short-term financial investments without the characteristics of cash equivalents. These assets are measured at market value at the balance sheet date, and gains and losses arising from changes in value are recognized through the income statement.

2. Financial assets available for sale

In accordance with IAS 39.9, classifying a financial asset as available for sale does not necessarily mean that the Wendel Group actually intends to sell it. This category includes all non-derivative financial assets that are designated as available for sale or that are not classified in any of the other categories of financial assets.

They have been measured at fair value, and gains or losses arising from changes in fair value are recognized under shareholders' equity. Any significant or prolonged decline in the fair value of these financial assets below their acquisition cost gives rise to an additional impairment provision on the income statement. This impairment cannot be written back through the income statement, except in the event of sale.

3. Assets held until maturity and loans and receivables

These instruments are stated at amortized cost using the effective interest method. Their carrying amount represents outstanding principal, adjusted for any non-amortized acquisition costs, premiums or discounts. They are tested for recoverable value whenever there is an indication that their recoverable amount might be lower than their carrying value. Any impairment loss is recognized on the income statement.

4. Financial liabilities

With the exception of derivative instruments and financial liabilities relating to liquidity commitments on the Group's shares held by certain co-shareholders (see note 35-6 "Shareholder agreements and co-investment mechanisms"), all borrowings and other financial liabilities are stated at amortized cost using the effective interest method.

5. Derivative

Derivatives are measured at fair value. Gains and losses arising from changes in the fair value of derivatives are recognized in the income statement, apart from certain exceptions set out below.

Derivatives can be designated as hedges of fair value, future cash flow or net investment value:

- fair value hedges are used to offset changes in the fair value of a recognized asset or liability due to shifts in exchange rates, interest rates or other benchmarks;
- cash flow hedges are used to hedge changes in future cash flows from a present or future asset or liability. Wendel and its subsidiaries use cash flow hedges to offset shifts in foreign exchange rates, interest rates and commodity prices;

- hedges of a net investment in a foreign business can be designated as hedging instruments, as long as they meet the criteria of IAS 39 "Financial instruments: recognition and measurement". These hedges help offset fluctuations in value due to conversion into the reporting currency used by the parent company in its consolidated financial statements. Financial debt denominated in the operating currency of the hedged investment can be designated as an investment hedge when the hedge has been recognized as such for accounting purposes.

A hedging relationship qualifies for hedge accounting if:

- the hedging relationship is clearly defined and documented at the outset;
- the effectiveness of the hedging relationship can be demonstrated from the outset and throughout its term.

The use of hedge accounting has the following consequences:

- for hedges used to offset changes in the fair value of a recognized asset or liability, the hedged item is measured at fair value in the balance sheet. Changes in the fair value of the hedged item are recognized on the income statement and are offset by symmetrical changes in the fair value of the hedging instrument to the extent that the hedge is effective;
- the effective portion of changes in the fair value of derivatives that are designated as, and qualify for, cash flow hedges is recognized directly in shareholders' equity. The gain or loss from the ineffective portion is recognized on the income statement. Amounts accumulated in shareholders' equity are passed through the income statement in the same periods as the corresponding hedged items, or are written back against the acquisition cost of the assets in which the financial risk related to the acquisition price was hedged;
- for net investment hedges, the portion of a gain or loss that is considered effective in the hedge of a net investment in a foreign business is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement. Cumulative gains and losses in shareholders' equity are recognized on the income statement when the foreign business is sold.

Derivatives are measured using the Group's mathematical models, as well as by independent appraisers, and/or the Group's counterparties.

Note 1-10.7 Methods of measuring the fair value of financial instruments

In accordance with the amendment to IFRS 7 "Financial instruments:Disclosures" (March 2009), the tables in note 13 present the Group's assets and liabilities that are measured at fair value, based on their method of measurement. These methods are defined as follows:

- level 1: unadjusted, listed prices of identical instruments on an active market;
- level 2: observable data other than the listed prices referred to in level 1, either directly (such as a price), or indirectly (calculated from another price);
- level 3: fair values that are not determined on the basis of observable market data.

During fiscal year 2015, there were no transfers between levels 1 and 2, or transfers to or from level 3, of fair value measurements of financial instruments.

Note 1-10.8 Inventories

Inventories have been stated at the lower of cost or net realizable value. Production cost includes the costs of raw materials, direct labor, and any operating costs that can reasonably be associated with production.

Note 1-10.9 Cash and cash equivalents (pledged and unpledged)

Cash is comprised of cash at banks.

In accordance with IAS 7 "Statement of cash flows", cash equivalents are short-term, highly liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of a change in value. Cash equivalents include euro-denominated, money-market mutual funds and deposit accounts with initial maturities less than or equal to three months. They are measured at their fair value at the balance sheet date.

Pledged cash and cash equivalents are presented as non-current assets, as they are not immediately available.

Note 1-10.10 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", a provision is recognized when the Group has an obligation with respect to a third party as a result of a past event for which it is probable or certain that there will be an outflow of resources to that third party, without at least an equivalent inflow from that third party. Provisions for restructuring costs are recognized only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed, formal plan.

Provisions are discounted on the basis of the estimated duration of the obligation. The impact of this discounting is recalculated at each balance sheet date, and the related adjustment is recognized on the income statement under "Other financial income and expense".

Note 1-10.11 Provision for employee benefits

Defined-contribution plans: contributions are recognized as operating expenses.

Defined-benefit plans: the present value of statutory retirement bonuses and supplementary pension benefits payable to active and retired employees is calculated using the projected unit credit method. The obligation is determined at each balance sheet date taking into account the age of the Company's employees, their length of service, and the likelihood that they will remain at the Company until they retire. The calculation is based on an actuarial method using assumptions relating to the yield on long-term investments. The funding provision corresponds to the difference between the total obligation as set out above and any assets invested with insurance companies to cover these obligations.

Actuarial gains and losses are recognized in shareholders' equity as soon as they appear (IAS 19R, "Employee benefits").

Note 1-10.12 Deferred taxes

In accordance with IAS 12 "Income taxes", deferred taxes are recognized for timing differences between the carrying amounts of assets and liabilities and their tax base.

Tax-loss carryforwards are recognized as deferred tax assets when it is likely that they can be offset against tax on future earnings or when they can be offset by deferred tax liabilities of an equal or higher amount. In application of this principle, no tax-loss carryforwards of the Wendel tax group were recognized as assets on the balance sheet.

Regarding subsidiaries and equity-method investments, a deferred tax liability is recognized for all timing differences between the carrying amount of the related shares and their tax base, unless:

- if the Group is able to control the date of the reversal of the timing difference;
- it is probable that the timing difference will not reverse itself in the foreseeable future.

Deferred taxes are calculated by the variable carryforward method, based on the tax rates in effect at the balance sheet date. For French companies, this is 34.43% for income subject to standard assessment plus a 10.7% exceptional contribution, which is applicable for fiscal years ending no later than December 30, 2016.

Note 1-10.13 Treasury shares

All treasury shares held by the Group are stated at their acquisition cost as a deduction from shareholders' equity. Proceeds from any sales of treasury shares are credited directly to shareholders' equity. Divestment gains or losses therefore have no impact on income for the fiscal year.

Note 1-10.14 Assets held for sale and businesses being divested

An asset or group of assets is classified as held for sale if its carrying amount will be recovered mainly through a sale transaction rather than through continued use, and when its sale is highly probable. Depreciation on these assets ceases when the asset has been classified as held for sale, and a provision is recognized if the asset's residual carrying amount exceeds its likely realizable value, reduced for selling costs.

A business is considered as being divested when it meets the criteria of assets held for sale. Assets and liabilities of these businesses are presented on a separate line in the balance sheet of the current fiscal year, and the net income or loss they generate is presented on a separate line in the income statement (including fiscal years presented for comparison). Net income or loss from discontinued operations includes, where applicable, any divestment gains or losses or any impairment losses recognized for the business.

Note 1-10.15 Revenue recognition

Revenue from the sale of goods is recognized under net sales when the risks and rewards of ownership are substantially transferred to the buyer.

At the Bureau Veritas Group, most contracts are short-term. For these contracts, Bureau Veritas recognizes income when the service has been provided to the customer. For other contracts, Bureau Veritas uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be reliably determined. The percentage of completion is determined for each contract by reference to the costs incurred at the balance sheet date, compared to the total estimated costs. The increment of this percentage, applied to the total forecast income from the contract, represents the profit margin recognized in the period. In the event of a forecast negative margin, provisions are recognized immediately for the entire contract.

The Mecatherm Group also uses the percentage-of-completion method to determine the amount to be recognized under net sales during a given period, insofar as the income from contracts can be reliably determined. The increment in the percentage of completion, applied to the total forecast income from the contract, represents the profit margin recognized in the period.

Note 1-10.16 Translation of currency transactions

Transactions denominated in foreign currencies are translated into euros using the exchange rates prevailing at the dates of the transactions. Receivables and payables in foreign currencies are translated into euros at the exchange rate prevailing at the balance sheet date. Exchange differences resulting from the translation of transactions in currencies other than euros are recognized on the income statement under "Other financial income and expenses".

In the event of hedges of a net investment in a foreign business (see above, "Derivatives"), the portion of the gain or loss on a hedging instrument covering a net investment in a foreign business that is considered to be an effective hedge is recognized directly in shareholders' equity. The ineffective portion is immediately recognized on the income statement.

Note 1-10.17 Stock subscription and stock purchase option plans

In accordance with IFRS 2 "Share-based payments", the Group recognizes an expense corresponding to the fair value of employee stock subscription options, purchase options, bonus shares, and performance shares at the grant date, with the corresponding offsetting entry being recognized under consolidated shareholders' equity. The expense is spread out over the options' vesting period.

Wendel uses a binomial model to determine the fair value of options and performance shares granted. In 2015, as in previous fiscal years, Wendel's plans were valued by an independent appraiser.

Note 1-10.18 Accounting treatment of mechanisms for the participation of management teams in the Group's investments

The co-investment mechanisms described in note 4 "Participation of managers in Group investments" take the form of ownership by managers of various financial instruments, such as ordinary shares, index-based or preferred shares, warrants, etc.

These investments are redeemed upon divestment or an IPO, or after a pre-determined period of time. At this time, the investment gains are shared on the basis of whether or not Wendel's annual performance and cumulative profitability objectives have been met.

These investments are measured and accounted for based on the manner in which they will be redeemed, either as equity instruments under a divestment or an IPO, or in cash under Wendel's liquidity commitments, to buy them back after a predetermined period has elapsed.

Until the redemption method is known, the investments are accounted for based on the method thought to be the most likely.

When it is estimated the investments are most likely to be redeemed as equity instruments, the managers' initial investment is accounted for as non-controlling interests in proportion to their share of the total investment. On redemption, the dilution created by the sharing of the investments' value reduces Wendel's capital gain. If, in the other hand, the beneficiaries have invested at the fair value of the subscribed or acquired instruments, there is no initial advantage and therefore no expense is recognized.

When the investments are most likely to be redeemed in cash, under Wendel's repurchase commitments after the lapse of a pre-determined period, the initial investment is recognized as debt. This debt is later restated at its fair value until payment is made. The change in fair value is recognized on the income statement. When the investment is redeemed, the debt is paid off in cash. In addition, these co-investors are not considered minority shareholders from an accounting standpoint. Rather, their investment is consolidated in the Group's net income and consolidated reserves.

The most likely redemption method is determined at each balance sheet date, until the investments are redeemed. Should the most likely method change, the effects of the change are recognized in advance on the income statement. Hence, if the most likely redemption method were to be changed to cash, the amount recognized on the income statement at the time of the change would be the fully revalued amount of the instruments at that date.

As of December 31, 2015, the liquidity windows which will open in 2016 have led to the recognition of a financial liability and an amount for the difference between the value of this liability and the share of the corresponding non-controlling reserves, since a cash settlement is considered as the most probable settlement. There is, however, no certainty that these liquidities will actually be exercised. Wendel believes that the majority of the Group's co-investments are most likely to be redeemed as part of a divestment of the investments concerned or as part of an IPO of these investments. Liquidity commitments under minority puts and co-investments, as well as the corresponding amounts recorded in financial liabilities, are set out in note 35-6 "Shareholder agreements and co-investment mechanisms".

Note 1-11 Presentation rules

Note 1-11.1 Balance sheet presentation

An asset is classified as current when it meets any of the four following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is expected to be realized within 12 months after the balance sheet closing date; or
- it is cash or cash equivalent carrying no restriction on exchange or use in settlement of a liability for at least 12 months after the balance sheet date. When the asset is in a pledged cash or cash equivalent account, the amount is recognized under non-current assets.

A liability is classified as current when it meets any of the four following criteria:

- it is expected to be settled in the Group's normal operating cycle; or
- it is held primarily for the purpose of being traded; or
- it is due to be settled within 12 months after the balance sheet date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 1-11.2 Income statement presentation

"Operating income" includes income and expenses not resulting from financial activities, equity-method investments, discontinued activities, activities held for sale, and income tax.

"Other operating income and expenses" corresponds to the impact of limited, unusual, abnormal, or infrequent events. These may include gains or losses on divestments of property, plant & equipment or intangible assets, impairment losses on property, plant & equipment or intangible assets, restructuring costs, and provisions for claims and litigation.

Financial income and expenses include "Finance costs, net" and "Other financial income and expense", which include gains and losses on disposals of financial assets, impairment losses on financial assets, dividends paid by unconsolidated associates, changes in the fair value of "financial assets at fair value through profit or loss", the impact of discounting receivables, liabilities or provisions, and foreign exchange differences.

1. Income taxes: treatment of the CVAE tax

According to Wendel's analysis, the CVAE tax on value added meets the definition of an income tax, as defined in IAS 12.2 "Taxes based on taxable profits" IFRIC has specified that to enter into the scope of IAS 12, a tax must be calculated on the basis of a net amount of revenue less expenses and that this net amount may be different from the net income figure on the income statement. Wendel finds that the CVAE has the characteristics indicated in this conclusion, inasmuch as the value added constitutes the intermediate level of profit systematically used, in accordance with French tax rules, to determine the amount due under the CVAE.

The CVAE tax is therefore presented in the "Tax expense" line.

2. Taxes: treatment of the CICE tax credit

According to Wendel's analysis, the CICE tax credit does not meet the definition of an income tax, as defined in IAS 12.2 "Taxes based on taxable profits". Wendel therefore deducts the CICE tax credit from personnel costs.

The CICE tax credit is presented within "Income from ordinary activities".

Note 1-11.3 Earnings per share

Basic earnings per share are calculated by dividing the Group's share of net income for the year by the average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the Group's share of net income by the average number of shares outstanding during the year, adjusted according to the "treasury stock" method. According to the "treasury stock" method, it is assumed that the cash received from the exercise of dilutive instruments would be used to buy back the shares and partially neutralize the resulting dilution. The potential dilution is thus the net impact. Dilutive instruments issued by subsidiaries are also included in determining the Group share of net income.

If the income statement presents income from divested businesses separately, earnings per share from continuing and discontinued operations are also presented separately.

NOTE 2 Changes in scope of consolidation

Note 2-1 Changes in scope of consolidation in fiscal year 2015

The scope of consolidation of Wendel Group is set out in note 38 "List of principal consolidated companies as of December 31, 2015"

Note 2-1.1 Acquisition of the US Group CSP Technologies (high-performance plastic packaging)

On January 29, 2015, the Group completed its acquisition of CSP Technologies, a leading US supplier of innovative plastic packaging solutions for the pharmaceutical and food industries. CSP Technologies is the world's leading manufacturer of high-performance plastic desiccant vials used, notably, to store test strips for diabetics. In 2015, CSP Technologies had revenues of $106.5 million and EBITDA excluding non-recurring items of $20.4 million (unaudited figures). The acquisition was made at an enterprise value of $360 million. The Group invested $198 million of equity for 98% of the capital.

The acquisition vehicle (CSP Technologies Parent) is financed as follows:

■ Contributions from Wendel (exchange rate on acquisition):	€176 million
■ Contributions by managers:	€2 million
■ Bank borrowings:	€151 million
	€329 MILLION

These amounts were used for:

■ Acquisition of shares:	€184 million
■ Fees and other acquisition costs:	€27 million
■ Refinancing the debt of CSP Technologies Group:	€118 million
	€329 MILLION

Provisional goodwill recognized on acquisition was €151 million:

■ Provisional residual goodwill:	€151 million
■ Customer relationships (amortized over 16-23 years):	€80 million
■ Brands and patents (amortized over 11-14 years):	€28 million
■ Property, plant and equipment: (€9 million revaluation difference amortized over variable periods)	€63 million
■ Inventories (€5 million revaluation difference amortized over 5 months):	€31 million
■ Deferred taxes:	€-36 million
■ Other balance sheet items on acquisition:	€-133 million
SHARE ACQUISITION PRICE:	**€184 MILLION**

As permitted by IFRS, the acquisition price will only be definitively allocated during the 12 months following the acquisition date.

The CSP Technologies Group is fully consolidated at 98.2% as from February 1, 2015 as the Group exercises sole control.

Over 11 months of consolidation, CSP Technologies contributed €90 million to net sales and €17 million to EBITDA excluding non-recurring items.

Note 2-1.2 Divestment of 48 million in Bureau Veritas shares (compliance certification and verification services)

On March 6, 2015 the Group sold 11.0% of the capital of Bureau Veritas by block sale in the market of 48 million shares for €975 million. Following this divestment, Wendel Group continues to exercise sole control over the Bureau Veritas Group and its governance system is unchanged.

The gain on divestment was €727.5 million (net of selling costs) and was recognized as a change in equity of the parent company in accordance with the provisions of IFRS 10 "Consolidated financial statements", as the sale entailed no loss of control.

As of December 31, 2015, Wendel held 177,173,360 Bureau Veritas shares, 40.5% of the capital (net of treasury shares) and 56.5% of voting rights.

Note 2-1.3 Acquisition of Constantia Flexibles Group (flexible packaging)

On March 27, 2015, the Group completed its acquisition of the Constantia Flexibles Group, a global leader in flexible packaging. The Vienna-based group produces flexible packaging solutions and labels, primarily for the agri-food and pharmaceutical industries. In 2015, the company had net sales of €1,898.7 million and EBITDA excluding non-recurring items of €263.1 million (unaudited figures).

The acquisition of Constantia Flexibles was based on an enterprise value of €2.3 billion. Under this transaction, Wendel invested €640 million in equity. The H. Turnauer Foundation supported the acquisition as a significant non-controlling shareholder, contributing €240 million.

The acquisition vehicle was financed as follows:

■ Wendel contributions:	€640 million
■ H. Turnauer Foundation contributions:	€240 million
■ Bank borrowings:	€1,092 million
	€1,972 MILLION

These amounts were used for:

■ Acquisition of shares:	€1,329 million
■ Fees and other acquisition costs:	€85 million
■ Part-refinancing of Constantia Flexibles Group debt:	€558 million
	€1,972 MILLION

Provisional goodwill recognized on acquisition was €713 million:

■ Provisional residual goodwill:	€713 million
■ Customer relationships (amortized over 15 years):	€869 million
■ Technologies (amortized over 5 years):	€18 million
■ Inventories (€16 million revaluation difference amortized over 10 months):	€270 million
■ Deferred tax on revaluation differences:	€-262 million
■ Other non-revalued balance sheet items on acquisition:	€-279 million
SHARE ACQUISITION PRICE:	**€1,329 MILLION**

As permitted by IFRS, the acquisition price will only be definitively allocated during the 12 months following the acquisition date.

In November 2015, the Group syndicated a minority portion of its investment in Constantia Flexibles, representing 11.4% of the capital, by disposing of it to Maxburg Capital Partners for €101 million. The transaction also involves an additional payment to the Group, payable when this non-controlling shareholder exits, subject to conditions on the return on its investment. The €3.4 million gain on divestment was recognized in equity in accordance with IFRS 10 "consolidated financial statements", as this transaction involved no loss of control.

Finally, Constantia Flexibles, held a €50 million capital increase (€31 million for the Wendel Group) at the end of 2015 to finance two new acquisitions: Afripack and Pemara.

At December 31, 2015, Wendel also invested a net €571 million to acquire 61.4% of the capital of Constantia Flexibles. The Group has sole control and has therefore fully consolidated its holding as from April 1, 2015, the monthly accounting closing date nearest to the transaction date.

The contribution of Constantia Flexibles to net sales for the 9-month period following the acquisition date is €1,442 million. Its contribution to EBITDA excluding non-recurring items is €196 million.

Note 2-1.4 Investment in Saint-Gobain (production, transformation and distribution of building materials)

In 2015, Wendel's percentage stake in Saint-Gobain varied for a number of reasons:

- the capital increase reserved for employees;
- stock option exercises;
- net treasury share buybacks; and
- the dividend of €1.24 per share paid by Saint-Gobain, which was paid half in cash and half in cash or shares, at the shareholder's option (issue price: €36.62 per share). 69.2% of shareholders chose to receive the dividend in shares. Wendel opted to receive its dividends in shares and sold all of the shares thus received under the terms of a bank financing agreement. As a result of this transaction, Wendel received the equivalent of the dividend in cash (€1.24 per share or €81.6 million) on the shares it held, plus a premium of €4.7 million relating to the financing agreement.

These effects led to in an immaterial change in the Group's percentage interest in Saint-Gobain, resulting in a €-6.1 million earnings dilution recognized in "Net income from equity-method investments".

As of December 31, 2015, Wendel held 65,812,635 Saint-Gobain shares, representing 11.8% of the capital (net of treasury shares) and 19.36% of voting rights.

Note 2-1.5 Investment in IHS (mobile telephone infrastructure in Africa)

IHS held a $600 million capital increase in 2015. The offering was part of a $2.6 billion fundraising program launched in the second half of 2014 and comprising a €2.0 billion capital increase coupled with a $600 million loan facility raised from its shareholders and longstanding creditors, as well as new equity and debt investors. As part of this program, Wendel undertook to invest $304 million, taking its total stake in IHS to $779 million. Wendel had already invested $195 million during the first capital increase, which was finalized in the second half of 2014, at a premium of 25% compared with the previous capital increase in the first half of 2014. A further $109 million was invested at end-June 2015 as part of the same program at an additional premium of 15% compared to the second half of 2014 investment.

In addition, Wendel has brought together four US and European family investors to invest alongside it in IHS. In addition to the $779 million it has invested, Wendel has raised an additional $181 million through a co-investment vehicle in IHS ($116 million of this sum was invested in 2014 and $65 million in 2015). Wendel manages the fund and exercises all its voting rights in IHS. The accounting treatment of this co-investment is explained in note 10 "Equity-method investments".

As of December 31, 2015, Wendel held 25.6%[1] of the share capital, remained the company's principal shareholder, and controlled, together with its co-investors, 35% of the voting rights. Wendel's investment in IHS continued to be accounted for by the equity method.

The change in the consolidated percentage interest generated a dilution gain of €18.1 million related to the successive premiums applied to the price of IHS's capital increase.

Note 2-1.6 Acquisition of AlliedBarton (security services)

At the start of December 2015, Wendel acquired AlliedBarton Security Services, one of the biggest suppliers of security services in the USA, for around $1.68 billion. The transaction meant Wendel invested $688 million in equity alongside AlliedBarton managers and holds 95% of the share capital. AlliedBarton was founded in 1957 and today is a leader in the US security services market providing physical guarding and related services. In 2015, the group made $2,257 million in revenue and $147 million in EBITDA excluding non-recurring items (figures not audited).

(1) This percentage does not include the co-investors' share, which is recorded in the Group share in accordance with IFRS.

The acquisition vehicle was financed as follows:

Wendel contributions:	**€650 million**
■ Reinvestment by managers:	€30 million
	€680 MILLION

These amounts were used for:

Acquisition of shares:	**€674 million**
■ Fees and other acquisition costs:	€6 million
	€680 MILLION

Provisional goodwill recognized on acquisition was €929 million:

Provisional residual goodwill:	**€929 million**
■ Brand:	€263 million
■ Customer relationships (amortized over 6 years):	€274 million
■ Financial debt and other non-revalued balance sheet items on acquisition:	€-792 million
SHARE ACQUISITION PRICE:	**€674 MILLION**

As permitted by IFRS, the acquisition price will only be definitively allocated during the 12 months following the acquisition date.

A small part of AlliedBarton's business (7% of net sales) involves the provision of security services to various departments and agencies of the US government and government subcontractors. In this regard, the Company has undertaken to set up a governance structure that complies with the US national security regulations and, in doing so, has further enhanced the efforts of AlliedBarton to strengthen its presence in this market. Under this governance structure, the company's Board of Directors consists of three independent directors, one management representative and two Wendel representatives. The three independent directors are appointed by Wendel with the approval of the US authorities. They are independent and have received special personnel security clearance. They are recognized figures in the US defense and aerospace communities. They have a dual responsibility to guarantee US national security and act in the interest of shareholders, which allows Wendel to exercise sole control over AlliedBarton. This investment has therefore been fully consolidated since the acquisition date.

The contribution of AlliedBarton to net sales for the one-month period following the acquisition date was €184 million. Its contribution to EBITDA excluding non-recurring items was €8.9 million.

Note 2-1.7 Signature in February 2016 of a contract to divest Parcours (long-term vehicle leasing to corporate customers)

In February 2016, Wendel signed an agreement to sell Parcours to ALD Automotive, a subsidiary of Société Générale. The sale should take effect in H1 2016 after authorization from the competition authorities. The deal values Parcours at €300 million for 100% of the capital. For Wendel, the net gain on divestment will be around €240 million, 2.2 times its original investment and an IRR (internal rate of return) of around 18% annually since April 2011.

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", the contribution of Parcours to the consolidated net income of Wendel has been reclassified to the single line item "Net income from discontinued operations and operations held for sale" for fiscal year 2015 and fiscal year 2014 (presented for comparative purposes). It is recognized on the balance sheet for December 31, 2015 in 2 lines: "Assets of operations held for sale" and "Liabilities of operations held for sale". In the cash flow statement, cash from Parcours was restated as an effect of changes in scope of consolidation at the end of 2015, when the division was reclassified as held for sale.

In 2015, Parcours had net sales of €374 million and current pre-tax profit of €28 million.

Note 2-1.8 Pro forma

In millions of euros	Reported 2015	Pro Forma 2015
Net sales	7,867.1	10,184.8
Operating income	565.7	632.5
Finance costs, net	-360.3	-426.3
Other financial income and expense	-10.1	-11.2
Tax expense	-211.0	-209.8
Share in net income of equity-method investments	25.6	25.6
Net income from discontinued operations and operations held for sale	14.6	14.6
Net income	24.5	25.4

The pro forma income statement shown above was prepared on the assumption that the acquisitions of CSP Technologies, Constantia Flexibles and AlliedBarton took place on January 1, 2015. Net sales and income from ordinary activities figures show actual data over the 12 months. In addition, no non-current operating expenses were included for the periods between January 1 and the actual acquisition dates. For the period between January 1 and the acquisition date, net finance expenses were extrapolated based on those recorded post-acquisition in the case of CSP Technologies and Constantia Flexibles, which were refinanced as part of the acquisition. Figures for AlliedBarton are real net finance expense for the period.

Note 2-1.9 Principal changes in scope of consolidation of subsidiaries and investments

1. Changes in scope of consolidation of the Bureau Veritas Group (compliance evaluation and certification services)

The principal acquisitions by Bureau Veritas in 2015 were as follows:

- Shandong Chengxin, a Chinese company specialized in support services for infrastructure construction projects in the power industry;
- Ningbo Hengxin, a Chinese company specialized in non-destructive inspection and metallurgical testing;
- CTS, a Chinese laboratory specializing in the testing of toys, electrical goods, electronics, and consumer durables;
- Shanghai TJU Engineering Service, a Chinese company specialized in construction project supervision for industrial assets;
- Hydrocéan, a French engineering company specialized in hydrodynamic digital simulation for the maritime industry;
- Certest, an Italian luxury goods and apparel testing laboratory;
- NCC, a certification body for electrical and electronic equipment in Latin America.

The total cost of these acquisitions was €107.6 million and the total goodwill recognized on these companies was €50.7 million (incl. €13.1 million for Shandong Chengxin). The annual net sales for the fiscal year of companies acquired in 2015 is around €82 million.

2. Changes in scope of consolidation by the Saint-Gobain Group (production, transformation and distribution of building materials), an equity-method investment

1. Divestment of Packaging Division – Verallia

The Saint-Gobain Group sold its Verallia Packaging Division at the end of October 2015. The sale was agreed at an enterprise value of €2,945 million.

Part of the goodwill recognized by Wendel at the time it acquired the Saint-Gobain investment in 2007 was allocated to Verallia's carrying amount. This goodwill was included in the gain or loss on divestment booked in Wendel's financial statements. The gain recognized by Saint-Gobain in its consolidated financial statements therefore translates as an accounting loss of €96.5 million in Wendel's consolidated financial statements.

2. Other changes in scope of consolidation

As well as divesting the Packaging Division, the Saint-Gobain Group continued its active management of its portfolio of operations, in line with its strategy. Among others, Saint-Gobain agreed to sell its US distribution business Norandex. A number of acquisitions were made to strengthen the group's presence in high added value businesses and growth markets.

3. Proposed acquisition of Sika

Saint-Gobain continues to implement its strategy after the announcement on December 8, 2014 of its planned takeover of Sika, market leader in construction chemistry. The plan is the acquisition, for 2.83 billion Swiss francs (fully hedged in euros) by Saint-Gobain from holding company Schenker Winkler Holding AG (SWH) which held, at December 31, 2015, 16.97% of the share capital and 52.92% of voting rights in Sika. Completion of this transaction is subject to a number of authorizations by the competent competition authorities, all of which were granted at December 2, 2015. In addition, the Swiss Takeover Commission, FINMA (the Swiss Federal Financial Market Supervision Authority) and the Swiss Federal Administrative Court, confirmed the validity, on, respectively, April 1, 2015, May 4, 2015 and August 27, 2015 on appeal, of the opt-out clause in Sika's bylaws, thereby dispensing Saint-Gobain from the requirement to launch a

mandatory public takeover bid following acquisition of SWH's shares, No reservation was expressed on the application of this clause to the acquisition by Saint-Gobain of all of SWH's shares. Finally, Saint-Gobain noted the decisions taken at Sika's Shareholders' Meetings of April 14, 2015, and July 24, 2015, after the Board decided to cap, for certain resolutions, SWH's voting rights at 2.6%. Saint-Gobain had anticipated these decisions by agreeing with SWH to extend the duration of the acquisition agreement from April 2015 until June 2016,

In March 2016, Saint-Gobain and the Burkard family decided to amend their agreement on the sale of the SWH shares and extend the validity of the agreement until June 30, 2017. At that date, Saint-Gobain will have the option of further extending the agreement for a term running until December 31, 2018. Wendel is backing this project.

3. Changes in the scope of consolidation of Constantia Flexibles (flexible packaging)

In July 2015, Constantia Flexibles announced the acquisition of South-African packaging company Afripack, based in Durban. Afripack is the second-largest flexible packaging company in sub-Saharan Africa. The company produces flexible packaging solutions for the agri-food industry and packaging labels for its home market and export to other African countries. Afripack achieved net sales over 12 months of around €108 million.

In November 2015, Constantia also announced the acquisition of Australian company Pemara Labels Group, which produces self-adhesive labels (pressure-sensitive labels), in-mold labels and Fix-a-Form™ leaflet-labels. It is also a leader in digital print solutions. Its customers are national and multinational companies in the mass market consumer, pharmaceutical and agri-food industries across the Asia-Pacific region. Pemara saw net sales of around €34 million over 12 months.

These two companies will be consolidated as from 2016, with their shares being recognized as non-current financial assets at December 31, 2015.

Note 2-2 Changes in scope of consolidation in fiscal year 2014

The principal changes in scope during 2014 were as follows:

- divestment of a 4.3% stake in Saint-Gobain for a net amount of €1,008 million, generating a loss on divestment of €-106.7 million;
- the Group subscribed to a series of capital increases by IHS for a total of $394 million;
- first-time consolidation of NOP Group; and
- divestment of Materis's mortars, aluminates and admixtures divisions.

NOTE 3 Related parties

Wendel's related parties are:

- Saint-Gobain, exceet and IHS, which are accounted for by the equity method;
- the members of Wendel's Executive Board and Supervisory Board; and
- Wendel-Participations, which is the Group's control structure.

Note 3-1 Saint-Gobain

During the 2015 fiscal year, Wendel received €81.6 million in dividends from Saint-Gobain, in the form of cash and Saint-Gobain shares. All of the shares received have been sold, see note 2 "Changes in scope of consolidation".

Some Saint-Gobain subsidiaries undertake transactions with Wendel Group subsidiaries. These transactions are carried out at market prices.

Note 3-2 Members of the Supervisory Board and Executive Board

Compensation paid by Wendel Group SE to the members of the Executive Board in respect of 2015 amounted to €3,811.3 thousand. The value of options and performance shares allocated to the members of the Executive Board in 2015 totaled €3,061.8 thousand as of the date they were granted.

Compensation paid to members of the Supervisory Board in 2015 totaled €760.9 thousand, including €695 thousand in Wendel SE directors' fees and compensation paid to the Chairman of the Supervisory Board, and €65.9 thousand in directors' fees paid to certain members of the Supervisory Board by Wendel-Participations for serving on its Board. These amounts do not include the salary of the employee representative on Wendel's Supervisory Board, who does not receive Wendel SE director's fees.

The Company has committed to pay Frédéric Lemoine, Chairman of the Executive Board, in the event of his departure, a maximum of twice his most recent yearly fixed salary and variable pay on achieved objectives, provided certain conditions have been met.

The Company's commitments to Bernard Gautier, member of the Executive Board, in the event of his departure, are as follows:

- end-of-contract severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board;
- end-of-appointment severance pay, representing a maximum of one year of fixed salary and variable pay on achieved objectives, as allocated by the Supervisory Board, subject to certain conditions.

The members of the Executive Board, and around 40 other people, have co-invested in Materis, Stahl, Parcours, Mecatherm, IHS, NOP, Saham, CSP Technologies, Constantia Flexibles and AlliedBarton (see note 4 "Participation of managers in Group investments").

Note 3-3 Wendel-Participations

Wendel-Participations is owned by approximately 1,080 Wendel family individuals and legal entities. Wendel-Participations owned 36.22% of Wendel SE's share capital as of December 31, 2015.

There are no other economic or financial relationships between Wendel-Participations and Wendel besides those related to the holding of shares and the following agreements:

- a memorandum of understanding on the use of the "Wendel" family name and a license agreement governing the use of the "WENDEL Investissement" brand; and
- agreements with Wendel-Participations regarding technical assistance and leasing of premises.

NOTE 4 Participation of managers in Group investments

Note 4-1 Participation of Wendel teams in Group investments

To involve its managers in the Group's value creation, Wendel has set up co-investment mechanisms to allow them to invest their personal funds in the same assets in which the Group invests. This gives managers a personal stake in the risks and rewards of these investments. Several mechanisms co-exist depending on the date of Wendel's initial investment. However, certain rules are common to all mechanisms:

i) the amount of the co-investment is no more than 0.5% of the amount invested by Wendel; the co-investments correspond to the disbursements made by each manager, concurrent with the Wendel investments;

ii) if a liquidity event (as defined in paragraph (iii) below) occurs, the managers have, depending on the particular case, either the same rights and obligations as Wendel in relation to the gain or the loss incurred (*pari passu* co-investment), or different rights and obligations. In the latter case, if Wendel achieves a predefined level of return, the managers have the right to a greater share of the gain; conversely, if the return is not achieved, the managers lose all rights to any capital gain, as well as the amount of their initial contribution;

iii) a liquidity event is defined as a full divestment of a portfolio company, a change in control, or divestment of more than 50% of the shares held by Wendel, or if the company concerned is listed on a stock exchange. The liquidity extended to co-investors may be either the total amount or an amount proportional to the investment sold;

iv) co-investors' rights vest over a period of four years in five tranches of 20% each, including 20% at the investment date. In the event of their departure before a liquidity event (as defined in iii) above) or before an automatic liquidity tranche (as defined in v) below), the managers agree to sell (and in certain cases have the option to sell) their unvested rights upon request at their initial value, and, in certain cases, to sell their vested rights under predefined financial conditions;

v) in the absence of a liquidity event several years after the initial investment, a cash payout is offered to co-investors, in one or more tranches. The valuation of the portfolio company is systematically performed by an internationally-renowned independent expert, and managers' rights and obligations are calculated in accordance with the rules set out in paragraph ii) above.

In addition, co-investments deriving from small investments can be aggregated and paid up at the end of the year. Accordingly, payment of co-investments that together represent less than €100,000 for all co-investor/managers (corresponding to Wendel investments of less than €20 million) can be deferred until a cumulative threshold of €250,000 is reached. If this threshold is not reached at least once a year, payment must nevertheless be made.

2006-08 period

Co-investments related to acquisitions Wendel made between 2006 and 2008 (and to subsequent reinvestments Wendel made in these companies) remain governed by the principles above, and the following specific rules:

i) the co-investments confer a right to 10% of the capital gain (on 0.5% of the investments), provided that Wendel has obtained a minimum return of 7% p.a. and a cumulative return of 40% on its investment. Otherwise, the co-investors lose all rights to any capital gain, as well as the amount invested;

ii) if no liquidity event occurs, a cash payment is offered to the co-investors after a period of 10 years, i.e. on December 31, 2016.

Under these previously applied principles, managers invested personally alongside Wendel in:

- Saint-Gobain: this co-investment was unwound in 2010, prior to maturity, in light of the absence of prospects of a return for co-investors, who thereby lost the whole of their investment;
- Materis, Deutsch, Stahl, and Van Gansewinkel Groep (VGG): these co-investments were made through Winvest International SA SICAR, formed in 2006 and divided into four sub-funds corresponding to each of these four companies; the co-investment in Deutsch was unwound when the company was sold to TE Connectivity in April 2012. The co-investment in VGG was liquidated when the company was taken over by its creditors in July 2015 (co-investors lost the whole of their investment).

2011-12 period

In 2011, the co-investment principles evolved, in particular to include a *pari passu* share and to reduce the share of the capital gain likely to be returned to co-investors. Co-investments related to acquisitions made by Wendel between 2011 and 2012 (and to potential subsequent reinvestments made by Wendel in these companies) are therefore governed by the principles set out at the beginning of note 4-1 and by the following specific rules:

i) 30% of the amounts invested by the co-investors are invested under the same terms and conditions as Wendel (pari passu co-investment);

ii) the remaining 70% confer a right, should a liquidity event occur, to 7% of the capital gain (carried interest), provided that Wendel has obtained a minimum return of 7% *per annum* and a cumulative return of 40% on its investment. Otherwise, the co-investors lose all rights to any capital gain on 70% of their investment, and also lose 70% of the amount invested;

iii) from eight years after Wendel's initial investment, if Wendel has not fully divested the company in question or listed it on a stock exchange, a three-stage payment is offered to co-investors: the potential capital gain is realized after eight years on one-third of the amounts invested by co-investors; similarly, the potential gain on the other two-thirds is realized after 10, then 12 years if no full divestment or IPO has taken place in the meantime.

Under these principles, the managers invested personally alongside Wendel in Parcours, Mecatherm, and IHS. These co-investments were made through Oranje-Nassau Développement SA SICAR, created in 2011, and currently divided into three sub-funds corresponding to each of these three companies.

In 2015, as part of Wendel's reinvestments in IHS, Wendel managers made supplementary co-investments (the rules of the supplementary co-investments follow those applicable to the initial co-investments). Accordingly, on the prior authorization of the Supervisory Board, which was based on the Governance Committee's opinion, the Chairman and the other member of the Executive Board made respective follow-on co-investments of €97,020 and €64,680 in IHS.

2013-17 period

The co-investment mechanism was again amended in 2013, on the initiative of the Supervisory Board, in order to introduce a pooled share and, in certain cases, to raise the Group's minimum return condition. These amendments were set for the four years of the Executive Board's current term. Co-investments related to acquisitions made by Wendel in new companies between April 2013 and April 2017 are therefore governed by the principles set out at the beginning of note 4-1 and by the following specific rules:

i) 35% of the amount co-invested gives the right, if a liquidity event occurs, to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return is at least 10% *per annum* (carried interest deal by deal); a three-stage payment is offered to co-investors at 8, 10 and 12 years after Wendel's initial investment (see 2011-12 period), if Wendel has not fully divested the company in question or listed it on a stock exchange;

ii) 35% of the amount co-invested gives the right to 3.5% of the capital gain realized on each of the investments of the period, on the condition that Wendel's return, calculated for all of these investments as a whole, is at least 7% *per annum* (pooled carried interest); if Wendel has not fully divested each of the investments of the period in question, or listed them on a stock exchange, the pooled potential capital gain will be allocated equally in 2024 and 2025 (the investments remaining in the portfolio being valued by an independent expert in every case);

iii) the remaining 30% is co-invested *pari passu* with Wendel, 15% on a deal-by-deal basis, and 15% on a pooled basis;

iv) the co-investors having freely made the commitment to participate in the 2013-17 at a certain proportion of total co-investments are required to invest at this level in all of the investments of the period with respect to the pooled portion (carried interest and *pari passu*); failing which, the co-investor concerned will lose all of his/her rights to the pooled capital gain for the non-invested portion and his/her previous investment, except for cases of *force majeure* where the co-investor will simply be diluted;

v) those co-investors who have met their commitment to co-invest in the pooled portion may invest the same amount on a deal-by-deal basis (carried interest and *pari passu*), without obligation;

vi) the four-year period necessary to acquire the rights to pooled carried interest is calculated from the date of the initial investment.

In addition, the share of the Executive Board's co-investment has been fixed at one-third of the total co-investment, comprising 60% and 40%, respectively, from the Chairman and the other member of the Executive Board.

As a result of implementing these new principles, two new private equity investment companies, or "SICARs", (Expansion 17 SA SICAR and Global Performance 17 SA SICAR) have been incorporated in Luxembourg and have been approved by Luxembourg's financial regulator, the *Commission de surveillance du secteur financier* (CSSF).

Co-investments are made in euros. In the case of foreign currency investments the euro exchange rate is adjusted to that applying on the day of the SICARs' capital increase.

Wendel managers used these SICARs to co-invest alongside Wendel in Saham, Nippon Oil Pump, and CSP Technologies, as well as Constantia Flexibles and AlliedBarton Security Services in 2015. Accordingly, on the prior authorization of the Supervisory Board, which was based on the Governance Committee's opinion, the Chairman and the other member of the Executive Board made respective follow-on co-investments of €570,699 and €380,371 in Constantia Flexibles, and €649,923 and €433,173 in AlliedBarton Security Services.

Note 4-2 Participation of subsidiaries' managers in the performance of their companies

Various mechanisms exist in Wendel Group subsidiaries to allow senior managers to participate in the performance of each entity.

For listed subsidiaries (Bureau Veritas), these mechanisms comprise subscription- and purchase-type stock option plans, and performance share plans.

For unlisted subsidiaries (AlliedBarton, Materis, CSP Technologies, Mecatherm, Parcours, Stahl, and NOP), the participation policy is based on a co-investment mechanism through which these executives have co-invested significant sums alongside Wendel. These investments present a risk for the co-investors/managers in that they run the risk of losing all or part of the significant sums they have invested, depending on the value of the investment at maturity.

These mechanisms are generally composed in part of a *pari passu* investment, which gives a return profile identical to that achieved by Wendel, and in part of a ratchet investment, which offers a gain profile differentiated according to performance criteria such as the internal rate of return (IRR) achieved by Wendel. Accordingly, on this portion of the investment, the co-investing managers only benefit from a return in excess of Wendel's when a certain profitability threshold has been met by Wendel (ranging from 7% to 10%).

These co-investment mechanisms and the sharing of risk between Wendel and the manager co-investors are represented by a variety of financial instruments held by Wendel and the manager co-investors. These instruments include ordinary shares, index-based or preferred shares, fixed-rate bonds, warrants, etc. The ratchet portions may also be structured as bonus systems linked to the relevant entity's performance, or to the profitability of Wendel Group's investment in the entity.

These investments mature either when a liquidity event occurs (divestment or IPO) or, if no such event takes place, at a specific point in time (depending on the company, between two and 14 years after the initial investment by Wendel).

Furthermore, associate companies accounted for by the equity method (Saint-Gobain, IHS, and exceet) have implemented performance share plans and/or stock-option plans that may have a dilutive effect on Wendel's capital holding in these companies.

Note 4-3 Impact of co-investment mechanisms for Wendel

In the event that the business plans of the subsidiaries and companies related to the co-investments of managers from Wendel and its subsidiaries are realized, there could be a dilutive impact of up to 15% on Wendel's ownership interest in these companies if a liquidity event occurs.

NOTE 5 Managing financial risks

Note 5-1 Managing equity market risks

Note 5-1.1 Value of investments

Wendel's assets are mainly investments in which it is the main or controlling shareholder. Some assets are listed (Saint-Gobain, Bureau Veritas and exceet) and some are unlisted (Cromology, Stahl, IHS, Constantia Flexibles, AlliedBarton, Mecatherm, NOP, CSP Technologies and Parcours, held for sale on the closing date). The Group also holds non-controlling interests, such as in Saham.

The value of these investments is based mainly on:

- their economic and financial performance;
- their prospects for business development and profitability;
- their ability to identify risks and opportunities in their environment;
- equity market trends, directly in the case of listed companies and indirectly in the case of unlisted companies, whose valuations may be influenced by market parameters.

Growth in Wendel's Net Asset Value (NAV, aggregate defined in the annual financial report) depends on its managers' capacity to select, buy, develop and then resell companies able to distinguish themselves as leaders in their sectors.

Wendel makes its decisions on the basis of its investment teams' expertise and in-depth strategic, accounting/financial, legal, tax and environmental analyses. These processes identify the operating, competitive, financial and legal opportunities and threats likely to have an impact on the value of an investment.

Wendel monitors and analyzes each company's operating and financial performance and the risks to which they are subject, alongside the managers of the companies, during regular in-depth operational review meetings or meetings of these companies' governance entities. In addition, knowledge sharing with the management team makes it possible to develop true sectoral expertise and thus to prepare an analysis of future prospects at regular intervals. This regular review also enables Wendel to better analyze developments in each investment and play its role of principal shareholder.

Wendel's company-specific approach is supplemented at the Group level through an overall analysis of the distribution of Wendel's subsidiaries and investments by economic activity, in order to ensure sufficient diversification, not only sectorally, but also from the point of view of their competitive positioning and of the resilience of the companies to a deterioration in the economic climate.

Nevertheless, there is a risk that the subsidiary's economic results will not meet Wendel's expectations. This risk is significant, amid the current high volatility on the financial markets and also the after-effects of the global recession, which continue to generate much uncertainty about economic trends.

Additionally, the financial and debt structure of certain unlisted investments (Cromology, Stahl, Constantia Flexibles, AlliedBarton, Mecatherm, CSP Technologies and NOP) accentuates the valuation risk of these investments. While leverage makes high internal rates of return (IRR) possible on these investments, it also exacerbates financial difficulties in the event of a significant slowdown in economic activity, by restricting the access of the companies in question to liquidity and by subjecting them to the risk that financial covenants will trigger accelerated maturity of their financial debt (see note 5-2 "Managing liquidity risk"). Moreover, the financial crisis has shown that banks' own difficulties (e.g. access to liquidity, prudential ratios) could create obstacles in refinancing the debt of these companies. To prevent and manage the risk incurred by these companies' financial structure, cash flow and financial covenant forecasts are prepared regularly, based on various scenarios, in order to prepare, if necessary, targeted solutions to ensure their long-term survival and to create value. Moreover, Wendel and its subsidiaries are in close contact with bank lenders, in order to more effectively manage the restrictions on these financing agreements.

The value of these investments is therefore subject to the risk that their economic and financial performance and prospects for business development and profitability will be undermined by difficulties related to their organization, financial structure, economic sector and/or the global economic environment. The value of investments is also subject to financial market risk, and equity market risk in particular. However, Wendel is a long-term shareholder with no short-term demands on the value of its assets at a specific point in time, even though it monitors NAV trends very closely.

Note 5-1.2 Short-term financial investments indexed to equity markets

As part of its cash management (see note 5-2 "Managing liquidity risk"), Wendel uses liquid, short-term financial investments, a small portion of which is indexed to equity markets (equity funds). This small portion is therefore exposed to equity market risk. Such investments, which offer higher expected yields than cash instruments, but also greater risk of loss in value, are formally monitored on a regular basis by the Chief Financial Officer and the Executive Board.

Note 5-1.3 Equity market risk

Equity market risk relates to:

- consolidated and equity-method shares, whose "recoverable values" used for impairment tests are based on market parameters, including, and depending on the case, the discount rate used in calculating "value in use" or the market price used in calculating "fair value" (see the impairment tests in note 7 "Goodwill" and in note 10 "Equity-method investments");
- the Saham shares are recorded as financial assets and recognized at their fair value. Their value is subject to changes in this company's business and in the benchmark companies used to determine its valuation, in particular the multiples of peer-group companies. Changes in value are recorded within shareholders' equity unless there is a decline in value that is considered to be significant or lasting, in which case an impairment charge is recognized in the income statement. This charge can only be reversed through the income statement in the event of divestment. As of December 31, 2015, the net value retained for these shares was remeasured through shareholders' equity at €113 million, up from €69 million at the end of 2014 (see note 13 "Financial assets and liabilities");
- financial investments indexed to equity markets, the total value of which was €88 million as of December 31, 2015. Such investments are, in the main, classified under current financial assets, and any change in their fair value is recognized on the income statement. A +/-5% variation in the equity markets could have an impact of about +/-€5 million on the value of these investments, most of which would be recognized in the income statement;
- the covenants under Wendel's syndicated loan. These covenants are based on ratios of financial debt to the value of assets and are described in note 5-2 "Managing liquidity risk". As of December 31, 2015, Wendel was in compliance with all covenants and this credit was undrawn;
- the degree of financial leverage of Wendel and its holding companies (i.e. net debt/assets), a key indicator of the cost of bond financing (and in some cases, bank financing), which Wendel may seek to access. This indicator is also monitored by Standard & Poor's, which has been mandated by Wendel to rate its financial structure and bond borrowings.

					Impact on net income			
In millions of euros	**Net carrying amount (Group share)**	**Market value (closing share price)**	**Impact on market value from a change of -5% in market price**	**Balance sheet note**	**change of +/-5% in market price**	**change of -/+ 0.5% of the discount rate applied to the value of future cash flows**	**change of -/+ 0.5% of the perpetual growth rate used to calculate discounted future cash flows**	**reduction of 1% in the normative margin used to discount cash flows in post-business-plan periods**
Equity-method investments								
Saint-Gobain	3,014.4	2,318.6	-131.1	10	N/A(1)	+88/-295	+88/-217	-437
IHS	666.6	N/A	N/A	10	N/A	N/A(2)	N/A(2)	N/A(2)
Oranje-Nassau Développement – exceet	36.6	22.0	-1.1	10	N/A(1)	+3/-3	+1/-1	-3
Consolidated investments								
Bureau Veritas	868.0	3,258.2	-162.9	7	0	N/A(3)	N/A(3)	N/A(3)
Materis (Cromology)	-281.4	N/A	N/A	7				
Shareholder loan(4)	396.3							
	114.9				N/A	0/0	0/0	0
Stahl	162.6	N/A	N/A	7	N/A	0/0	0/0	0
Constantia Flexibles	547.0	N/A	N/A	7	N/A	0/0	0/0	0
AlliedBarton	622.1	N/A	N/A	7	N/A	N/A(5)	N/A(5)	N/A(5)
Oranje-Nassau Développement								
■ Parcours(6)	159.4	N/A	N/A	2	N/A	N/A	N/A	N/A
■ Mecatherm	80.0	N/A	N/A	7	N/A	0/0	0/0	0
■ CSP Technologies	165.6	N/A	N/A	7	N/A	0/-25	0/-18	-10
■ NOP	25.5	N/A	N/A	7	N/A	0/0	0/0	0
Other financial assets								
Investment in Saham	113	N/A	N/A	13	N/A(7)	N/A(7)	N/A(7)	N/A(7)
Short-term financial investments indexed to the equity markets	87.6	87.6	-4.4		+/- 4.4	N/A	N/A	N/A

(1) Impairment tests are based on value in use (discounted future cash flows). See note 10 "Equity-method investments";
(2) No impairment test was performed on IHS because there is no indication of impairment, and the most recent capital increase at the end of June 2015 was carried out at a premium compared to previous issues;
(3) The recoverable value used for the Bureau Veritas impairment test was the market share price;
(4) Eliminated on consolidation;
(5) No test was performed on AlliedBarton in that the acquisition was made only one month before the balance sheet date;
(6) Parcours is classed as an operation held for sale and the net sale price expected is higher than the carrying amount, see note 2 "Changes in scope of consolidation";
(7) See note 13 "Financial assets and liabilities".

Additionally, in accordance with accounting standards, IHS shares held by co-investors via the co-investment vehicle controlled by Wendel, are recognized as equity-method investments. As an offset, the Group must recognize a financial liability equal to the fair value of these shares. The change in the fair value of this liability is recognized on the income statement. As of December 31, 2015, this liability stood at €182.3 million and its revaluation resulted in the recognition of a €15.7 million charge over the period. The impact was purely of an accounting nature. The accounting treatment is described in greater detail in note 10 "Equity-method investments."

Note 5-2 Managing liquidity risk

Note 5-2.1 Liquidity risk of Wendel and the holding companies

Wendel needs cash to make investments, service debt and pay operating expenses and dividends. These needs are covered by asset rotation, bank and bond financing, and by dividends received from subsidiaries and associates.

1. Position and monitoring of cash and short-term financial investments

1.1. Cash and short-term financial investments as of December 31, 2015

As of December 31, 2015, cash and short-term financial investments held by Wendel and its holding companies (excluding operating subsidiaries) were as follows:

In millions of euros	Denominated in €	Denominated in $	Total
Money-market mutual funds	216	25	241
Bank accounts and bank certificates of deposit	201	28	229
Diversified, equity and bond funds*	27	32	59
Funds managed by financial institutions*	271		271
TOTAL	**715**	**85**	**800**

* *Classified under "Other current financial assets".*

The amount of short-term financial investments and cash invested in US dollars is part of the Group's strategy of investing in North America.

1.2. Monitoring cash and short-term financial investments

Every month cash & equivalents (including short-term financial investments) and cash flow are displayed on a chart summarizing the changes during the month and the month-end position. This chart is presented to the Executive Board on a monthly basis. It also details the various cash and short-term financial investment vehicles utilized, as well as counterparty information. Finally, another chart indicating the expected cash flows over the coming months and years is prepared and used to determine when financing needs will arise under various scenarios.

Cash investment vehicles consist of short-term bank deposits and low-volatility, money-market mutual funds (classified under "Cash and cash equivalents"), funds managed by financial institutions, and equity, bond and diversified funds (classified under "Other financial assets"). These investments are valued daily (or in some cases weekly). Amounts allocated to more volatile funds, potentially generating higher returns, represent an insignificant portion of cash and short-term financial investments. Wendel has a formal procedure for monitoring the net asset values of these more volatile funds on a weekly basis. In choosing the various types of investments, Wendel takes into account the compatibility of their term with its debt repayment obligations and those of its holding companies.

2. Position and management of debt maturities and refinancing

2.1. Debt position as of December 31, 2015

As of December 31, 2015, gross debt (excl. operating subsidiaries) was composed of €4,136 million in Wendel bonds with maturities ranging from May 2016 to February 2027 (see details in note 16 "Financial debt"). As of the end of December 2015, the average maturity of this debt was 4.4 years.

Available, undrawn lines totaled €1,500 million as of end-December 2015 and were composed of:

- a €650 million syndicated loan maturing in November 2019. Its financial covenants were respected (see note 5-2.24 "Wendel's syndicated loan – documentation and covenants"); and
- bank debt with margin calls (Saint-Gobain shares, Bureau Veritas shares, and cash) totaling €850 million, including €350 million maturing in December 2019 and €500 million maturing in March 2020 (see note 5-2 "Bank financing with margin calls").

These lines enable Wendel to ensure repayment of the closest maturities and have enough flexibility to take advantage of investment opportunities.

In 2015, Wendel issued €800 million of new bonds:

- €500 million maturing on February 9, 2027 with a 2.5% coupon; and
- €300 million maturing on April 12, 2020 with a 1.875% coupon.

In addition, €348 million of bonds were repaid when they reached maturity in September 2015.

Additionally, within the context of managing currency risk (see note 5-5 “Managing currency risk”), €800 million of bond debt was synthetically swapped to debt denominated in dollars using derivative instruments (cross currency swaps) in February and March 2016 (post-closing).

On February 19, 2016, Standard & Poor’s confirmed Wendel’s long-term investment grade rating of BBB- with a “stable” outlook. The short-term rating is A-3.

2.2. Managing debt

To manage debt maturities, Wendel must find the necessary resources to cover the repayment of its financial obligations at their maturity. These resources can derive from available cash, asset rotation, the drawdown of available credit lines or new financing. This latter resource may be limited by:

- the availability of bank and bond lending sources, which has been restricted by financial market volatility, banks’ access to liquidity, and pressure from financial institution regulators;
- the level of financial leverage of Wendel and its holding companies (i.e. net debt/assets), which is a key credit risk indicator tracked by Wendel’s lenders and by Standard & Poor’s, which rates the Group’s financial structure. Likewise, the syndicated loan is subject to financial covenants that are based principally on the market value of Wendel’s assets and on the amount of net debt (see note 5-2.4 “Wendel’s syndicated loan – documentation and covenants”.) Leverage depends in particular on asset values and is thus subject to equity market risk (see note 5-1.3 “Equity market risk”); and
- a potential rating downgrade for Wendel by Standard & Poor’s.

To manage refinancing risk, Wendel seeks to align the maturities of its bond and bank financing with its long-term investor outlook. Wendel therefore secures medium to long-term financing and extends existing maturities when market conditions allow and when Wendel management deems it necessary to do so.

Note 5-2.2 Liquidity risk of operating subsidiaries

1. Managing liquidity risk of operating subsidiaries

The management of each operating subsidiary is responsible for managing the cash, debt, and liquidity risk of that entity.

Cash and debt levels are reported regularly to Wendel. Forecasts of bank covenant compliance for the coming year and over the lifetime of the business plan are prepared several times a year and any time an event occurs that could have a material impact on the covenants. These forecasts and calculations of covenant compliance are presented regularly to Wendel.

2. Impact of liquidity risk of subsidiaries on Wendel

Debt of operating subsidiaries and associates is without recourse to Wendel. As such, these subsidiaries’ liquidity risk affects Wendel only when Wendel chooses to accept it. Wendel has no legal obligation to support those of its operating subsidiaries and associates that might experience cash flow difficulties. Similarly, they have no mutual support obligation between them. As a result, Wendel’s liquidity is affected only if Wendel decides to contribute cash to an operating subsidiary. Such a decision would result from an in-depth analysis of all the constraints to which Wendel is subject, including return on investment, Wendel’s own liquidity, additional investment in other subsidiaries, and new investments. In this context, Wendel extended a €15 million liquidity line to Mecatherm (€5 million of which had been drawn as of end-December 2015) and provided a guarantee of €15 million to Mecatherm’s lenders in return for the easing of financial covenants and banking documentation relating to the Mecatherm debt. Changes in the economic and financial situation of subsidiaries can also have an impact on Wendel’s liquidity via the amount of dividends they pay to Wendel. Similarly, changes in the economic and financial position of subsidiaries has an impact on their value, however, this value is taken into account in calculating Wendel’s financial leverage (see note 5-1.3 “Equity market risk”).

Note 5-2.3 Wendel’s liquidity outlook

The main debt maturity in the 12 months following the 2015 year end is the €644 million bond repayment in May 2016. Wendel’s liquidity risk for this period is low, given the high level of cash and short-term financial investments, and the undrawn available credit lines.

Note 5-2.4 Financing agreements and covenants of Wendel and its holding companies

1. Bonds issued by Wendel – documentation

These bonds are not subject to financial covenants, but carry standard clauses for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.)

2. Wendel's syndicated loan – documentation and covenants (undrawn as of December 31, 2015)

The syndicated loan has financial covenants associated with it, based primarily on the market value of Wendel's assets and on the amount of its net debt.

This net debt figure is based on consolidation of the Group's financial holding companies and does not include the debt of operating companies or that of holding companies set up for the purpose of acquisitions. The net debt taken into account corresponds to Wendel bonds and the syndicated loan, where drawn, less available cash (potential pledged cash being lodged in the structure for financing with margin calls).

Net debt of the Group subsidiaries is deducted from the gross revalued assets of these subsidiaries inasmuch as it is without recourse to Wendel. Potential drawing of debt with margin calls (less any cash pledged), would be recognized as a deduction from the shares pledged inasmuch as it is also without recourse to Wendel.

These covenants are as follows:

- the net financial debt of Wendel and its financial holding companies must not exceed 50% of gross revalued assets after future tax on unrealized gains and losses (excluding cash);
- the ratio of:
  - unsecured gross debt plus off-balance-sheet commitments similar in nature to unsecured financial debt of Wendel and its financial holding companies, less available cash (not pledged or in escrow) of Wendel and the financial holding companies, to
  - the sum of 75% of the value of the available listed assets (not pledged or in escrow) and 50% of the value of available unlisted assets (not pledged or in escrow), must not exceed 1.

These ratios are tested half-yearly when there are drawdowns under the syndicated loan line. As of December 31, 2015 Wendel was in compliance with all covenants.

The syndicated loan agreement carries standard covenants for this type of debt instrument (prohibition or restriction on the pledging of assets as collateral to certain types of lenders, accelerated maturity should Wendel default on a payment beyond certain thresholds, change of control clause, etc.).

3. Bank financing with margin calls (undrawn as of December 31, 2015)

If the two bank facilities with margin calls are drawn down, listed securities must be pledged. In this event, the value of the collateral given (Saint-Gobain shares, Bureau Veritas shares, and cash) must remain at the level required under the bank agreement covenants, based in turn on the amount of debt. If this value declines, the bank demands further collateral; if it increases, a portion of the collateral is freed up. As these debts are without recourse to Wendel, the Company could decide not to respond to potential additional margin calls. This would put the related financing contract in default, and the bank could then exercise the collateral already provided.

Note 5-2.5 Financial debt of operating subsidiaries – documentation and covenants

1. Bureau Veritas financial debt

This debt is without recourse to Wendel.

As of December 31, 2015, Bureau Veritas' gross financial debt was €2,389.9 million, and its cash balance was €522.9 million. Bureau Veritas does not have significant repayment obligations on its debt in the short term and, in addition to its cash balance, had unused lines of credit amounting to €450 million as of December 31, 2015.

The relevant covenants are as follows:

- the ratio of consolidated EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization and Provisions) adjusted for the last 12 months to net interest expense must be greater than 5.5; and
- the ratio of adjusted net financial debt to consolidated EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization and Provisions) adjusted for the last 12 months, must be less than 3.25.

Bureau Veritas was in compliance with these ratios as of December 31, 2015.

2. Cromology financial debt

This debt is without recourse to Wendel.

As of end-2015, Cromology's bank debt was €270 million (including accrued interest, and excluding deferred issuance costs and shareholder loan). Its cash balance was €25.8 million. As of that date, this bank borrowing was subject to the following covenants:

- adjusted LTM EBITDA divided by net cash interest expense must be greater than 2.20 (this minimum rises to 2.70 in 2018). The test is quarterly; and
- consolidated net debt (excluding shareholder loan) divided by adjusted LTM EBITDA must be less than 5.32 (this ceiling declines to 3.75 in 2019). The test is quarterly.

As of December 31, 2015, these covenants were respected.

The documentation related to this debt contains the standard restrictions for this type of credit facility. Certain transactions, such as asset divestments, granting collateral, acquisitions, additional debt, and payment of dividends are prohibited, restricted, or require the prior approval of the lenders.

3. Stahl financial debt
This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of Stahl's bank debt was €245.0 million (including accrued interest, and excluding issuance costs). Its cash balance was €77.8 million. As of that date, the covenants were as follows:

- LTM EBITDA divided by net interest expense paid must be greater than or equal to 5.48. This minimum rises to 6 on June 30, 2016. This ratio is calculated on a rolling 12-month basis. It is tested quarterly; and
- consolidated net debt divided by LTM EBITDA must be less than or equal to 2.60 (this ceiling falls to 2 on December 31, 2016). This ratio is tested on a quarterly basis.

As of December 31, 2015, these covenants were respected.

The documentation related to Stahl's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

4. Constantia Flexibles financial debt
This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of Constantia Flexibles' bank debt was €1,296.4 million (including accrued interest, and excluding issuance costs). Its cash balance was €63.9 million. The bank debt is only subject to a financial covenant when more than 35% of the revolving credit line is drawn. In this event, the ratio of net debt to EBITDA for the last 12 months must be less than 6.7. As of December 31, 2015, this covenant was respected.

The documentation related to Constantia Flexibles' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

5. AlliedBarton financial debt
This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of AlliedBarton bank debt was $1,016.1 million, or €933.3 million (including accrued interest, and excluding issuance costs and fair value accounting adjustments). Its cash balance was $4.2 million, or €3.9 million, and $30 million, or €27.6 million in cash was frozen in order to comply with financial covenants (classed as non-current financial assets). The subordinated bank debt is only subject to a financial covenant when more than 25% of the revolving credit line is drawn. In this event, the ratio of net debt to EBITDA for the last 12 months must be less than 6.75. As of December 31, 2015, this covenant was respected.

The documentation related to AlliedBarton's debt contains the standard restrictions for this type of credit facility. Certain transactions, such as additional debt are restricted.

6. Mecatherm financial debt
As of December 31, 2015, the gross face value of Mecatherm's debt was €48.4 million (including accrued interest, non-recourse discounting, and a €5 million liquidity line granted by Wendel, and excluding issuance costs). Its cash balance was €5.2 million.

Given the particularly volatile economic context in recent years, Mecatherm and its bank lenders agreed to suspend covenant tests, provided that operating income did not exceed a certain contractually defined ceiling. As part of this agreement, Wendel committed to providing a €15 million liquidity line (€5 million of which had been drawn as of end-December 2015) to enable Mecatherm to finance its general corporate needs, and to grant a €15 million first-demand guarantee to the banks to cover the servicing of Mecatherm's bank debt. The recourse of Mecatherm's bank lenders to the Wendel Group is limited to this guarantee.

7. CSP Technologies financial debt
This debt is without recourse to Wendel.

As of December 31, 2015, the gross face value of CSP Technologies' bank debt was $170.3 million, or €156.5 million (including accrued interest, and excluding issuance costs). Its cash balance was $3.7 million, or €3.4 million. As of that date, the covenants were as follows:

- LTM EBITDA divided by net interest expense paid must be greater than or equal to 2.25. This minimum rises to 3 on March 30, 2018. This ratio is calculated on a rolling 12-month basis. It is tested quarterly; and
- consolidated net debt (gross debt less cash of up to $10.5 million) divided by LTM EBITDA must be less than or equal to 6.25 (this ceiling falls to 3 on September 30, 2019). This ratio is tested quarterly.

As of December 31, 2015, these covenants were respected.

The documentation related to CSP Technologies' debt contains the standard restrictions for this type of credit facility. Certain transactions, such as mergers, asset divestments, granting collateral, acquisitions, additional debt, payment of dividends, share buybacks, or changes in ownership structure are prohibited, restricted, or require prior approval of the lenders.

8. Nippon Oil Pump financial debt
This debt is without recourse to Wendel.

As of end-2015, the gross face value of NOP's bank debt was JPY 4.5 billion (i.e. €34 million). Its cash balance was JPY 0.7 billion (i.e. €5 million). Around one-third of these bank debts will be amortized until 2019, and two-thirds are repayable at maturity in 2019. The financial covenants specify a minimum level of shareholders' equity and stipulate that net income cannot be negative for two consecutive years. As of December 31, 2015, these covenants were respected.

Note 5-3 Managing interest rate risk

As of December 31, 2015, the exposure of the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries) to interest rates was limited.

In billions of euros	Fiscal rate	Capped rate	Variable rate
Gross debt	6.1	-	3.4
Cash and short-term financial investments*	-0.3	-	-1.2
Impact of derivatives	0.2	0.9	-1.1
INTEREST RATE EXPOSURE	**6.0**	**0.9**	**1.2**
	74%	*11%*	*14%*

* *Excluding €0.1 billion in short-term financial investments not sensitive to interest rates.*

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2015 during which they will hedge interest rate risk.

As of December 31, 2014, the exposure of the Wendel Group (Wendel, its holding companies, and fully-consolidated operating subsidiaries) to interest rates was also limited.

In billions of euros	Fiscal rate	Capped rate	Variable rate
Gross debt	5.4	-	1.6
Cash and short-term financial investments*	-0.3	-	-1.2
Impact of derivatives	0.6	0.7	-1.3
INTEREST RATE EXPOSURE	**5.7**	**0.7**	**-0.9**
	103%	*13%*	*-17%*

* *Excluding €0.1 billion in short-term financial investments not sensitive to interest rates.*

The notional amount of derivative instruments was weighted by the portion of the 12 months following December 31, 2014 during which they hedged interest rate risk.

A +100 basis point change in the interest rates to which the consolidated Group's interest rate exposure is indexed would have an impact of around €-9 million (€+6 million as of December 31, 2014) on net Finance income / costs before tax over the 12 months after December 31, 2015, based on net financial debt as of December 31, 2015, interest rates on that date, and the maturities of existing interest rate hedging derivatives.

Note 5-4 Managing credit risk

Each operating subsidiary has set up a policy to monitor its customer credit risk, and the receivables for which a risk of non-payment exists are subject to write-down. As of the closing date, owing to the Group's geographical and sectoral diversification, there was no significant concentration of credit risk in trade receivables.

The cash and financial investments of Wendel and its holding companies are placed essentially with top-ranking financial institutions. However, given the high amount of cash and short-term financial investments as of December 31, 2015 (see note 5-2 "Managing liquidity risk"), significant amounts could be placed with the same financial institution. Derivative contracts are entered into with top-ranking financial institutions.

Note 5-5 Managing currency risk

Note 5-5.1 Wendel

As of December 31, 2015, Wendel owned €85 million in cash and short-term financial investments denominated in dollars. The amount held in US dollars is part of the Group's strategy of investing in North America. These financial assets are recognized at fair value. A 5% decline in the value of the dollar compared with the euro would accordingly have an impact of €-4 million on Wendel's income statement.

Certain subsidiaries operate in several countries and, as a result, derive a share of their earnings in currencies other than the euro, in particular the US dollar. The subsidiaries with the greatest exposure to the US dollar are Bureau Veritas, Stahl, IHS, CSP Technologies, Constantia Flexibles and AlliedBarton.

Given the exposure of some of the Group's assets to the US dollar, Wendel decided to synthetically swap part of its bond debt into this currency using derivative instruments. €800 million euro/dollar Cross currency swaps were set up in February and March 2016 (post-closing). This transaction limits the impact of changes in euro/dollar parity on the Group's net asset value.

Note 5-5.2 Bureau Veritas

Bureau Veritas operates internationally and is consequently exposed to the risk of fluctuations in several foreign currencies, even though natural hedges may exist due to the fact that many of the entities where services are supplied locally have corresponding costs and revenues.

Some Bureau Veritas sales in relation to business exposed to globalized markets, particularly Commodities and Consumer Goods, as well as Marine & Offshore and Services to Governments and International Commerce, are denominated in US dollars or are influenced by the rate of this currency. They are, therefore, indirectly impacted by fluctuations in the US currency.

In 2015, over 70% of Bureau Veritas' net sales were the result of the consolidation of financial statements of entities with functional currencies other than the euro, including 19.5% in US dollars or currencies correlated to the US dollar (including the Hong Kong dollar), 9.2% in Chinese yuans, 4.2% in Canadian dollars, 3.6% in Australian dollars and 3.6% in Brazilian reals. No other currency individually accounted for more than 4% of Bureau Veritas' net sales. Accordingly, a 1% fluctuation of the euro against the US dollar and the currencies correlated to it would have had an impact of around 0.2% (or around €9 million) on the 2015 consolidated net sales of Bureau Veritas, and a 0.2% impact on the company's 2015 operating income (i.e. less than €2 million).

Note 5-5.3 Cromology

Cromology has subsidiaries in Morocco and Argentina. In 2015, Cromology had net sales of €56 million in Argentina, or 7% of its total net sales. When the Argentine peso became a free-floating currency as of December 31, 2015, it experienced a devaluation of around 25%. The impact on Cromology's operating income is not, however, likely to be material, given Argentina's limited contribution to the Group's operating income (less than €2 million in 2015). In addition, locally available cash was immaterial as of December 31, 2015.

Note 5-5.4 Stahl

In 2015, 59% of Stahl's net sales were in currencies other than the euro, including 33% in US dollars, 8% in Chinese yuans, 7% in Indian rupees and 4% in Brazilian reals. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-6% on Stahl's 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or +/-€6 million.

In addition, Stahl has financial debt of €199 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a translation impact of about -/+€10 million would be recognized in net finance costs.

Note 5-5.5 Constantia Flexibles

In 2015, 35% of Constantia Flexibles' net sales were in currencies other than the euro, including 19% in US dollars. A +/-5% fluctuation in the US dollar, or in currencies correlated to it, against the euro would have had an impact of around +/-0.6% on Constantia Flexibles' 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses), or less than +/-€2 million.

In addition, Constantia Flexibles has financial debt of €207 million, denominated in US dollars and carried by a company whose functional currency is the euro. Therefore, in the event of a +/-5% fluctuation in the US dollar's value against the euro, a translation impact of about -/+€10 million would be recognized in net finance costs.

Note 5-5.6 CSP Technologies

The CSP Technologies Group is mainly based in the United States and so its functional currency is the US dollar and around 70% of its business is conducted in this currency. A +/-5% fluctuation in the US dollar against the euro would have an impact of less than +/-€1 million on 2015 income from ordinary activities in Wendel's financial statements presented in euros.

An intra-group loan between the US and European companies in the CSP Technologies Group is likely to generate a loss/gain of -/+€2 million in the event of a rise/fall in the US dollar.

CSP Technologies Group debt is all denominated in US dollars. Since its functional currency is also the US dollar, there is no impact on the income statement.

Note 5-5.7 AlliedBarton

The AlliedBarton Group is based in the United States and so its functional currency is the US dollar. A +/-5% fluctuation in the US dollar against the euro would have had a full-year impact of around +/-7% on its 2015 income from ordinary activities before depreciation, amortization and provisions (excluding goodwill allocation and non-recurring expenses) in Wendel's financial statements presented in euros.

AlliedBarton Group debt is all denominated in US dollars. Since its functional currency is also the US dollar, there is no impact on the income statement.

Note 5-6 Managing commodity risk

The Group investments most exposed to the risk of changes in commodity prices are Cromology, Stahl and Constantia Flexibles.

Cromology purchased around €132 million of commodities in 2015. A 10% increase in the price of the commodities used by Cromology would have led to a theoretical increase in the cost of these commodities of around €13 million on a full-year basis. Cromology nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such commodity price increases. Cromology continually works to optimize its purchases by approving new suppliers, and by developing new formulations for its products.

Stahl purchased around €296 million of commodities in 2015. A 10% increase in the price of the commodities used by Stahl would have led to a theoretical increase in the cost of these raw materials of around €30 million on a full-year basis. Stahl nevertheless considers that, circumstances allowing, a short-term increase in the sales price of its products would compensate for the overall effect of such commodity price increases. Stahl did not enter into any contracts to hedge movements in commodity prices in 2015.

Constantia Flexibles purchased around €913 million of commodities in 2015. A 10% increase in the price of the commodities used by Constantia Flexibles would have led to a theoretical increase in the cost of these commodities of around €91 million on a full-year basis. Constantia Flexibles has a policy of hedging fluctuations in the price of aluminum using hedging contracts. In addition, the company considers that an increase in the sales price of its products would compensate for the overall effect of such short-term commodity price increases.

NOTE 6 Segment information

Analysis of the income statement by business sector is divided into three parts: net income from business sectors, non-recurring items and the impact of goodwill allocation.

Net income from business sectors

Net income from business sectors is the Group's "recurring" income. It consists of net income from investments and from holding companies and excludes non-recurring items and the impact of goodwill, as defined below:

- "Net income from investments" is defined as the net income of companies under exclusive control (full consolidation: Bureau Veritas, Cromology, Stahl, Constantia Flexibles and AlliedBarton, as well as Parcours, Mecatherm, NOP and CSP Technologies held by Oranje-Nassau Développement and Wendel's share in the net income of investments accounted for under the equity method (Saint-Gobain, IHS, as well as exceet, held by Oranje-Nassau Développement) before non-recurring items and the impact of goodwill allocations;
- the net income of holding companies incorporates the general and administrative expenses of Wendel and its holding companies, the cost of the net borrowings put in place to finance Wendel and its holding companies, and the tax expense and income connected with these items. The amounts shown are those recognized at the level of Wendel and all of its consolidated financial holding companies (excluding acquisition holding companies and operating subsidiaries).

Non-recurring income

"Non-recurring income" includes, for the entire scope of consolidation, the net, after-tax amounts not linked to the operating activity or to the recurring operations of subsidiaries and associates or to the recurring operations of Wendel and its holding companies:

- capital gains and losses from the divestment of assets;
- restructuring costs considered exceptional;
- exceptional legal disputes, notably those that are not linked to operating activities;
- interest income and expenses on shareholder loans, as these are linked to the structure of the financial instruments used to invest in the subsidiaries and associates. These items do not usually give rise to a settlement in cash prior to divestment. The tax impact related to these items is considered recurring inasmuch as it has a structural impact on the tax to be paid;
- changes in "fair value";
- impairment losses on assets, and in particular on the value of goodwill;
- currency impact on financial liabilities;
- financial restructuring expenses and the income and expenses related to extinguishing debt;
- any other significant item unconnected with the Group's recurring operations.

Impact of goodwill allocation

The impact of goodwill on the income statement derives from the revaluation of assets and liabilities carried out at the time of the acquisition (or from changes to these valuations within 12 months after the transaction). The affected items are primarily:

- inventories and work-in-progress;
- property, plant & equipment;
- intangible assets, including brands and contracts;
- the related deferred taxes.

These accounting items modify net income from investments by disconnecting the income statement from the cash flows deriving from the business activity of those companies (because the accounting entries relate to the companies' acquisition prices and not their business activities).

Note 6-1 Income statement by business sector for fiscal year 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Allied Barton	Cromology	Stahl	Oranje-Nassau Développement	Equity-method investments: Saint-Gobain	Equity-method investments: IHS	Holding companies	Total Oprations
Net income from business sectors										
Net sales	**4,634.8**	**1,442.0**	**183.7**	**751.9**	**628.1**	**226.6**			**-**	**7,867.1**
EBITDA[1]	**N/A**	**197.5**	**8.9**	**67.8**	**128.7**	**N/A**				
Adjusted operating income[1]	**775.2**	**125.7**	**8.6**	**42.8**	**113.6**	**6.4**				
Other recurring operating items	-	-1.5	-0.7	-2.1	-6.4	-2.4				
Operating income	**775.2**	**124.2**	**7.8**	**40.7**	**107.2**	**4.0**			**-56.8**	**1,002.3**
Net borrowing costs	-80.0	-58.2	-5.0	-18.8	-9.5	-14.5			-156.1	-342.0
Other financial income and expense	-9.3	0.8	0.2	-1.6	7.2	-0.5				-3.2
Tax expense	-254.0	-11.5	-0.0	-3.7	-20.5	-3.8			-4.3	-297.8
Share in net income of equity-method investments	0.8	-	-	0.3	-	-0.1	153.2	-68.5	-	85.7
Net income from discontinued operations and operations held for sale	-	-	-	-	-	17.1	-	-	-	17.1
RECURRING NET INCOME FROM BUSINESS SECTORS	**432.7**	**55.3**	**3.0**	**17.0**	**84.4**	**2.3**	**153.2**	**-68.4**	**-217.3**	**462.2**
Recurring net income from business sectors, non-controlling interests	256.4	22.3	0.1	1.9	23.5	0.1	-	-0.4	-	303.9
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**176.3**	**33.0**	**2.9**	**15.1**	**60.9**	**2.2**	**153.2**	**-68.0**	**-217.3**	**158.3**
Non-recurring income										
Operating income	-198.3	-71.9	-9.9	-16.6	-21.3	-47.8	-	-	-70.9	-436.6
Net financial income (expense)	0.0	-11.7	0.0	-61.1	-24.6	-	-	-	72.0	-25.3
Tax expense	33.3	20.7	-	2.1	19.9	10.8	-	-	-	86.8
Share in net income of equity-method investments	-	-	-	-	-	-19.4	0.9	-41.6	-	-60.1
Net income from discontinued operations and operations held for sale	-	-	-	-	-	-2.5	-	-	-	-2.5
NON-RECURRING NET INCOME	**-165.0**	**-62.8**	**-9.9**	**-75.5**	**-26.0**	**-58.9**	**0.9**	**-41.6**	**1.2**	**-437.7**
of which:										
■ Non-recurring items	-14.7	-19.2	-6.2	-74.2	-13.9	-7.8	9.4	-41.6[3]	1.2[4]	-167.1
■ Impact of goodwill allocation	-60.3	-43.7	-3.7	-1.3	-12.1	-14.3	-7.3	-	-	-142.5
■ Asset impairment	-90.0	-	-	-	-	-36.9	-1.2[2]	-	-	-128.1
Non-recurring net income, non-controlling interests	-97.3	-20.2	-0.5	-7.5	-7.3	-0.3	-	-0.3	0.2	-133.1
NON-RECURRING NET INCOME – GROUP SHARE	**-67.7**	**-42.6**	**-9.4**	**-68.0**	**-18.7**	**-58.6**	**0.9**	**-41.3**	**1.0**	**-304.6**
CONSOLIDATED NET INCOME	**267.7**	**-7.6**	**-6.9**	**-58.5**	**58.4**	**-56.6**	**154.1**	**-110.0**	**-216.1**	**24.5**
Consolidated net income, non-controlling interests	159.1	2.1	-0.3	-5.6	16.2	-0.2	-	-0.6	0.2	170.7
CONSOLIDATED NET INCOME – GROUP SHARE	**108.6**	**-9.6**	**-6.5**	**-52.9**	**42.2**	**-56.4**	**154.1**	**-109.4**	**-216.3**	**-146.2**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) This heading includes the following items:
- asset impairments recognized by the Saint-Gobain Group of €108.2 million;
- reversal of an asset impairment recognized by Wendel on Saint-Gobain shares of €203.4 million;
- net loss on the disposal of the Verallia packaging division of €96.5 million.
(3) IHS: this item mainly consists of foreign exchange losses of €56.1 million (see note 10 "Equity method investments") and a dilution gain of €18 million (see note 10 "Equity method investments").
(4) This item includes a loss on exercises of cash equivalents by the co-investing managers of €64.9 million (see note 35-6 "Shareholder agreements and co-investment mechanisms") and a gain on the sale of Saint-Gobain puts of €28.4 million (see note 13 "Financial Assets and Liabilities").

The detail of Oranje-Nassau Développement's contribution to the 2015 income statement by business sector is as follows:

	Oranje-Nassau Développement					
In millions of euros	Parcours	Mecatherm	CSP Technologies	NOP	exceet	Total
Net income from business sectors						
Net sales	**N/A**	**96.4**	**90.2**	**40.0**	**-**	**226.6**
EBITDA*	**N/A**	**-11.8**		**4.8**	**-**	
Adjusted operating income*	**N/A**	**-13.5**	**16.6**	**3.2**	**-**	
Other recurring operating items	-0.3	-0.5	-1.5	-0.2	-	-2.4
Operating income	**-0.3**	**-14.0**	**15.1**	**3.1**	**-**	**4.0**
Net borrowing costs	-	-1.9	-12.1	-0.5	-	-14.5
Other financial income and expense	-	-0.5	0.0	-	-	-0.5
Current pre-tax profit (CPTP), management fees included	**-0.3**	**N/A**	**N/A**	**N/A**		
Tax expense	-	-1.4	-1.5	-0.8	-	-3.8
Share in net income of equity-method investments	-	-	-	-	-0.1	-0.1
Net income from discontinued operations and operations held for sale	17.1	-	-	-	-	17.1
RECURRING NET INCOME FROM BUSINESS SECTORS	**16.9**	**-17.8**	**1.5**	**1.8**	**-0.1**	**2.3**
Recurring net income from business sectors, non-controlling interests	0.2	-0.2	0.1	-	-	0.1
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**16.7**	**-17.6**	**1.4**	**1.8**	**-0.1**	**2.2**
Non-recurring income						
Operating income		-27.1	-18.3	-2.3		-47.8
Net financial income (expense)		-	-	-		-
Tax expense		3.1	6.9	0.9		10.8
Share in net income of equity-method investments		-	-	-	-19.4	-19.4
Net income from discontinued operations and operations held for sale	-2.5					-2.5
NON-RECURRING NET INCOME	**-2.5**	**-24.1**	**-11.4**	**-1.5**	**-19.4**	**-58.9**
of which:						
■ Non-recurring items	-1.0	-3.7	-3.5	-0.0	0.4	-7.8
■ Impact of goodwill allocation	-1.5	-0.9	-7.9	-1.5	-2.5	-14.3
■ Asset impairment	-	-19.5	-	-	-17.3	-36.9
Non-recurring net income, non-controlling interests	-	-0.1	-0.2	-	-	-0.3
NON-RECURRING NET INCOME – GROUP SHARE	**-2.5**	**-24.0**	**-11.2**	**-1.4**	**-19.4**	**-58.6**
CONSOLIDATED NET INCOME	**14.4**	**-41.9**	**-9.9**	**0.3**	**-19.5**	**-56.6**
Consolidated net income, non-controlling interests	0.2	-0.2	-0.2	0.0	-	-0.2
CONSOLIDATED NET INCOME – GROUP SHARE	**14.2**	**-41.7**	**-9.8**	**0.3**	**-19.5**	**-56.4**

* *Before the impact of goodwill allocation, non-recurring items and management fees.*

Note 6-2 Income statement by business sector for fiscal year 2014

In millions of euros	Bureau Veritas	Materis	Stahl	Oranje-Nassau Développement	Equity-method investments Saint-Gobain	Equity-method investments IHS	Holding companies	Total Operations
Net income from business sectors								
Net sales	**4,171.5**	**747.6[2]**	**512.6**	**142.9**			**-**	**5,574.5**
EBITDA[1]	**N/A**	**67.1[2]**	**91.4**	**N/A**				
Adjusted operating income[1]	**694.0**	**40.2**	**78.7**	**14.8**				**827.6**
Other recurring operating items	-	-2.1	-3.5	-0.9				-6.5
Operating income	**694.0**	**38.1**	**75.2**	**13.9**			**-55.9**	**765.2**
Net borrowing costs	-77.1	-60.1	-13.3	-3.3			-170.9	-324.7
Other financial income and expense	-3.7	3.1	13.1	-0.5				11.9
Tax expense	-209.6	-5.9	-22.6	-3.4			0.4	-241.2
Share in net income of equity-method investments	0.7	0.2	-0.3	2.1	139.3	-42.2	-	99.7
Net income from discontinued operations and operations held for sale	-	46.2	-	15.6	-	-	-	61.7
RECURRING NET INCOME FROM BUSINESS SECTORS	**404.2**	**21.5**	**52.0**	**24.2**	**139.3**	**-42.2**	**-226.5**	**372.5**
Recurring net income from business sectors, non-controlling interests	202.8	2.5	12.2	0.3	-	-0.2	-	217.7
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**201.4**	**19.0**	**39.7**	**23.9**	**139.3**	**-42.0**	**-226.5**	**154.9**
Non-recurring income								
Operating income	-143.8	-26.8	-30.6	-5.8	-	-	-60.4	-267.6
Net financial income (expense)	-0.0	-69.5	-28.7	0.5	-	-	-11.3	-109.0
Tax expense	39.1	5.1	14.2	1.9	-	-	-	60.3
Share in net income of equity-method investments	-	-	-	-2.7	-97.6	31.3	-106.7[3]	-175.7
Net income from discontinued operations and operations held for sale	-	322.0	-	-4.7	-	-	-0.1	317.2
NON-RECURRING NET INCOME	**-104.7**	**230.8**	**-45.2**	**-10.8**	**-97.6**	**31.3**	**-178.6**	**-174.8**
of which:								
■ Non-recurring items	-18.3	232.9[4]	-29.6	-2.8	5.0	31.3[5]	-147.3[6]	71.3
■ Impact of goodwill allocation	-84.9	-2.1	-15.6	-8.0	-8.1	-	-	-118.8
■ Asset impairment	-1.5	-	-	-	-94.5	-	-31.3[7]	-127.3
Non-recurring net income, non-controlling interests	-50.8	22.5	-11.1	-0.1	-	-0.0	0.1	-39.5
NON-RECURRING NET INCOME – GROUP SHARE	**-53.9**	**208.3**	**-34.2**	**-10.6**	**-97.6**	**31.3**	**-178.6**	**-135.3**
CONSOLIDATED NET INCOME	**299.5**	**252.3**	**6.7**	**13.5**	**41.7**	**-10.9**	**-405.0**	**197.8**
Consolidated net income, non-controlling interests	152.0	25.0	1.2	0.2	-	-0.2	0.1	178.2
CONSOLIDATED NET INCOME – GROUP SHARE	**147.5**	**227.3**	**5.6**	**13.3**	**41.7**	**-10.7**	**-405.1**	**19.6**

(1) Before the impact of goodwill allocation, non-recurring items and management fees.
(2) Net sales and EBITDA of Cromology in 2014, excluding holding company expenses and elimination of transactions with divested divisions. Holding company expenses totaled €8.1 million and are reflected in adjusted operating income.
(3) This amount represents the loss on the sale of 24 million Saint-Gobain shares.
(4) This item includes the €27.4 million capital gain on Kerneos, the €266.5 million gain on Parex, the €35.6 million gain on Chryso, restructuring costs, divestment costs, and the interest expense on shareholder loans.
(5) This item represents the dilution gain recognized on IHS.
(6) This amount includes, in particular, the change in the fair value of Saint-Gobain puts of €22.5 million (see note 13-4 "Put options issued (written) on Saint-Gobain shares"), the loss on the sale of the Saint-Gobain block of shares, and expenses related to co-shareholder liquidity arrangements (see note 35-6 "Shareholder agreements and co-investment mechanisms").
(7) The asset impairment corresponds to the change in fair value of Saham.

The detail of Oranje-Nassau Développement's contribution to the 2014 income statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	NOP	exceet	Oranje-Nassau Développement
Net income from business sectors					
Net sales		**104.7**	**38.2**	**-**	**142.9**
EBITDA*		**11.5**	**6.4**	**-**	
Adjusted operating income*		**9.9**	**4.9**	**-**	**14.8**
Other recurring operating items	-0.3	-0.5	-0.2	-	-0.9
Operating income	**-0.3**	**9.4**	**4.7**	**-**	**13.9**
Net borrowing costs		-2.9	-0.5	-	-3.3
Other financial income and expense		-0.5	-	-	-0.5
Current pre-tax profit (CPTP), management fees included		**N/A**	**N/A**		**-**
Tax expense		-1.9	-1.5	-	-3.4
Share in net income of equity-method investments	-	-	-	2.1	2.1
Net income from discontinued operations and operations held for sale	15.6	-	-	-	15.6
RECURRING NET INCOME FROM BUSINESS SECTORS	**15.3**	**4.1**	**2.8**	**2.1**	**24.2**
Recurring net income from business sectors, non-controlling interests	0.2	0.1	0.1	-	0.3
RECURRING NET INCOME FROM BUSINESS SECTORS – GROUP SHARE	**15.1**	**4.0**	**2.7**	**2.1**	**23.9**
Non-recurring income					
Operating income		-1.7	-4.1		-5.8
Net financial income (expense)		0.5	-		0.5
Tax expense		0.4	1.5		1.9
Share in net income of equity-method investments		-	-	-2.7	-2.7
Net income from discontinued operations and operations held for sale	-4.7				-4.7
NON-RECURRING NET INCOME	**-4.7**	**-0.8**	**-2.6**	**-2.7**	**-10.8**
of which:					
■ Non-recurring items	-2.5	0.1	-0.2	-0.2	-2.8
■ Impact of goodwill allocation	-2.1	-0.9	-2.5	-2.5	-8.0
■ Asset impairment	-	-	-	-	-
Non-recurring net income, non-controlling interests	-0.1	-0.0	-0.1	-	-0.1
NON-RECURRING NET INCOME – GROUP SHARE	**-4.6**	**-0.8**	**-2.6**	**-2.7**	**-10.6**
CONSOLIDATED NET INCOME	**10.6**	**3.3**	**0.1**	**-0.6**	**13.5**
Consolidated net income, non-controlling interests	0.1	0.0	0.0	-	0.2
CONSOLIDATED NET INCOME – GROUP SHARE	**10.5**	**3.3**	**0.1**	**-0.6**	**13.3**

* *Before the impact of goodwill allocation, non-recurring items and management fees.*

Note 6-3 Balance sheet by business sector as of December 31, 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Allied Barton	Cromology	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Holding companies	Consolidated
Goodwill, net	2,172.4	713.1	902.5	205.0	53.6	258.5	-	-	-	4,305.0
Intangible assets, net	826.9	855.7	518.9	209.8	95.4	198.5	-	-	0.1	2,705.3
Property, plant & equipment, net	497.9	759.8	6.8	91.7	139.8	83.1	-	-	13.7	1,592.7
Non-current financial assets	76.6	103.8	43.4	6.1	1.6	2.5	-	-	235.6	469.6
Pledged cash and cash equivalents	-	-	33.9	-	-	0.2	-	-	0.5	34.6
Equity-method investments	4.8	-	-	1.1	-	36.6	3,014.4	669.9	-	3,726.8
Deferred tax assets	137.2	8.9	-	28.2	21.5	0.2	-	-	0.9	196.8
Total non-current assets	**3,715.7**	**2,441.3**	**1,505.4**	**541.8**	**311.9**	**579.6**	**3,014.4**	**669.9**	**250.7**	**13,030.8**
Assets and operations held for sale	**6.6**	**-**	**-**	**-**	**1.6**	**962.5**	**-**	**-**	**-**	**970.8**
Inventories and work-in-progress	18.3	253.2	-	88.5	81.9	44.0	-	-	-	485.8
Trade receivables	1,228.9	203.9	284.5	147.9	116.3	62.3	-	-	0.1	2,044.0
Other current assets	127.0	51.9	11.0	42.4	18.1	6.7	-	-	7.4	264.5
Current income tax liabilities	45.5	8.4	-	5.0	13.8	0.3	-	-	0.0	73.1
Other current financial assets	61.7	1.4	-	-	0.1	0.0	-	-	358.1	421.3
Cash and cash equivalents	522.9	63.9	4.3	32.8	77.8	14.0	-	-	472.9	1,188.6
Total current assets	**2,004.4**	**582.6**	**299.8**	**316.6**	**308.1**	**127.4**	**-**	**-**	**838.5**	**4,477.3**
TOTAL ASSETS										**18,478.9**
Shareholders' equity, Group share										2,982.0
Non-controlling interests										972.5
Total shareholders' equity										**3,954.5**
Short-term provisions	282.2	65.6	19.2	34.2	19.6	10.7	-	-	22.0	453.4
Financial debt (current portion)	2,311.0	1,231.6	872.3	314.6	210.6	204.6	-	-	3,516.1	8,660.9
Other current financial liabilities	52.1	98.2	61.8	1.2	0.1	9.4	-	-	525.7	748.4
Deferred tax liabilities	220.7	280.4	-	139.9	18.4	62.2	-	-	0.4	722.0
Total non-current liabilities	**2,865.9**	**1,675.8**	**953.3**	**489.9**	**248.7**	**286.8**	**-**	**-**	**4,064.2**	**10,584.6**
Liabilities held for sale	**1.8**	**-**	**-**	**-**	**-**	**792.6**	**-**	**-**	**-**	**794.3**
Short-term provisions	-	57.4	68.0	0.7	0.2	9.8	-	-	-	136.0
Financial debt (current portion)	78.9	14.3	31.6	0.3	28.6	18.8	-	-	737.8	910.3
Other current financial liabilities	118.7	42.1	0.8	-	-	-	-	-	23.1	184.6
Trade payables	302.5	245.8	45.1	97.0	68.8	21.2	-	-	4.7	785.0
Other current liabilities	660.4	77.3	81.5	99.8	49.5	50.3	-	-	15.6	1,034.3*
Current income tax liabilities	72.1	17.4	0.0	-	4.7	0.8	-	-	0.2	95.2
Total current liabilities	**1,232.5**	**454.2**	**227.0**	**197.8**	**151.7**	**100.8**	**-**	**-**	**781.3**	**3,145.4**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY										**18,478.9**

* *As of December 31, 2015, this amount included deferred revenue of €144.9 million.*

The detail of Oranje-Nassau Développement's contribution to the 2015 balance sheet by business sector is as follows:

In millions of euros	Parcours	Mecatherm	CSP Technologies	NOP	exceet	Oranje-Nassau Développement
Goodwill, net	-	84.1	157.3	17.2	-	258.5
Intangible assets, net	-	67.5	104.7	26.3	-	198.5
Property, plant & equipment, net	-	6.1	64.9	12.2	-	83.1
Non-current financial assets	-	0.6	0.3	1.6	-	2.5
Pledged cash and cash equivalents	-	-	0.2	-	-	0.2
Equity-method investments	-	-	-	-	36.6	36.6
Deferred tax assets	-	-	0.2	-	-	0.2
Total non-current assets	**-**	**158.3**	**327.5**	**57.3**	**36.6**	**579.6**
Assets and operations held for sale	**962.5**	**-**	**-**	**-**	**-**	**962.5**
Inventories and work-in-progress	-	12.2	24.4	7.4	-	44.0
Trade receivables	-	34.0	14.0	14.3	-	62.3
Other current assets	-	3.5	3.1	0.2	-	6.7
Current income tax liabilities	-	0.3	-	-	-	0.3
Other current financial assets	-	-	0.0	-	-	0.0
Cash and cash equivalents	-	5.2	3.4	5.4	-	14.0
Total current assets	**-**	**55.2**	**44.9**	**27.3**	**-**	**127.4**
Short-term provisions	-	4.1	0.2	6.5	-	11.0
Financial debt (current portion)	-	27.5	146.4	30.7	-	204.6
Other current financial liabilities	-	1.2	7.3	0.8	-	9.4
Deferred tax liabilities	-	20.5	31.8	9.8	-	62.2
Total non-current liabilities	**-**	**53.3**	**185.7**	**47.8**	**-**	**286.8**
Liabilities held for sale	**792.6**	**-**	**-**	**-**	**-**	**792.6**
Short-term provisions	-	9.7	0.0	-	-	9.8
Financial debt (current portion)	-	14.9	0.8	3.1	-	18.8
Other current financial liabilities	-	-	-	-	-	-
Trade payables	-	11.1	5.4	4.7	-	21.2
Other current liabilities	-	38.2	9.5	2.6	-	50.3
Current income tax liabilities	-	-	0.7	0.1	-	0.8
TOTAL CURRENT LIABILITIES	**-**	**73.9**	**16.4**	**10.5**	**-**	**100.8**

Note 6-4 Balance sheet by business sector as of December 31, 2014

In millions of euros	Bureau Veritas	Cromology	Stahl	Oranje-Nassau Développement	Saint-Gobain	IHS	Holding companies	Consolidated
Goodwill, net	2,286.9	204.9	55.9	153.6	-	-	-	2,701.2
Intangible assets, net	848.0	207.0	94.6	105.3	-	-	0.1	1,254.9
Property, plant & equipment, net	475.6	97.7	146.2	682.4	-	-	13.9	1,415.8
Non-current financial assets	52.9	6.9	1.4	4.4	-	-	158.6	224.2
Pledged cash and cash equivalents	-	-	-	-	-	-	0.4	0.4
Equity-method investments	5.1	0.8	-	54.5	2,886.0	606.4	-	3,552.9
Deferred tax assets	129.9	33.2	18.4	-	-	-	0.5	182.0
Total non-current assets	**3,798.6**	**550.4**	**316.5**	**1,000.1**	**2,886.0**	**606.4**	**173.6**	**9,331.6**
Assets and operations held for sale	**-**	**-**	**2.4**	**-**	**-**	**-**	**-**	**2.4**
Inventories and work-in-progress	15.6	87.0	82.9	39.4	-	-	-	224.9
Trade receivables	1,161.0	151.7	111.1	100.5	-	-	0.2	1,524.5
Other current assets	148.4	41.6	21.7	16.9	-	-	6.7	235.4
Current income tax liabilities	63.2	5.8	6.4	1.5	-	-	14.4	91.2
Other current financial assets	43.2	-	2.2	1.5	-	-	360.4	407.3
Cash and cash equivalents	220.1	55.6	44.4	18.3	-	-	854.2	1,192.6
Total current assets	**1,651.5**	**341.7**	**268.8**	**178.2**	**-**	**-**	**1,235.8**	**3,675.9**
TOTAL ASSETS								**13,010.0**
Shareholders' equity, Group share								2,463.5
Non-controlling interests								628.9
Total shareholders' equity								**3,092.4**
Short-term provisions	273.4	35.4	20.4	11.0	-	-	22.2	362.4
Financial debt (current portion)	1,944.8	320.4	247.5	313.7	-	-	3,361.2	6,187.7
Other current financial liabilities	63.5	0.3	0.1	2.5	-	-	262.9	329.3
Deferred tax liabilities	234.8	146.8	18.8	38.8	-	-	0.0	439.3
Total non-current liabilities	**2,516.5**	**502.9**	**286.9**	**366.0**	**-**	**-**	**3,646.4**	**7,318.6**
Liabilities held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Short-term provisions	-	-	0.4	6.3	-	-	1.6	8.3
Financial debt (current portion)	153.9	11.7	10.9	283.7	-	-	434.1	894.3
Other current financial liabilities	65.8	-	5.1	1.5	-	-	136.9	209.3
Trade payables	276.2	83.3	67.8	128.1	-	-	17.0	572.5*
Other current liabilities	622.9	121.4	44.9	31.1	-	-	13.8	834.1
Current income tax liabilities	71.7	-	8.1	0.5	-	-	0.2	80.5
Total current liabilities	**1,190.6**	**216.4**	**137.3**	**451.2**	**-**	**-**	**603.5**	**2,599.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY								**13,010.0**

* *As of December 31, 2014 this amount included deferred revenue of €115.4 million.*

The detail of Oranje-Nassau Développement's contribution to the 2014 balance sheet by business sector is as follows:

In millions of euros	Parcours	Mecatherm	NOP	exceet	Oranje-Nassau Développement
Goodwill, net	35.8	102.3	15.5	-	153.6
Intangible assets, net	8.6	70.9	25.7	-	105.3
Property, plant & equipment, net	666.2	5.5	10.7	-	682.4
Non-current financial assets	2.3	0.6	1.4	-	4.4
Pledged cash and cash equivalents	-	-	-	-	-
Equity-method investments	-	-	-	54.5	54.5
Deferred tax assets	-	-	-	-	0.0
Total non-current assets	**712.9**	**179.3**	**53.3**	**54.5**	**1,000.1**
Assets and operations held for sale	**-**	**-**	**-**		**-**
Inventories and work-in-progress	22.8	9.1	7.5		39.4
Trade receivables	31.0	56.5	13.0		100.5
Other current assets	13.5	3.3	0.1		16.9
Current income tax liabilities	-	1.5	-		1.5
Other current financial assets	1.5	-	-		1.5
Cash and cash equivalents	7.6	5.8	4.9		18.3
Total current assets	**76.4**	**76.3**	**25.5**		**178.2**
Short-term provisions	2.2	2.6	6.2		11.0
Financial debt (current portion)	247.1	36.9	29.8		313.7
Other current financial liabilities	-	1.6	0.9		2.5
Deferred tax liabilities	7.0	22.4	9.5		38.8
Total non-current liabilities	**256.2**	**63.4**	**46.4**		**366.0**
Liabilities held for sale	**-**	**-**	**-**		**-**
Short-term provisions	1.8	4.5	-		6.3
Financial debt (current portion)	272.3	9.4	1.9		283.7
Other current financial liabilities	1.5	-	-		1.5
Trade payables	97.4	26.2	4.6		128.1
Other current liabilities	4.9	24.0	2.3		31.1
Current income tax liabilities	-	-	0.5		0.5
Total current liabilities	**377.8**	**64.1**	**9.3**		**451.2**

Note 6-5 Cash flow statement by business segment for 2015

In millions of euros	Bureau Veritas	Constantia Flexibles	Allied Barton	Cromology	Stahl	Oranje-Nassau Développement	Holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	939.8	197.1	-30.7	45.3	126.0	216.6	-58.8	-	1,435.2
Net cash flows from investing activities, excluding tax	-267.8	-1,440.4	-574.0	-19.4	-23.1	-504.6	991.9	-86.0	-1,923.4
Net cash flows from financing activities, excluding tax	-135.9	660.2	645.0	-42.7	-52.5	105.6	-480.9	86.0	784.7
Net cash flows related to taxes	-231.6	-23.1	-0.0	-5.7	-16.7	-3.9	9.8	-	-271.2

The detail of Oranje-Nassau Développement's contribution to the 2015 cash flow statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	CSP Technologies	NOP	Total – Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	186.5	8.3	16.9	5.0	216.6
Net cash flows from investing activities, excluding tax	-309.4	-1.3	-192.0	-2.0	-504.6
Net cash flows from financing activities, excluding tax	116.5	-6.3	-2.8	-1.7	105.6
Net cash flows related to taxes	-1.2	-1.3	-0.3	-1.2	-3.9

Note 6-6 Cash flow statement by business segment for 2014

In millions of euros	Bureau Veritas	Constantia Flexibles	Cromology	Stahl	Oranje-Nassau Développement	Holding companies	Eliminations and unallocated	Group total
Net cash flows from operating activities, excluding tax	792.7		63.1	84.1	199.5	-50.2	-	1,089.2
Net cash flows from investing activities, excluding tax	-770.3		1,091.1	-85.2	-232.1	796.4	-108.8	691.1
Net cash flows from financing activities, excluding tax	191.9		-1,172.4	-7.3	46.7	-320.5	108.8	-1,152.8
Net cash flows related to taxes	-189.7		5.8	-6.1	-9.3	-5.3	-	-204.6

The detail of Oranje-Nassau Développement's contribution to the 2014 cash flow statement by business sector is as follows:

In millions of euros	Parcours	Mecatherm	NOP	Total – Oranje-Nassau Développement
Net cash flows from operating activities, excluding tax	181.3	13.6	4.6	199.5
Net cash flows from investing activities, excluding tax	-230.3	-5.2	3.5	-232.1
Net cash flows from financing activities, excluding tax	60.6	-11.4	-2.5	46.7
Net cash flows related to taxes	-6.9	-1.6	-0.7	-9.3

8 Notes on the balance sheet

NOTE 7 Goodwill

	12/31/2015		
In millions of euros	Net amount	Impairment	Gross amount
Bureau Veritas	2,321.1	148.7	2,172.4
Constantia Flexibles	713.1	-	713.1
AlliedBarton	902.5	-	902.5
Cromology	404.6	199.7	205.0
Stahl	53.6	-	53.6
Oranje-Nassau Développement	276.7	18.3	258.5
TOTAL	**4,671.6**	**366.6**	**4,305.0**

	12/31/2014		
In millions of euros	Net amount	Impairment	Gross amount
Bureau Veritas	2,346.3	59.4	2,286.9
Cromology	404.4	199.6	204.9
Stahl	55.9	-	55.9
Oranje-Nassau Développement	153.6	-	153.6
TOTAL	**2,960.2**	**258.9**	**2,701.2**

The principal changes during the year were as follows:

In millions of euros	2015	2014
Net amount at beginning of year	2,701.2	2,595.6
Business combinations[(1)]	1,729.8	3.0
Reclassification of Parcours under "Operations held for sale"	-35.8	-
Impact of changes in currency translation adjustments and other	18.0	104.2
Impairment for the year[(2)]	-108.3	-1.5
NET AMOUNT AT THE END OF THE YEAR	**4,305.0**	**2,701.2**

(1) Including €713 million in Constantia Flexibles, €151 million in CSP Technologies and €929 million in AlliedBarton (see note 2 "Changes in scope of consolidation").

(2) Impairments in the period concerned Mecatherm for €18.3 million (see the note below, paragraph 4) and the Bureau Veritas Commodities CGU for €90 million.

Note 7-1 Goodwill impairment tests

In accordance with accounting standards, goodwill for each CGU (Cash Generating Unit) is tested for impairment as soon as there is any indication that its value may be impaired, and at least once per year on December 31 (see the Accounting principles section, note 1-10.1 "Goodwill"). The Group's CGUs are its fully-consolidated subsidiaries: Bureau Veritas, Cromology, Stahl, Constantia Flexibles, AlliedBarton, Mecatherm, CSP Technologies and NOP. The Parcours Group was reclassified in operations held for sale at December 31, 2015 and its carrying amount was lower than the sales price (see note 2 "Change in scope of consolidation.")

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were finalized on the positions existing at the end of December 2015. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-December 2015 balance sheet date.

The tests are performed in accordance with IAS 36 "Impairment of assets", and involve comparing the carrying amount of the subsidiaries to their recoverable value (the higher of fair value and value in use). Nonetheless, no test was performed on AlliedBarton in that the acquisition was made only one month before the balance sheet date.

Note 7-1.1 Impairment test on Bureau Veritas goodwill (listed company)

The carrying amount of the Bureau Veritas shares at end-2015 (€4.90 per share, or €868 million for the shares held) was significantly below their fair value (closing share price: €18.39 per share, or €3,258.2 million for the shares held). As a result, there was no need to apply value in use for the impairment test, and no impairment has been recognized.

Note 7-1.2 Impairment tests on the goodwill of Wendel's unlisted subsidiaries: Cromology, Stahl, Constantia Flexibles, Mecatherm, CSP Technologies and NOP

The values in use determined by Wendel for these tests were based on discounted future cash flows. The business plans used were prepared by Wendel on the basis of those drawn up by the subsidiaries, and using the latest information available on the underlying markets. For each subsidiary, the value calculated for Wendel's share of the capital (including shareholder loans where appropriate) is compared to the carrying amount (share of shareholders' equity increased, where appropriate, for shareholder loans eliminated on consolidation).

1. Cromology

A discount rate of 8% was used for calculating future discounted cash flows, and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2014. The business plan covers a five-year period. Cromology's value in use was above its carrying amount as of December 31, 2015, and accordingly no impairment was recognized. In addition, an analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For the calculated value to be less than the carrying amount, the discount rate would have to exceed 13% or the long-term growth rate would have to be negative. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

2. Stahl

A discount rate of 9% was used for Stahl and a long-term growth rate of 2% was applied to post-business plan cash flows, as in 2014. The business plan covers a five-year period. Stahl's value in use was higher than its carrying amount at December 31, 2015. No impairment was recognized. In addition, an analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment loss to be recognized at the Wendel level, the long-term growth rate would have to become negative, or the discount rate would have to rise significantly (to exceed 20%). Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 basis point, no impairment would have to be recognized.

3. Constantia Flexibles

A discount rate of 8% was used for Constantia Flexibles and a long-term growth rate of 2% was applied to post-business plan cash flows. The business plan covers a five-year period. Constantia Flexibles' value in use was higher than its carrying amount at December 31, 2015. No impairment was recognized. In addition, an analysis of the test's sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an impairment charge to be recognized, it would take a long-term growth rate below 0.8% or a discount rate above 9%. A one percentage point reduction in the normative margin used for cash flows after the end of the five-year business plan period would not call for an impairment.

4. Mecatherm

At June 30, 2015 the operating loss recognized for the first half-year of 2015 led to an impairment test, and an impairment expense of €18.3 million was then recognized. At December 31, 2015 the test was performed again. The business plan used was prepared by Wendel and covered a five-year period. A discount rate of 9% was used for Mecatherm and a long-term growth rate of 2% was applied to post-business plan cash flows, as it was at June 30, 2015 and December 31, 2014. Mecatherm's value in use calculated as of December 31, 2015 was above its carrying amount and so no further impairment was recognized, beyond that recognized at June 30, 2015. An analysis of the sensitivity of the test at December 31, 2015 to the discount rate and to the long-term growth assumption showed there would be no further impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For an additional impairment charge to be recognized, the long-term growth rate would have to be below 1% or the discount rate would have to exceed 10%. Moreover, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no additional impairment would have to be recognized.

5. CSP Technologies

A discount rate of 8% was used for CSP Technologies and a long-term growth rate of 2.5% was applied to post-business plan cash flows. The business plan covers a five-year period. The value in use of this investment was close to its carrying amount at December 31, 2015. Therefore no impairment was recognized. A sensitivity test on the discount rate showed that there would be an impairment loss of €25 million recognized should there be a change of +0.5% in this parameter. Similarly, if the long-term growth rate were 0.5% lower, an impairment of €18 million would have to be recognized. A one percentage point reduction in the normative margin used for cash flows after the end of the five-year business plan period would call for an impairment of €10 million.

6. NOP

A discount rate of 6.5% was used for NOP, which is located in Japan, and a long-term growth rate of 1% was applied to post-business plan cash flows. The business plan covers a five-year period. NOP's value in use was above its carrying amount as of December 31, 2015, and accordingly no impairment was recognized. An analysis of sensitivity to the discount rate and to the long-term growth assumption showed there would be no impairment in the event that these parameters fluctuated by +0.5% and -0.5%, respectively. For the calculated value to be less than the carrying amount, the discount rate would have to exceed 8% or the long-term growth rate would have to be negative. Finally, if the normative margin used for cash flows after the end of the five-year business plan period were reduced by 1 percentage point, no impairment would have to be recognized.

NOTE 8 Intangible Assets

The details by subsidiary are presented in note 6 "Segment information".

In millions of euros	12/31/2015		
	Gross amount	Amortization and provisions	Net amount
Amortizable assets			
Internally generated	**45.4**	**14.8**	**30.6**
Acquired			
Concessions, patents, and licenses	160.5	79.3	81.2
Customer relationships	2,648.8	887.9	1,760.9
Software	180.0	121.3	58.7
Other intangible assets	71.3	12.1	59.2
Intangible assets in progress	18.6	-	18.6
	3,079.2	**1,100.7**	**1,978.6**
With indefinite useful life	**-**	**-**	**-**
Acquired	**-**	**-**	**-**
Brands	725.5	29.3	696.2
	725.5	**29.3**	**696.2**
TOTAL	**3,850.1**	**1,144.8**	**2,705.3**

In millions of euros	12/31/2014		
	Gross amount	**Amortization and provisions**	**Net amount**
Amortizable assets			
Internally generated	**38.1**	**9.6**	**28.5**
Acquired			
Concessions, patents, and licenses	125.3	62.7	62.6
Customer relationships	1,418.6	771.9	646.7
Software	134.0	85.9	48.0
Other intangible assets	51.0	22.8	28.2
	1,728.8	**943.3**	**785.5**
With indefinite useful life			
Acquired			
Brands	469.4	28.6	440.9
	469.4	**28.6**	**440.9**
TOTAL	**2,236.4**	**981.5**	**1,254.9**

The principal changes during the year were as follows:

In millions of euros	2015	2014
Amount at beginning of year	**1,254.9**	**1,229.0**
Acquisitions	41.2	10.4
Internally generated assets	6.5	9.3
Reclassification of Parcours under "Operations held for sale"	-6.9	-
Impact of business combinations*	1,585.8	112.8
Impact of currency translation adjustments and other	9.4	48.5
Amortization and impairment losses for the year	-185.5	-155.1
AMOUNT AT END OF YEAR	**2,705.3**	**1,254.9**

* *In 2015 the impact of business combinations included the impact of acquisitions made (€100.5 million for CSP Technologies, €900.6 million for Constantia Flexibles and €537.8 million for AlliedBarton).*

NOTE 9 Property, plant and equipment

The details by subsidiary are presented in note 6 "Segment information".

In millions of euros	12/31/2015		
	Gross amount	Depreciation and provisions	Net amount
Land	132.3	1.6	130.8
Buildings	457.1	118.2	338.9
Plant, equipment, and tooling	1,673.2	775.9	897.2
Other property, plant & equipment	437.7	290.9	146.8
Assets under construction	79.0	-	79.0
TOTAL	**2,779.3**	**1,186.5**	**1,592.7**

In millions of euros	12/31/2014		
	Gross amount	Depreciation and provisions	Net amount
Land	77.2	1.6	75.5
Buildings	213.6	103.8	109.8
Plant, equipment, and tooling	1,056.8	631.3	425.5
Other property, plant & equipment	1,290.7	529.2	761.5
Assets under construction	43.5	-	43.5
TOTAL	**2,681.8**	**1,266.0**	**1,415.8**

The principal changes during the year were as follows:

In millions of euros	2015	2014
Amount at beginning of year	**1,415.8**	**1,359.5**
Acquisitions[(1)]	659.4	502.2
Divestments	-10.1	-16.3
Parcours: reclassification in inventory of used vehicles (net)[(3)]	-102.4	-88.6
Reclassification of Parcours under "Operations held for sale"	-797.8	-
Impact of business combinations[(2)]	827.0	-68.3
Impact of currency translation adjustments and other	-19.1	10.8
Depreciation and provisions recognized during the year	-380.0	-283.5
AMOUNT AT END OF YEAR	**1,592.7**	**1,415.8**

The change in property, plant & equipment during 2015 derived principally from:

(1) the amount including acquisitions of vehicles by the Parcours Group for €389.1 million and internal capital investments by Bureau Veritas of €137.7 million and by Constantia Flexibles of €75.9 million;

(2) the consequences of business combinations include the €762 million impact of the entry into the scope of consolidation of Constantia Flexibles;

(3) Parcours' fleet of leased vehicles is recognized under property, plant & equipment. Second-hand vehicles returned by customers at contract termination are recognized on the balance sheet under "Inventories" before being sold.

NOTE 10 Equity-method investments

In millions of euros	12/31/2015	12/31/2014
Saint-Gobain	3,014.4	2,886.0
IHS	669.9	606.4
exceet	36.6	54.5
Investments of Bureau Veritas	4.8	5.1
Investments of Cromology	1.1	0.8
TOTAL	**3,726.8**	**3,552.9**

The change in equity-method investments broke down as follows:

In millions of euros	2015
Amount at beginning of year	3,552.9
Share in net income for the period	
Saint-Gobain (excluding divestment of Verallia)	53.4
Impact of divestment of Verallia(1)	-96.5
IHS	-128.1
exceet	-2.2
Other	1.1
Dividends for the year paid by Saint-Gobain	-81.6
Impact of changes in currency translation adjustments	114.1
Impact of dilution on the Saint-Gobain investment(1)	-6.1
Impact of dilution on IHS(1)	18.1
Reinvestment in IHS(1)	155.7
Asset impairment(2)	186.0
Other	-39.9
AMOUNT AS OF DECEMBER 31, 2015	**3,726.8**

(1) See note 2 "Changes in scope of consolidation".
(2) Including a €203.4 million reversal of the impairment of Saint-Gobain shares and a €17.3 million impairment loss on exceet shares.

Note 10-1 Additional information on Saint-Gobain

The main Saint-Gobain accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity):

In millions of euros	12/31/2015	12/31/2014
Carrying amounts at 100%		
Total non-current assets	27,309	28,584
Total current assets	17,547	16,220
Impact of the revaluation of acquired assets and liabilities	3,760	3,822
Goodwill adjustment (Wendel)[(1)]	2,870	2,739
Non-controlling interests	364	405
Total non-current liabilities	12,921	14,357
Total current liabilities	12,615	12,029
including cash and cash equivalents	*5,380*	*3,493*
including financial debt	*10,177*	*10,714*

	2015	2014
Net sales[(2)]	39,623	38,349
Operating income	2,636	2,522
Business income	1,294	1,580
Current net income, Group share	1,165	973
Net income, Group share	1295	953
Impact of the revaluation of acquired assets and liabilities	-62	-63

(1) Value of residual goodwill after impairment, see note 10-4.1 "Impairment test on Saint-Gobain, accounted for by the equity method".
(2) In 2015, net sales rose 3.3%, while organic growth was +0.4%.

Note 10-2 Additional information on IHS

The main IHS accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity).

In millions of euros	12/31/2015	12/31/2014
Carrying amounts at 100%		
Total non-current assets	3,558.6	2,051.4
Total current assets	788.4	1,125.8
Goodwill adjustment (Wendel)	64.2	57.5
Non-controlling interests	190.7	138.4
Total non-current liabilities	1,764.7	982.1
Total current liabilities	224.4	186.1
including cash and cash equivalents	*568.9*	*798.3*
including financial debt	*1,412.3*	*910.8*

	2015	2014
Net sales	652.0	235.5
EBIT	77.9	17.7
Net income, Group share*	-393.2	-129.6

* *The devaluation of the Nigerian naira and the Zambian kwacha caused the IHS Group to recognize a currency translation loss on dollar-denominated liabilities on the books of Nigerian and Zambian companies whose functional currencies are respectively the naira and the kwacha. The use of dollar-denominated liabilities in Nigeria and Zambia is called for primarily because certain aspects of the contracts are indexed to the dollar.*

In accordance with accounting standards, IHS shares held by some co-shareholders via a co-investment vehicle are presented as equity-method investments on Wendel's consolidated balance sheet, as the Group controls this vehicle (see note 2 "Change in scope of consolidation") and the divestment decisions for these shares. An offsetting financial liability must also be recognized in the Group's balance sheet for the fair value of these shares. (This liability is presented in note 13 "Financial assets and liabilities".) This accounting treatment, particularly the recognition of the financial liability, is primarily linked to the limited life of the co-investment vehicle, which will ultimately be liquidated, if no liquidity event for IHS shares occurs first. This liquidation would result in the shares financed through the vehicle being distributed to each respective shareholder (Wendel Group and the co-investors). The Group has no economic rights to co-investors' stakes in IHS and has no other obligation (or debt) with regard to co-investors apart from remitting the potential proceeds and profits on the sale of shares financed by the co-investors or, if the vehicle is liquidated, returning the shares to the co-investors.

Out of the total €669.9 million (or 30.0% of IHS equity) recognized in equity-method investments, €99.7 million (4.5% of IHS equity) are of economic value to the co-investors.

Note 10-3 Additional information on exceet

The main exceet accounting data (at 100%) are the following (including the impact of the goodwill recognized on acquiring the equity.)

In millions of euros	12/31/2015	12/31/2014
Carrying values at 100%		
Total non-current assets	96.9	96.9
Total current assets	89.6	86.1
Goodwill adjustment (Wendel)(1)	23.1	90.6
Non-controlling interests	-	-
Total non-current liabilities	55.2	54.1
Total current liabilities	25.8	27.8
including cash and cash equivalents	*33.3*	*31.0*
including financial debt	*41.4*	*40.4*

	2015	2014
Net sales(2)	181.6	185.3
EBITDA	12.7	19.0
Net income, Group share	-1.2	4.4
Impact of the revaluation of acquired assets and liabilities	-8.1	-8.1

(1) Value of residual goodwill after impairment, see note 10-4.2 "Impairment test on exceet shares accounted for by the equity method".
(2) In 2015, net sales fell back by 2.0%, with an organic contribution of -8.1%.

Oranje-Nassau Développement's percentage interest (100% Wendel) in exceet Group SE is subject to the potentially dilutive effect of financial instruments issued by exceet.

In addition to the 20,073,695 listed shares in circulation (net of treasury shares), 5,708,427 of which are held by the Wendel Group, exceet has issued the following financial instruments:

- 20,000,000 listed warrants giving access to the capital of exceet under the following terms:
  - exercise price of €12/share, and
  - a cashless exercise: upon exercise, the holders will not pay the exercise price in cash, but will receive exceet shares equal in value to the intrinsic value of a number of warrants given in exchange for the shares;
- ultimately, the maximum number of exceet shares to be issued is approximately €2.94 million. The Wendel Group holds 6.75% of these warrants, which are recognized as financial assets at their fair value;
- 5,210,526 unlisted promoters' shares, of which 1,000,000 will be converted into listed shares if the share price reaches €12/share, 2,105,263 will be converted into listed shares if the share price reaches €14/share and 2,105,263 will be converted into listed shares if the share price reaches €16/share. They do not give dividend rights or rights to the net assets of exceet if they are not converted. These shares are held by the promoters of the Helikos project, including the Wendel Group, which holds 75.8% of the shares. These instruments are accounted for as shareholders' equity and are thus recognized in Wendel's financial statements as part of the value of exceet shares accounted for by the equity method; and
- 9,000,000 unlisted, earn-out shares that can be converted into listed shares in three equal tranches, if the listed share price reaches the thresholds of €12, €13 and €15 per share. These earn-out shares do not give dividend rights or rights to the net assets of exceet if they are not converted. They are held by Vorndran Mannheims Capital Advisors GmbH, the other main shareholder of the exceet Group.

From July 2016, the promoters' shares and earn-out shares will no longer be convertible and will be reimbursed at par (€0.0152 per share). The warrants are exercisable until the same date, and may be repurchased at €0.01 per warrant, provided the share price exceeds €17. Warrants not exercised will be automatically canceled.

As of December 31, 2015, the listed share price of exceet was below the exercise prices of the dilutive instruments issued.

Note 10-4 Impairment tests on equity-method investments

No impairment test was performed on IHS as there is no indication that the value of this investment may be impaired. The last capital increase of June 2015 was carried out on a higher valuation than those of previous capital increases.

The tests described below are based on Wendel's assessment of the facts and circumstances existing at the balance sheet date, as well as information available at the date the financial statements were finalized on the positions existing at the end of 2015. The uncertain global economic picture has complicated forecasting, and actual amounts could therefore be significantly different from the forecasts made under these tests. If so, values in use may also be different from those determined on the basis of assumptions and estimates at the end-December 2015 balance sheet date.

Note 10-4.1 Impairment test on Saint-Gobain shares

An impairment test was performed on the Saint-Gobain shares, as their carrying amount, calculated according to the equity method, was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (i) fair value, i.e. the share price at the balance sheet date (€39.85 per share, or €2,622.6 million for the 65.8 million Saint-Gobain shares); and (ii) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The five-year business plan used in this calculation was prepared by Wendel using, among other things, research on the sector published by leading forecasters, Wendel's internal analyses and studies carried out by Wendel. The assumptions underlying the business plan (trends in underlying markets, price effects, etc.) were developed by sector and by country. In accordance with IAS 36, the business plan included no strategic acquisitions. In particular, the plan did not include the acquisition of Schenker-Winkler Holding AG, which holds 16.97% of the share capital and 52.92% of the voting rights of Sika, as this acquisition remained to be completed at the 2015 year-end. Finally, the assumptions used in calculating post-business plan cash flows (i.e. growth in sales and normative profitability) were based on an analysis of the historical performances of Saint-Gobain's activities over more than 20 years.

The long-term growth rate applied to post-business plan cash flows is the same as that used at prior balance sheet dates: 2%. The discount rate used was also identical to that used at prior balance sheet dates: 8%. It was based in particular on market parameters (risk-free rate, market premium, beta of comparables) and took into account risks specific to the business plan.

At December 31, 2015 the gross carrying amount of Saint-Gobain shares on Wendel's financial statements was €47.14 per share, or €3,102.6 million. The impairment recognized on Saint-Gobain shares was €4.43 per share at end-2014, or €292 million. At the June 30, 2015 close, the estimated value in use resulted in a reversal of the provision of €3.09 per share, or €203.4 million, and the amount of the provision was therefore adjusted to €1.34 per share, or €88.1 million. Thus the net carrying amount of the shares was €45.80 per share at December 31, 2015 after adjusting for this provision for impairment (€3,014.4 million for all shares). The estimated value in use at the December 31, 2015 close was similar, at €46.06 per share. No new material items affecting Saint-Gobain or its environment required any additional adjustment in the provision for impairment as compared to June 30, 2015. This impairment was therefore preserved at €1.34 per share and the net carrying amount at €45.80 per share. The 2015 net income of equity method investments therefore includes a reversal of €203.4 million.

Sensitivity analysis shows that:

- if the discount rate rose 0.5% the €203.4 million reversal would not be recognized but an additional impairment charge of €92 million would be;
- if the long-term growth rate were 0.5% lower, the €203.4 million reversal would not be recognized but an additional impairment of €14 million would be; or
- if the normative margin used for cash flows after the end of the five-year business plan period were reduced by one percentage point, the €203.4 million reversal would not have been recognized but an additional impairment charge of €234 million would be.

Finally, the model as a whole is sensitive to the assumptions of the five-year business plan.

The difference between the net carrying amount and the market price reflects Wendel's investment horizon and the significant influence Wendel exerts over Saint-Gobain.

Note 10-4.2 Impairment test on exceet shares

An impairment test was performed on these equity-method shares, as their carrying amount was higher than their market value.

In accordance with IAS 36, recoverable value was determined as the higher of (i) fair value, i.e. the share price at the balance sheet date (€22 million for the 5.7 million shares held), and (ii) value in use, i.e. the discounted value of future cash flows.

Wendel has performed this discounted cash flow valuation. The business plan used covers an eight-year period, and in accordance with IAS 36, no strategic acquisitions are included in its assumptions. As in 2014, the long-term growth rate applied to post-business plan cash flows was 2% and the discount rate was 10%. The impact of dilutive instruments in exceet's capital was taken into account.

The value in use thus calculated is €6.41 per share, or €36.6 million for all shares accounted by the equity method. It is lower than the gross carrying amount, which is €53.9 million. Consequently, an impairment expense of €17.3 million was recognized at December 31, 2015.

Sensitivity analysis shows that:

- if the discount rate were +0.5% higher, an additional impairment of €3 million would be recognized;
- if the long-term growth rate were -0.5% lower, an additional impairment of €1 million would be recognized; or
- if the normative margin used for cash flows after the end of the eight-year business plan period were reduced by one percentage point, an additional impairment charge of €3 million would be recognized.

NOTE 11 Trade receivables

	12/31/2015			12/31/2014
In millions of euros	Gross amount	Provisions	Net amount	Net amount
At:				
Bureau Veritas	1,292.4	63.5	1,228.9	1,161.0
Constantia Flexibles	210.7	6.7	203.9	-
AlliedBarton	284.6	0.1	284.5	-
Cromology	167.9	20.0	147.9	151.7
Stahl	121.6	5.3	116.3	111.1
Oranje-Nassau Développement	66.2	3.8	62.3	100.5
Wendel and holding companies	0.2	0.1	0.1	0.2
TOTAL	**2,143.5**	**99.5**	**2,044.0**	**1,524.5**

Unprovisioned past-due trade receivables and related accounts for the largest subsidiaries were as follows:

- for Bureau Veritas: a total of €420.3 million at December 31, 2015 vs. €385.1 million at December 31, 2014, including respectively €119.7 million and €108.4 million over three months past due;
- for Constantia Flexibles: a total of €38.5 million at December 31, 2015 including €8.7 million over three months past due;
- for AlliedBarton: a total of €284.5 million at December 31, 2015 less than three months past due;
- for Cromology: a total of €33.9 million at December 31, 2015 vs. €30.8 million at December 31, 2014, of which €8.5 million and €9.5 million, respectively, were more than three months past due; and
- for Stahl: a total of €16.5 million at December 31, 2015 vs. €14.4 million at December 31, 2014, of which €2.0 million and €0.5 million, respectively, were more than three months past due.

NOTE 12 Cash and cash equivalents

In millions of euros	12/31/2015 Net amount	12/31/2014 Net amount
Pledged cash and cash equivalents of Wendel and its holding companies, classified as non-current assets	0.5	0.4
Unpledged cash and cash equivalents of Wendel and its holding companies, classified as current assets	469.8	854.2
Cash and cash equivalents of Wendel and its holding companies*	**470.3**	**854.6**
Pledged cash and cash equivalents of subsidiaries and other holding companies used as collateral, classified as non-current assets	34.1	-
Unpledged cash and cash equivalents of subsidiaries and other holding companies, classified as current assets		
Bureau Veritas	522.9	220.1
Constantia Flexibles	63.9	-
AlliedBarton	4.3	-
Cromology	25.8	26.8
Stahl	77.8	44.4
Oranje-Nassau Développement	14.0	18.3
Other holding companies	10.1	28.8
Cash and cash equivalents of subsidiaries and other holding companies	**752.9**	**338.5**
TOTAL	**1,223.2**	**1,193.0**
of which non-current assets	***34.6***	***0.4***
of which current assets	***1,188.6***	***1,192.6***

* *In addition to this cash, Wendel had €328.9 million in short-term financial investments as of December 31, 2015 and €331.2 million as of December 31, 2014, recognized in other current financial assets (see note 5-2.1 "Liquidity risk of Wendel and the holding companies").*

NOTE 13 Financial assets and liabilities (excl. financial debt and operating receivables and payables)

Note 13-1 Other financial assets

In millions of euros	Method of recognition of variations	Level	12/31/2015	12/31/2014
Pledged cash and cash equivalents of Wendel and holding companies	Income statement(1)	1	0.5	0.4
Unpledged cash and cash equivalents of Wendel and holding companies	Income statement(1)	1	469.8	854.2
Wendel's short-term financial investments	Income statement(1)	1	328.9	331.2
Assets held until maturity	Amortized cost	N/A	-	-
Cash and short-term financial investments of Wendel and its holding companies			**799.2**	**1,185.8**
Pledged cash and cash equivalents of subsidiaries	Income statement(1)	1	34.1	-
Cash and cash equivalents of subsidiaries	Income statement(1)	1	718.8	338.5
Assets available for sale – A	Shareholders' equity(2)	3	217.3	73.7
Financial assets at fair value through profit or loss	Income statement(1)	1	28.8	31.5
Loans – B	Amortized cost	N/A	92.5	64.9
Deposits and guarantees	Amortized cost	N/A	78.4	68.6
Derivatives – C	Income statement(1)/Sh. equity(2)	See C	27.7	16.0
Other			117.4	45.6
TOTAL			**2,114.1**	**1,824.6**
of which non-current financial assets, including pledged cash and cash equivalents			**504.2**	**224.7**
of which current financial assets, including cash and cash equivalents			**1,609.9**	**1,599.9**

(1) Change in fair value through profit or loss.
(2) Change in fair value through shareholders' equity.

Note 13-2 Financial liabilities

In millions of euros	Method of recognition of variations	Level	12/31/2015	12/31/2014
Derivatives – C	Income statement(1)/Sh. equity(2)	See C	14.2	186.0
Minority put options, earn-outs and other financial liabilities of subsidiaries – D	Income statement(1)/Sh. equity(2)	3	342.6	131.0
Minority put options, earn-outs and other financial liabilities of Wendel and holding companies – E	Income statement(1)/Sh. equity(2)	3	394.0	125.9
Financial liabilities pertaining to the IHS co-investment vehicle – F	Income statement(1)	3	182.3	95.7
TOTAL			**933.1**	**538.6**
of which non-current financial liabilities			**748.4**	**329.3**
of which current financial liabilities			**184.6**	**209.3**

(1) Change in fair value through profit or loss.
(2) Change in fair value through shareholders' equity.

Note 13-3 Breakdown of financial assets and liabilities

A – At December 31, 2015 this item included **the Saham Group investment**. Based in Morocco, Saham is majority-owned by its founder and historically has two business lines: insurance and customer relationship centers. It is also expanding in real estate, healthcare and education. This investment represents 13.3% of Saham Group share capital. It is measured at fair value in the amount of €113 million (vs. €69 million at year-end 2014.) To determine this value, the group's main business, insurance, was valued based on the price paid by the Sanlam Group (the leading financial services company in Africa) to acquire 30% of its equity. The fair value revaluation from December 31, 2014 is largely attributable to a reflection of this price. It is recognized in consolidated reserves as "Gains and losses on assets held for sale" in the amount of €+44 million, in accordance with the accounting principles (see note 1-10.6 "Accounting principles: financial assets and liabilities.")

The shares in Afripak and Pemara recently acquired by Constantia Flexibles are also recognized in this line until their initial consolidation (see note 2 "Change in scope of consolidation.")

(In accordance with IAS 39.9, classifying a financial asset as available for sale does not necessarily mean that the Wendel Group actually intends to sell it. This category includes all non-derivative financial assets that are designated as available for sale or that are not classified in any of the other categories of financial assets.)

B – **Loans:** this amount includes in particular a loan granted to Kerneos (leading aluminate technology company) for €46 million (after repayment of €25 million during the period). This loan, maturing in 2021, carries an annual interest rate of 10.5%. Additionally, $47 million of Sterigenics debt (global leader in sterilization services) was subscribed in 2015 and also recognized on this line. This debt, maturing in 2023, carries an annual coupon of 6.5%.

C – **Derivatives:**

In millions of euros		12/31/2015		12/31/2014	
	Level	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Saint-Gobain puts written(1)	2		-		164.4
Interest rate swaps – hedging of cash flows(2)	2	4.3	-	0.0	1.3
Interest rate swaps – not qualifying for hedge accounting(2)	2	4.9	8.5	7.1	14.0
Other derivatives – not qualifying for hedge accounting	2	18.4	5.7	8.9	6.2
TOTAL		**27.7**	**14.2**	**16.0**	**186.0**
Of which:					
Non-current portion		**8.2**	**6.4**	**8.4**	**51.3**
Current portion		**19.5**	**7.8**	**7.6**	**134.6**

(1) See description of puts in the following note.
(2) See description of swaps in the following note.

D – **Other financial liabilities:** at December 31, 2015, this amount related in particular to Bureau Veritas in the amount of €169 million and Constantia Flexibles in the amount of €132 million. It mainly involves puts written to non-controlling interests and earn outs.

E – **Other financial liabilities:** at December 31, 2015, this amount mainly reflected puts written to a non-controlling interest, Clariant, on its equity in Stahl and to the Turnauer Foundation on 50% of its equity in Constantia Flexibles. It also includes liabilities for certain cash equivalents granted as part of co-investments. See note 35-6 "Off-balance-sheet commitments: shareholder agreements and co-investment mechanisms."

F – **Other financial liabilities:** see note 10-2 "Equity-method investments – additional information on IHS."

Note 13-4 Put options written on Saint-Gobain shares

The puts on Saint-Gobain shares were totally unwound in early 2015 in the amount of €-136.1 million, and the difference from the value of these puts at year-end 2014 was recognized in "Other financial income" as a €28.4 million credit.

Note 13-5 Interest rate swaps and foreign exchange hedges

The value of interest rate swaps is calculated by the counterparties on the basis of the yield curve at the balance sheet date and the present value of cash flows expected from the contracts.

Notional amount	Characteristics[1]	Qualified as	Start[1]	Maturity[1]	12/31/2015	12/31/2014
	sign convention: (+) assets, (-) liabilities					
Interest rates swaps carried by Wendel						
€100 M	Pay 3.98% against 4.21%		pre-closing	05-2016	0.1	0.3
€300 M	Pay 12-month Euribor +0.93% between 1.70% and 2.60%, 3.40% if < 1.70%, and 3.53% if > 2.60%. Against 3.49%		pre-closing	08-2017	0.5	0.8
€800 M	Pay 1.04% against Euribor[2]		01-2014	01-2016	-0.5	-8.3
					0.1	-7.2
Hedging of subsidiaries' debt						
€80 M	0.42% cap on Euribor		pre-closing	12-2017	-	0.2
€100 M	Pay 0.19% on Euribor (0% floor)	hedge	pre-closing	10-2017	-0.3	-0.1
€40 M	1% cap on Euribor		04-2017	10-2018	-	-
€30 M	Collar 0.02% – 0.43% on Euribor		06-2015	10-2018	-0.2	
$127 M	2% cap on Libor		pre-closing	04-2017	-	0.3
€45 M	Pay 0.21% against Euribor		pre-closing	04-2017	0.1	-0.1
€200 M	Pay 0.75% against Euribor	hedge	pre-closing	04-2022	-4.5	
€200 M	Cap 2.00% against Euribor		pre-closing	04-2018	0.1	
€200 M	Cap 2.00% against Euribor		pre-closing	04-2022	2.1	
$160 M	Pay 2.40% against Libor	hedge	pre-closing	07-2016	-0.9	
	Other[3]				4.2	-1.3
					0.6	-1.0
TOTAL					**0.7**	**-8.2**

(1) The positions indicated in this table are aggregations of several similar contracts. The characteristics are therefore weighted averages.
(2) The net value of all swaps as of December 31, 2015 was €-0.5 million, vs. €-8.3 million at end-2014. The year on year change of positive €7.8 million was recognized in profit and loss since these instruments do not qualify as hedges.
(3) This amount includes currency hedges by Bureau Veritas to convert the pound sterling tranches of its American private placement into a euro liability.

NOTE 14 Shareholders' equity

Note 14-1 Total number of shares

	Par value	Number of shares	Treasury shares	Number of capital outstanding shares
As of 12/31/2014	4 €	47,796,535	1,761,948	46,034,587
As of 12/31/2015	4 €	47,992,530	1,963,301	46,029,229

The reduction of 195,995 shares is due to:

- the exercise of stock options (177,745 shares); and
- subscriptions to the Company savings plan (18,250 shares).

Note 14-2 Treasury shares

As of December 31, 2015, 100,000 shares were held for the purposes of the liquidity contract, unchanged from December 31, 2014.

As of December 31, 2015, Wendel held 1,863,301 of its shares in treasury outside the context of the liquidity contract (1,661,948 as of December 31, 2014). These treasury shares are primarily allocated to cover stock option exercises and grants of bonus and performance shares, with the remainder being retained for potential acquisitions.

The net increase of 201,353 shares derived from:

- the purchase of 643,829 shares during the year;
- the sale of 442,476 shares in the exercise of the purchase-type stock option plan and the delivery of performance shares.

In total, shares held in treasury represented 4.09% of the share capital as of December 31, 2015.

Note 14-3 Non-controlling interests

In millions of euros	% interest as of December 31, 2015	12/31/2015	12/31/2014
Bureau Veritas Group	59.51%	758.5	633.6
Constantia Flexibles Group	38.93%	220.3	-
Cromology Group	9.96%	-22.7	-16.4
Stahl Group	24.74%	-0.3	-1.3
Parcours Group	0.92%	2.0	1.4
Mecatherm Group	0.83%	1.5	1.8
Other		13.1	9.7
TOTAL		**972.5**	**628.9**

NOTE 15 Provisions

In millions of euros	12/31/2015	12/31/2014
Provisions for risks and contingencies	307.1	158.4
Employee benefits	282.3	212.3
TOTAL	**589.4**	**370.7**
of which non-current	*453.4*	*362.4*
of which current	*136.0*	*8.3*

Note 15-1 Provisions for risks and contingencies

In millions of euros	12/31/2014	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ divestments	Currency translation adjustments, reclassifications	12/31/2015
Bureau Veritas[1]								
Disputes and litigation	51.5	11.1	-1.8	-3.3	-	-	-	57.5
Other	63.6	29.7	-20.1	-5.4	-	-	8.4	76.2
Cromology	11.2	2.5	-3.4	-0.3	-	-	-0.2	9.9
Stahl	1.4	0.1	-0.3	-0.0	-	-	-0.0	1.2
Constantia Flexibles[2]	-	7.0	-3.4	-	-	58.0	-	61.6
AlliedBarton[3]	-	3.0	-2.8	-	-	72.6	-4.8	68.0
Oranje-Nassau Développement	8.3	10.9	-3.0	-	-	-	-4.3	11.9
Wendel and holding companies[4]	22.4		-1.7	-	-	-	-	20.7
TOTAL	**158.4**	**64.2**	**-36.4**	**-9.1**	**-**	**130.6**	**-0.8**	**307.1**
of which current	*8.3*							*136.0*

In millions of euros	12/31/2013	Additions	Reversals: used	Reversals: unused	Impact of discounting	Business combinations/ Divestments	Currency translation adjustments, reclassifications	12/31/2014
Bureau Veritas								
Disputes and litigation	43.2	13.9	-2.9	-4.5	0.3	1.0	0.5	51.5
Other	28.2	36.0	-14.7	-6.4	-	0.1	20.4	63.6
Materis	15.9	1.4	-2.6	-0.1	-	-3.4	-0.0	11.2
Stahl	0.7	0.2	-0.1	-	-	0.6	-	1.4
Oranje-Nassau Développement	6.7	6.8	-5.4	-0.1	-	0.2	-	8.3
Wendel and holding companies	20.7	1.7	-0.1	-	-	-	-	22.4
TOTAL	**115.5**	**60.0**	**-25.8**	**-11.1**	**0.3**	**-1.5**	**20.9**	**158.4**
of which current	*9.4*							*8.3*

1. Provisions for risks and contingencies of Bureau Veritas

In the normal course of its activities, Bureau Veritas is party, with respect to certain of its activities, to various disputes and legal actions that aim, among other things, to invoke its professional liability with regard to services it has provided. While Bureau Veritas pays the greatest attention to risk control and the quality of its services, some of those services can give rise to claims and result in financial penalties.

Provisions for litigation on contracts changed because developments in ongoing litigation during the year led to changes in estimates. They also reflected new risks that, taken individually, and given Bureau Veritas' insurance coverage, are not material. Provisions have been recognized on the losses that may result from such litigation, after taking into account the amounts covered by the Bureau Veritas Group's insurance policies.

Accordingly, Bureau Veritas estimated that a total provision of €11.1 million was necessary for certain of these risks in 2015 (vs. €13.9 million in 2014), given the development of certain claims.

The calculation of provisions for risks and contingencies as of December 31, 2015 takes into account developments in the exceptional legal claim that arose in 2004 in relation to the construction of a hotel and retail complex in Turkey. No amendment was made to the provision for the exceptional legal claim that arose in 2004 pertaining to the crash of a Gabon Express flight.

On the basis of the insurance coverage relating to these legal claims, on the information currently available, and after taking into account the opinions of its legal advisors, Bureau Veritas considers that these claims will not have a significant adverse effect on its consolidated financial statements.

There are no other government, administrative, legal or arbitration proceedings or investigations (including any proceedings of which Bureau Veritas is aware that are pending or with which Bureau Veritas is threatened) that may have, or have had, during the previous 12 months, significant effects on the financial position or profitability of Bureau Veritas.

In terms of other provisions for risks and contingencies, Bureau Veritas has recognized additional provisions of €29.7 million and has reversed €25.5 million of provisions, giving a net increase of €4.2 million. Provisions for restructuring fell by €5.9 million during the period, while provisions for tax contingencies rose by €16.5 million. The total balance of movements over the year included provisions recognized for losses on contracts and other operating risks.

2. Provisions for risks and contingencies of Constantia Flexibles

Provisions recognized by Constantia Flexibles principally include a provision for its future obligations under a long-term performance-based profit-sharing plan for certain executives and a provision for pending litigation concerning a "squeeze out" of shares in Constantia Packaging AG.

3. Provisions for risks and contingencies of AlliedBarton

The provisions are largely for social security protection of employees; additionally, three class action suits are underway in California for alleged infringement of labor laws.

4. Provisions for risks and contingencies of Wendel and its holding companies

The principal disputes, claims and risks identified for Wendel and its holding companies are as follows:

- a provision is maintained for an environmental risk concerning polluted land which belonged to a Group subsidiary whose operations were discontinued in 1967;
- various appeals have been sued against Wendel by Éditions Odile Jacob in the wake of Wendel's takeover of Editis from Lagardère in 2004. By its decision of January 28, 2016, the Court of Justice of the European Union definitively dismissed the claims of Éditions Odile Jacob. There remains a pending proceeding before the Paris Commercial Court, in which Éditions Odile Jacob have filed to void the sale of Editis to Wendel;
- Wendel considers that the claims of Éditions Odile Jacob are unfounded and has not recognized any provision related to this dispute;
- various judicial procedures have been initiated by former management-level employees of Wendel as a result of the unwinding of a mechanism for participating in the Group's performance. The amount of the claims against various defendants, including Wendel, totals some €30 million, subject to adjustment (depending on the claimant) based on the potential consequences of procedures initiated against them by the tax authority.
- one of these former managers had his suit dismissed by the Paris Commercial Court on January 15, 2016, which he has appealed;
- on December 17, 2013, the Commercial Court rejected the claims of one of the former managers and also required him to pay a token amount of €1 to Wendel in recognition of damage to the company's image. This former manager appealed this decision and a ruling is expected on April 12, 2016. Another legal action against Wendel for almost €5 million, initiated in the labor courts by this former manager after his employment contract was terminated in June 2009, was also rejected on March 31, 2014 and upheld by a ruling of November 10, 2015, against which he has appealed;
- the Company considers the various claims of these former employees to be unfounded and has not recognized any provision against them.

Note 15-2 Employee benefits

In millions of euros	12/31/2015	12/31/2014
Defined-benefit plans	88.4	82.3
Retirement bonuses	137.2	95.1
Other	56.7	34.8
TOTAL	**282.3**	**212.3**
Of which non-current	*282.3*	*212.3*
Of which current	-	-

The breakdown by subsidiary was as follows:

In millions of euros	12/31/2015	12/31/2014
Bureau Veritas	148.4	158.2
Constantia Flexibles	61.3	-
AlliedBarton	19.2	-
Cromology	24.9	24.2
Stahl	18.6	19.4
Oranje-Nassau Développement	8.5	8.9
Wendel and holding companies	1.4	1.5
	282.3	**212.3**

The change in provisions for employee benefits broke down as follows for 2015:

In millions of euros	12/31/2014	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailment and settlement	Business combinations	Translation adjustments and other	12/31/2015
Commitments									
Defined-benefit plans	239.8	4.1	-10.6	-14.5	4.1	0.4	26.7	1.9	245.9
Retirement bonuses	104.0	11.3	-8.2	-9.7	2.0	1.1	39.2	1.9	147.6
Other	46.0	2.9	-0.9	-4.7	0.9	0.5	27.6	-4.7	67.6
	389.8	**18.2**	**-19.7**	**-28.9**	**7.0**	**2.0**	**93.6**	**-0.9**	**461.1**

In millions of euros	12/31/2014	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12/31/2015
Partially-funded plan assets								
Defined-benefit plans	157.4	3.3	-2.8	-3.9	-3.7	5.8	1.3	157.5
Retirement bonuses	8.9	0.1	0.6	0.2	-0.1	-	0.9	10.5
Other	11.2	0.2	0.1	0.3	-0.9	-	-	10.8
	177.5	**3.6**	**-2.2**	**-3.5**	**-4.7**	**5.8**	**2.2**	**178.8**
PROVISION FOR EMPLOYEE BENEFITS	**212.3**							**282.3**

The change in provisions for employee benefits broke down as follows for 2014:

In millions of euros	12/31/2013	Service costs	Actuarial gains and losses	Benefits paid	Interest costs	Curtailment and settlement	Business combinations	Translation adjustments and other	12/31/2014
Commitments									
Defined-benefit plans	226.3	6.1	24.8	-8.8	6.1	0.8	-17.8	2.2	239.8
Retirement bonuses	108.3	6.6	14.1	-7.9	2.7	2.1	-23.6	1.7	104.0
Other	22.0	5.2	1.1	-1.4	1.0	1.1	16.6	0.4	46.0
	356.7	**17.9**	**39.9**	**-18.0**	**9.8**	**4.0**	**-24.8**	**4.3**	**389.8**

In millions of euros	12/31/2013	Return on assets	Employer contributions	Amounts used	Actuarial gains and losses	Business combinations	Translation adjustments and other	12/31/2014
Partially-funded plan assets								
Defined-benefit plans	171.3	4.3	5.6	11.0	-4.2	-32.6	2.0	157.4
Retirement bonuses	21.7	0.2	0.2	0.2	-0.0	-13.6	0.2	8.9
Other	0.2	0.3	0.1	-0.8	-0.0	11.5	-	11.2
	193.2	**4.8**	**5.9**	**10.5**	**-4.2**	**-34.7**	**2.2**	**177.5**
PROVISION FOR EMPLOYEE BENEFITS	**163.5**							**212.3**

Liabilities on defined-benefit plans broke down as follows:

In millions of euros	12/31/2015	12/31/2014
Unfunded liabilities	204.0	131.7
Partially or fully-funded liabilities	257.0	258.1
TOTAL	**461.1**	**389.8**

Assets of defined-benefit plans broke down as follows as of December 31, 2015:

	12/31/2015	12/31/2014
Insurance Company funds	28%	31%
Equity instruments	20%	18%
Debt instruments	13%	13%
Cash and other	40%	38%

Expenses recognized on the income statement broke down as follows:

In millions of euros	2015	2014
Expenses recognized on the income statement with respect to defined-benefit plans		
Service costs during the year	18.2	17.9
Interest costs	7.0	9.8
Expected return on plan assets	-3.6	-4.8
Past service costs	0.9	0.4
Impact of plan curtailments or settlements	1.9	1.0
TOTAL	**24.5**	**24.3**
Expenses recognized on the income statement with respect to defined-contribution plans	**80.4**	**73.2**

1. Commitment characteristics and actuarial assumptions applied at Bureau Veritas

Employee benefits at Bureau Veritas included the following defined-benefit plans:

- pension plans, most of which have been closed for several years. Pension plans are generally unfunded, with the exception of a very limited number of plans financed by contributions paid to insurance companies and valued on the basis of periodic actuarial calculations;
- retirement bonuses;
- long-service awards.

The principal actuarial assumptions used to calculate these commitments are as follows: average discount rate of 2.5%; implied rate of return on plan assets of 3.8%; average salary increase rate of 2.6% (Germany: 1.5%, France: 3.0%, Italy: 2.0%, Netherlands: 0.6%, United Kingdom: 3.0%).

2. Commitment characteristics and actuarial assumptions applied at Cromology

Retirement benefits are calculated mainly on the basis of employees' seniority when they retire. These plans essentially concern France (and to a lesser extent Portugal, Italy, and Switzerland). Actuarial assumptions are determined for each country.

The main assumptions utilized for the European region were as follows: discount rate of 2%, inflation rate of 1.75%, salary increase rate of 2%, and rate of return on assets of 2%.

3. Commitment characteristics and actuarial assumptions applied at Stahl

Stahl employee benefits in Germany, Italy, the Netherlands, Mexico, the United Kingdom, the United States, India, France, Brazil, Thailand, and Switzerland concern the following defined-benefit plans, depending on the country:

- partially-funded retirement plans;

- retirement bonuses;
- long-service awards.

The main actuarial assumptions were as follows: discount rate of 2.9%, inflation rate of 2.2%, salary increase rate of 1.8%, and return on assets of 2.9%.

4. Commitment characteristics and actuarial assumptions applied at AlliedBarton

The employee benefits of AlliedBarton concern two defined contribution plans:

- a "Supplemental Executive Retirement Plan" (SERP), opened to certain company managers. The factors of change for this plan, in particular, the discount rate (7% in 2015) are determined each year by the Company's management;
- a "Supplemental Income Plan" (SIP), opened to certain persons at managerial levels in the Company, who are not able to benefit from other programs in place within the AlliedBarton Group. This plan is partially funded.

5. Commitment characteristics and actuarial assumptions applied at Constantia Flexibles.

Employee benefits for Constantia Flexibles in Germany, Austria, France, Mexico, Turkey, Russia, and Spain concern the following defined-benefit plans, as applicable:

- retirement plans, funded or unfunded;
- retirement bonuses;
- long-service awards.

The principal actuarial assumptions utilized are discount rates between 2.1% and 10.1%, salary increase rates, included between 1.0% and 6.5%, and a rate of return on assets of between 2.1% and 10.1%.

6. Wendel's commitments

In 1947, the Company "Les Petits-Fils de François de Wendel" (now Wendel) set up a supplementary pension plan for all employees, regardless of their category, provided they retire while employed by the Company. This plan was closed on December 31, 1998. The supplementary pension plan guarantees each employee beneficiary an overall level of retirement income. This income is expressed as a percentage of end-of-career compensation (fixed + variable excl. extraordinary amounts). It increases in relation to the employee's age and seniority up to a maximum of 65% of this compensation. The pension plan provides for a payout of 60% to a surviving spouse as of the date of the employee's retirement, and includes supplements for dependent children.

Benefits financed by the Group under this supplementary plan are calculated by deducting the total amount of pensions financed by Wendel while the employee served in the Group from the guaranteed amount. Since 2005, the Company transfers the assets necessary to service pension benefits to an insurance company, which makes payments to the beneficiaries.

As of December 31, 2015, 46 retirees and nine employees of the Company benefited from the plan.

NOTE 16 Financial debt

Principal changes in 2015 are described in note 5-2 “Managing liquidity risk”.

In millions of euros	Currency	Coupon rate	Effective interest rate[2]	Maturity	Repayment	Overall line	12/31/2015	12/31/2014
Wendel and holdings								
2015 bonds	EUR	4.875%	4.910%	09-2015	at maturity		-	347.6
2016 bonds	EUR	4.875%	5.501%	05-2016	at maturity		643.7	643.7
2017 bonds	EUR	4.375%	5.186%	08-2017	at maturity		692.0	692.0
2018 bonds	EUR	6.750%	5.727%	04-2018	at maturity		500.0	500.0
2019 bonds	EUR	5.875%	5.397%	09-2019	at maturity		600.0	600.0
2020 bonds	EUR	1.875%	2.055%	04-2020	at maturity		300.0	
2021 bonds	EUR	3.750%	3.833%	01-2021	at maturity		400.0	400.0
2024 bonds	EUR	2.750%	2.686%	10-2024	at maturity		500.0	500.0
2027 bonds	EUR	2.500%	2.576%	02-2027	at maturity		500.0	
Syndicated loan	EUR	Euribor + margin		11-2019	revolving credit	€650 M	-	-
Bank borrowings[1]	EUR	Euribor + margin		03-2020	revolving credit	€500 M	-	-
Bank borrowings[1]	EUR	Euribor + margin		12-2019	revolving credit	€350 M	-	-
Amortized cost of bonds, syndicated loans and deferred issuance costs							4.2	7.9
Accrued interest							93.9	86.1
Loans from non-controlling shareholders							20.2	17.9
							4,254.0	**3,795.2**
Bureau Veritas								
2017 bonds	EUR	3.750%		05-2017	at maturity		500.0	500.0
2021 bonds	EUR	3.125%		01-2021	at maturity		500.0	500.0
Borrowings and debt from lending institutions maturing in less than 1 year – fixed rate							11.9	-
Borrowings and debt from lending institutions maturing in less than 1 year – floating rate							67.1	153.9
Borrowings and debt from lending institutions maturing in 1 to 5 years – fixed rate							642.1	437.2
Borrowings and debt from lending institutions maturing in 1 to 5 years – floating rate							314.4	77.0
Borrowings and debt from lending institutions maturing in more than 5 years – fixed rate							183.7	265.9
Borrowings and debt from lending institutions maturing in more than 5 years – floating rate							170.8	164.7
							2,390.0	**2,098.7**
Constanta Flexibles								
2017 bonds	EUR	Fixed		05-2017	at maturity		129.1	
Bank borrowings	EUR	Euribor + margin		04-2022	at maturity		660.3	
Bank borrowings	EUR	Euribor + margin		04-2022	at maturity		226.0	
Bank borrowings	USD	Libor + margin		2015 to 2022	amortizing		206.9	
Bank borrowings	EUR	Euribor + margin		04-2022	revolving credit	€110 M	-	
Bank borrowings (EUR, RUB, INR, CNY)		Euribor + margin and Fixed		2015 to 2022	amortizing		36.3	
Deferred issuance costs							-50.5	
Other borrowings and accrued interest							37.8	
							1,245.8	

In millions of euros	Currency	Coupon rate	Effective interest rate(2)	Maturity	Repayment	Overall line	12/31/ 2015	12/31/ 2014
Allied Barton								
Bank borrowings	USD	Libor + margin		02-2021	amortizing		637.0	
Bank borrowings	USD	Libor + margin		08-2021	at maturity		271.0	
Bank borrowings	USD	Libor + margin		02-2019	revolving credit	USD 81 million	24.8	
Deferred issuance costs and other							-29.4	
Other borrowings and accrued interest							0.6	
							903.9	
Cromology								
Bank borrowings	EUR	Euribor + margin		08-2021	at maturity		267.0	267.0
Bank borrowings	EUR	Euribor + margin		08-2020	revolving credit	€77 M	-	3.0
Deferred issuance costs							-6.3	-7.3
Materis sharehoder loans							51.2	58.0
Other borrowings and accrued interest							3.0	11.4
							314.9	**332.2**
Stahl								
Bank borrowings	EUR	Euribor + margin		06-2019	revolving credit	€35 M	-	-
Bank borrowings	USD	Libor + margin		06-2019	amortizing		99.4	96.9
Bank borrowings	EUR	Euribor + margin		06-2019	amortizing		19.6	24.0
Bank borrowings	USD	Libor + margin		12-2019	at maturity		100.0	118.5
Bank borrowings	EUR	Euribor + margin		12-2019	at maturity		26.0	26.0
Deferred issuance costs							-5.8	-7.1
Other borrowings and accrued interest							-	0.1
							239.2	**258.4**
Parcours								
Bank borrowings	EUR	Euribor + margin		2015 to 2017	amortizing			504.5
Other borrowings and accrued interest								14.9
								519.4
Mecatherm								
Bank borrowings(senior)	EUR	Euribor + margin		2015 to 2018	amortizing		37.1	46.1
Bank borrowings	EUR	Euribor + margin		09-2017	revolving credit	€5 M	5.0	-
Deferred issuance costs							-0.8	-1.3
Other borrowings and accrued interest							1.0	1.6
							42.4	**46.4**

In millions of euros	Currency	Coupon rate	Effective interest rate[2]	Maturity	Repayment	Overall line	12/31/2015	12/31/2014
CSP Technologies								
Bank borrowings	USD	Libor + margin		01-2022	amortizing		153.9	
Bank borrowings	USD	Libor + margin		01-2020	revolving credit	USD 25 million	-	
Deferred issuance costs							-9.3	
Other borrowings and accrued interest							2.6	
							147.2	
NOP								
Bank borrowings	JPY	Tibor + margin		2015 to 2019	amortizing		9.6	10.4
Bank borrowings	JPY	Tibor + margin		02-2019	at maturity		22.9	20.7
Deferred issuance costs							-0.2	-0.3
Other borrowings and accrued interest							1.5	0.9
							33.8	**31.7**
TOTAL							**9,571.2**	**7,081.9**
of which non-current portion							8,660.9	6,187.7
of which current portion							910.3	894.3

(1) These loans were granted by the banks in the form of combined financial instruments, contractually and inseparably linked, so as to enable the repayment to the banks of the funds made available. The combination of these instruments is equivalent to a conventional bank loan.

(2) The effective interest rate is calculated inclusive of the issue premiums or discounts and bank issuance fees. For bonds having been issued in several stages, the effective interest rate corresponds to the weighted average of the par value issued.

Note 16-1 Financial debt maturity schedule

In millions of euros	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Par value Wendel and holding companies	-643.7	-2,092.0	-1,400.0	-4,135.7
Interest Wendel and holding companies[(1)]	-186.2	-410.5	-157.5	-754.3
Investments:				-
■ nominal amount	-179.0	-1,950.9	-3,233.0	-5,362.9
■ interest[(1)]	-226.0	-761.3	-127.1	-1,114.4
TOTAL	**-1,234.9**	**-5,214.8**	**-4,917.6**	**-11,367.3**

(1) Interest is calculated on the basis of the yield curve prevailing on December 31, 2015. Interest on debt and interest rate hedges does not reflect interest earned on invested cash.

Note 16-2 Market value of gross financial debt

The fair value of bond debt is the market price on December 31, 2015.

In millions of euros	12/31/2015	12/31/2014
Wendel and holding companies	4,476.8	4,175.8
Operating subsidiaries	5,545.5	3,482.9
TOTAL	**10,022.3**	**7,658.7**

9 Notes to the income statement

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", elements from the revenue of Parcours have been reclassified into "Net income from discontinued operations and operations held for sale" for the 2015 and 2014 fiscal years.

NOTE 17 Net sales

In millions of euros	2015	2014	% Change	Organic growth
Bureau Veritas	4,634.8	4,171.5	11.1%	1.9%
Constantia Flexibles*	1,442.0	-	N/A	5.8%
AlliedBarton*	183.7	-	N/A	5.0%
Cromology	751.9	747.6	0.6%	-0.4%
Stahl	628.1	512.6	22.5%	2.0%
Oranje-Nassau Développement				
■ Mecatherm	96.4	104.7	-7.9%	-7.9%
■ NOP	40.0	38.2	4.6%	-0.6%
■ CSP Technologies[(1)]	90.2	-	N/A	9.2%
CONSOLIDATED NET SALES	**7,867.1**	**5,574.5**	**41.1%**	**1.4%**

(1) Organic growth is calculated over 12 months.

Consolidated net sales broke down as follows:

In millions of euros	2015	2014
Sales of goods	3,036.0	1,486.3
Sales of services	4,831.1	4,088.2
CONSOLIDATED NET SALES	**7,867.1**	**5,574.5**

NOTE 18 Income from ordinary activities

In millions of euros	2015	2014
Bureau Veritas	670.0	560.4
Constantia Flexibles	47.7	-
AlliedBarton	3.7	-
Cromology	36.6	36.1
Stahl	88.8	53.4
Oranje-Nassau Développement	-22.4	8.2
Wendel and holding companies	-48.6	-66.3
INCOME FROM ORDINARY ACTIVITIES	**775.8**	**591.9**

Note 18-1 R&D costs recognized as expenses

In millions of euros	2015	2014
Constantia Flexibles	5.4	
Cromology	5.0	15.1
Stahl	4.0	3.1
CSP Technologies	1.4	
Oranje-Nassau Développement	0.2	0.2

Note 18-2 Average number of employees at consolidated companies

	2015	2014
Bureau Veritas	65,995	66,494
Constantia Flexibles[(1)]	8,471	-
AlliedBarton[(1)]	65,689	-
Cromology	3,894	3,955
Stahl	1,754	1,566
Oranje-Nassau Développement	1,025	571
including CSP Technologies[(1)]	369	-
Wendel and holding companies	87	83
TOTAL	**146,915**	**72,669**

(1) See note 2 "Changes in scope of consolidation".

NOTE 19 Other operating income and expenses

In millions of euros	2015	2014
Net gains (losses) on sale of intangible assets and property, plant & equipment	-4.1	-9.2
Net gains (losses) on divestment of consolidated investments	-	0.2
Restructuring costs[1]	-10.4	-23.6
Asset impairment[2]	-108.3	-1.5
Other income and expenses[3]	-87.4	-60.2
TOTAL	**-210.2**	**-94.3**

(1) The 2015 restructuring costs relate to Cromology.
(2) Impairment concerned Bureau Veritas' commodities CGU in the amount of €90.1 million, and Mecatherm, in the amount of €18.3 million (see note 7 "Goodwill").
(3) It relates mainly to expenses connected to recognition of the financial liabilities connected to the 2016 liquidity commitments of the managers which are payable in 2017(see note 35-6, "Shareholder agreements and co-investment mechanisms").

NOTE 20 Finance costs, net

In millions of euros	2015	2014
Income from cash and cash equivalents[1]*	43.9	31.1
Finance costs, gross		
Interest expense	-378.6	-352.3
Interest expense on shareholder loans from non-controlling interests	-9.6	-9.0
Deferral of debt issuance costs and premiums (calculated according to the effective interest method)	-16.0	-35.4
	-404.2	-396.7
TOTAL	**-360.3**	**-365.6**

(1) Includes €36.6 million for Wendel and the holding companies, to which is added €7.9 million from returns on Wendel's investments (recognized under "Other income and financial expenses"), or total income of €44.5 million in 2015 (€41.8 million in 2014), including €32 million from foreign-exchange gain on cash held in US dollars, intended for acquisitions made in the USA (CSP Technologies and AlliedBarton).

NOTE 21 Other financial income and expense

In millions of euros	2015	2014
Gains (losses) on disposals of assets available for sale	1.0	-0.0
Dividends received from unconsolidated companies	0.9	0.6
Income on interest-rate, currency and equity derivatives(1)	35.5	-22.3
Interest on other financial assets	7.4	20.3
Net currency exchange gains (losses)	-45.6	-11.2
Impact of discounting	-7.1	-4.1
Gain on buyback of debt	-0.2	-2.3
Other(2)	-1.8	-37.4
TOTAL	**-10.1**	**-56.3**

(1) In 2015, this amount mainly included changes in the fair value of puts on Saint-Gobain shares in the amount of €+28.4 million (see note 13-4) (€-22.5 million in 2014) and the adjustment to fair value of Wendel's interest rate derivatives, for €+7.8 million.

(2) In 2014, this item included, in particular, the change in fair value of the Saham holding, in the amount of €-31 million. In 2015, the positive change in fair value was recognized in equity in the amount of €44 million, pursuant to IFRS (see note 13-3-A, "Breakdown of financial assets and liabilities").

NOTE 22 Tax expense

In millions of euros	2015	2014
Current income tax liabilities	-287.7	-217.5
Deferred taxes	76.7	36.6
TOTAL	**-211.0**	**-180.9**

The portion of CVAE (value added) tax is recognized as an income tax, in accordance with IAS 12 and the instruction of the CNC (French national accounting council) of January 14, 2010.

As of December 31, 2015, the balance sheet changes in deferred taxes were as follows:

In millions of euros	2015	2014
Amount at beginning of year	**-257.2**	**-286.0**
Changes through profit or loss	76.7	33.1
Changes through shareholders' equity	-4.5	3.4
Currency translation adjustments	-1.4	-6.1
Business combinations	-344.1	-1.7
Other	5.4	-
AMOUNT AT END OF THE YEAR	**-525.2**	**-257.2**

The difference between the theoretical tax based on standard rate of 34.43% applicable in France and the actual income tax expense of Wendel, its holding companies and its operating subsidiaries broke down as follows:

In millions of euros	Wendel and holding companies	Operating subsidiaries	Total
Income before tax expense, net income from equity-method subsidiaries, and net income from discontinued operations and operations held for sale	-205.4	400.6	195.2
Theoretical amount of tax expense calculated on the basis of a rate of 34.43%	**70.7**	**-137.9**	**-67.2**
Impact of:			
Uncapitalized tax losses of Wendel/holding companies and transactions subject to reduced tax rates at the holding company level	-78.9		-78.9
Uncapitalized tax losses at the operating subsidiary level		-11.4	-11.4
Reduced tax rates and foreign tax rates at the operating subsidiary level		42.2	42.2
CVAE tax paid by operating subsidiaries		-14.5	-14.5
Tax on dividends (Wendel and Bureau Veritas)	-2.8	-6.3	-9.1
Tax on dividends received from consolidated subsidiaries		-18.1	-18.1
Other	0.3	-54.1	-53.9
ACTUAL TAX EXPENSE	**-10.7**	**-200.3**	**-211.0**

NOTE 23 Net income (loss) from equity-method investments

In millions of euros	2015	2014
Net income including impact of goodwill allocation		
Saint-Gobain (excluding Verallia divestiture)	53.4	65.3
Divestiture of Saint-Gobin's Verallia division[1]	-96.5	-
exceet	-2.2	-0.6
IHS	-128.1	-42.5
Other companies	1.1	0.5
Reversal of write-down on Saint-Gobain securities[2]	**203.4**	
Write-down on exceet securities[2]	**-17.3**	**-**
Disposal of Saint-Gobain securities	**-**	**-106.7**
Impact of dilution on the Saint-Gobain investment[1]	**-6.1**	**-23.6**
Impact of dilution on the IHS investment[2]	**18.1**	**31.7**
TOTAL	**25.6**	**-76.0**

(1) See note 2 "Changes in scope of consolidation" with respect to Saint-Gobain and IHS.
(2) See note 10 "Equity-method investments".

NOTE 24 Earnings per share

In euros and millions of euros	2015	2014
Net income, Group share	-146.2	19.6
Impact of dilutive instruments on subsidiaries	-12.2	-5.2
Diluted net income	**-158.4**	**14.4**
Average number of shares, net of treasury shares	46,185,976	46,468,917
Potential dilution due to Wendel stock options[1]	-	11,265
Diluted number of shares	**46,185,976**	**46,480,182**
Basic earnings per share (in euros)	-3.17	0.42
Diluted earnings per share (in euros)	-3.43	0.31
Basic earnings per share from continuing operations (in euros)	-3.47	-6.93
Diluted earnings per share from continuing operations (in euros)	-3.69	-7.04
Basic earnings per share from discontinued operations (in euros)	0.31	7.35
Diluted earnings per share from discontinued operations (in euros)	0.26	7.35

(1) *According to the "treasury stock" method: it is assumed that the cash received from the exercise of dilutive instruments would be used to buy back shares and partially neutralize the resulting dilution. The potential dilution thus corresponds to the net impact.*

In 2015, net income, Group share was negative, the dilutive instruments of Wendel are thus not taken into account.

10 Notes on changes in cash position

NOTE 25 Acquisition of property, plant & equipment and intangible assets

In millions of euros	2015	2014
By Bureau Veritas	169.4	147.8
By Constantia Flexibles	81.1	-
By Cromology	20.2	22.9
By Stahl	27.1	11.7
By Oranje-Nassau Développement[1]	408.4	335.9
By Wendel and holding companies	0.9	3.6
TOTAL	**707.1**	**522.0**

(1) Including €389.1 million for purchases of vehicles available for lease from Parcours in 2015 (€323.8 million in 2014).

NOTE 26 Disposal of property, plant & equipment and intangible assets

Disposal of property, plant & equipment and intangible assets includes mainly the Parcours disposals of used vehicles in the amount of €89.1 million (€83.8 million in 2014).

NOTE 27 Acquisition of equity investments

The principal acquisitions undertaken during the period are detailed in note 2 “Changes in scope of consolidation”.

In millions of euros	2015	2014
CSP Technologies[1]	184.1	-
Constantia Flexibles[1]	1,336.9	-
AlliedBarton[1]	649.9	-
Subscription to IHS capital increase[1]	97.1	300.0
By Bureau Veritas	107.7	666.9
By Constantia Flexibles[1]	52.4	-
By AlliedBarton	0.5	-
By Stahl	0.2	76.3
Other securities	18.7	25.8
TOTAL	**2,447.5**	**1,069.0**

(1) See note 2 “Changes in scope of consolidation”.

NOTE 28 Divestments

In millions of euros	2015	2014
Disposal of Bureau Veritas securities[1]	975.1	
Disposal of Constantia Flexibles securities[1]	101.7	-
Disposal of the Kerneos, Parex, and Chryso divisions of Materis[1]	-	1,160.9
Disposal of Saint-Gobain securities	-	1,007.7
Other	1.3	1.4
TOTAL	**1,078.2**	**2,170.1**

(1) See note 2 "Changes in scope of consolidation" pertaining to Bureau Veritas and Constantia Flexibles.

NOTE 29 Impact of changes in scope of consolidation and of operations held for sale

In 2015, this item corresponded to entries in the scope of CSP Technologies, Constantia Flexibles and AlliedBarton for €127.8 million (29.4 million in 2014) and to the reclassification to "Assets and operations held for sale" of Parcours' cash and cash equivalents, in the amount of €-21.5 million (in 2014, €-46.8 million for the reclassification of Materis' Parex and Chryso businesses).

NOTE 30 Changes in other financial assets and liabilities and other

In 2015, this item mainly consisted of the closing of Saint-Gobain put options in the amount of €-136.1 million, reimbursements for the Kerneos loan, in the amount of €+25 million, and the subscription of Sterigenics debt, in the amount of €-44 million (see note 13.3 "Breakdown of financial assets and liabilities").

In 2014, this item was composed primarily of a €60 million loan granted to Kerneos when it was sold by Materis (see note 2 "Changes in scope of consolidation") and €30.3 million of security deposits and escrow accounts put in place by Bureau Veritas as part of its acquisition activities.

NOTE 31 Dividends received from equity-method investments and unconsolidated companies

This amount corresponds mainly to the Saint-Gobain dividend received in the amount of €86.3 million (including €4.7 million in premium, see note 2 "Changes in scope of consolidation)". It was €86.2 million in 2014 (including €4.5 million in premium).

NOTE 32 Contribution of non-controlling shareholders

As of December 31, 2015, this item consisted mainly of the contribution from the H. Turnauer Foundation in the acquisition of Constantia Flexibles for €240 million (see note 2 "Changes in scope of consolidation").

NOTE 33 Net change in borrowing and other financial liabilities

Details of financial debt are shown in note 16 "Financial debt".

In millions of euros	2015	2014
New borrowings by:		
Wendel – Bond issue	800.0	900.0
Constantia Flexibles(1)	1,094.6	-
Bureau Veritas	391.5	663.4
Cromology	0.5	270.6
Stahl	-	260.8
Oranje-Nassau Développement(2)	614.2	384.6
AlliedBarton	11.0	-
	2,911.8	**2,479.4**
Borrowings repaid by:		
Wendel – Repurchase of bonds	-	60.7
Wendel – 2014 and 2015 bonds	347.8	445.1
Debt financing the acquisition of Saint-Gobain shares	-	425.0
Constantia Flexibles(1)	565.0	-
Bureau Veritas	161.5	156.3
Cromology	11.7	1,439.9
Stahl	44.7	199.3
Oranje-Nassau Développement(2)	471.6	326.5
AlliedBarton	1.6	-
	1,603.9	**3,052.8**
TOTAL	**1,307.9**	**-573.4**

(1) These amounts correspond to the new funding put into place for Constantia Flexibles during its acquisition by Wendel and to the reimbursement of the former funding (see note 2 "Changes in scope of consolidation" pertaining to Constantia Flexibles).
(2) These amounts concerned €151.0 million in drawdowns of the funding put into place by CSP Technologies during its acquisition and €118.0 million in reimbursement of the preceding funding (see note 2 "Changes in scope of consolidation", pertaining to CSP Technologies). These amounts also include the operating debt of Parcours for €443.3 million in debt issuance and €327.0 million in repayment of borrowings. This debt financed the Company's fleet of vehicles leased out to customers.

11 Other notes

NOTE 34 Operations discontinued or held for sale

Note 34-1 Net income from discontinued operations and operations held for sale

In millions of euros	2015	2014
Gain on divestments		
Materis[1]	-	328.6
Other		-0.1
	-	**328.4**
Share in net income for the period from discontinued operations		
Parcours[1]	14.6	10.9
Materis[1]	-	39.6
TOTAL	**14.6**	**378.9**

(1) See note 2 "Changes in scope of consolidation", pertaining to Parcours and to fiscal year 2014.

Note 34-2 Information pertaining to the Parcours Group

The principal aggregates of the income statement of the Parcours Group are presented below:

In millions of euros	2015	2,014
Net sales[1]	374.4	339.7
Current pre-tax profit	28.0	25.2
Tax expense	-9.5	-8.2
Net income[2]	14.4	10.6

(1) Net sales includes the sale of vehicles for, respectively, €89.1 million as of December 31, 2015 and €83.7 million as of December 31, 2014.
(2) This includes items eliminated on consolidation.

The nature of the Parcours Group's assets and liabilities reclassified into assets and liabilities held for sale as of December 31, 2015, is as follows:

In millions of euros	12/31/2015
Goodwill	35.8
Intangible assets	6.9
Property, plant and equipment[1]	797.8
Inventories[2]	30.3
Other Assets	70.2
Cash and cash equivalents	21.5
TOTAL ASSETS HELD FOR SALE	**962.5**
Financial debt (current portion)	646.0
Other Liabilities	146.6
TOTAL LIABILITIES OF OPERATIONS HELD FOR SALE	**792.6**

(1) It includes €782.9 million for the fleet of leased vehicles.
(2) It includes €29.6 million of used-car inventory.

NOTE 35 Off-balance-sheet commitments

As of December 31, 2015, no commitment was likely to have a significant impact on the Group's financial position, other than those mentioned below.

Note 35-1 Collateral and other security given in correction with financing

In millions of euros	12/31/2015	12/31/2014
(i) Pledge by Constantia Flexibles Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Constantia Flexibles Group.	1,296.4	-
(ii) Pledge by Cromology Group (formerly Materis Paints) entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the Cromology Group.	270.0	281.4
(iii) Pledge by Stahl Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Stahl Group.	245.0	265.4
(iv) Security given by Parcours Group entities under its bank borrowing arrangements, including the financed vehicles and the lease payments received. Pledge of certain bank accounts and trade receivables.	635.0	484.0
(v) Pledge by CSP Technologies Group entities of shares of the principal companies and of certain bank accounts and trade receivables as collateral for the repayment of the debt owed by the CSP Technologies Group.	156.5	-
(vi) Joint and several guarantee and/or pledge by Mecatherm Group entities of shares of the companies and of certain trade receivables as collateral for the repayment of the debt owed by the Mecatherm Group. It should be noted that Wendel granted a guarantee payable upon first demand of €15 million in favor of the banks.	42.7	46.1
(vii) Pledge by Nippon Oil Pump Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the Nippon Oil Pump Group.	32.5	32.8
(viii) Pledge by AlliedBarton (ABSS) Group entities of shares of the principal companies and of certain bank accounts, trade receivables and assets as collateral for the repayment of debt owed by the AlliedBarton Group.	933.3	-
(ix) Pledge of listed shares in connection with financing subject to margin calls	-	-
(x) Pledge of cash in connection with financing subject to margin calls	-	-
TOTAL	**3,611.4**	**1,109.7**

Note 35-2 Guarantees given on part of asset sales

The guarantees given in the context of the disposal of the Kerneos, Parex, and Chryso divisions of Materis, and disposals of the Deutsch and Editis groups, as well as the reciprocal guarantees granted upon the occasion of the entry of Clariant into the share capital of Stahl in exchange for the contribution of its Leather Finishing division covered a limited number of customary declarations. No claim with respect to these representations has been received to date.

Tax guarantees given in connection with the divestment of Oranje-Nassau Énergie's oil & gas activities in 2009 and expiring in May 2016 were limited to a theoretical maximum of €240 million as of December 31, 2015. There were no guarantees of environmental risks or site remediation costs connected with the divestment. No claim with respect to these warranties has been received to date.

No claim with respect to these warranties has been received to date.

Note 35-3 Guarantees received in connection with asset acquisitions

The guarantees received in connection with the acquisitions of Parcours, Mecatherm, IHS, Constantia Flexibles, CSP Technologies, and Saham, as well as the reciprocal guarantees received upon the occasion of the entry of Clariant into the share capital of Stahl in exchange for the contribution of its Leather Finishing division cover the customary operational representations, for a total amount of €342.5 million as of December 31, 2015.

Note 35-4 Off-balance-sheet commitments given and received related to operating activities

In millions of euros	12/31/2015	12/31/2014
Market counter-guarantees and other commitments given		
by Bureau Veritas[(1)]	401.6	370.2
by Constantia	1.5	-
by Materis	8.7	15.2
by Stahl	-	1.0
by Oranje-Nassau Développement (Mecatherm)	20.9	26.5
TOTAL COMMITMENTS GIVEN	**432.7**	**412.9**
Other commitments received[(2)]	429.8	390.0
TOTAL COMMITMENTS RECEIVED	**429.8**	**390.0**

(1) Commitments given by Bureau Veritas included guarantees such as bank and parent company guarantees.
(2) The commitments received consist of lease payments to be received by Parcours (Oranje-Nassau Développement) on its portfolio of existing lease agreements.

Note 35-5 Subscription commitments

As of December 31, 2015, the Group made a commitment to invest approximately €13.5 million in indirect investments of Oranje-Nassau Développement.

Note 35-6 Shareholder agreements and co-investment mechanisms

As of December 31, 2015, the Wendel Group was party to several agreements governing its relationships with its co-shareholders, whether it concerns co-investors in its subsidiaries, or unlisted holdings (Constantia Flexibles, IHS, Materis, Saham and Stahl) or managers (or former managers) of subsidiaries, relating to mechanisms aimed at involving them in their company's performance (AlliedBarton, CSP Technologies, Materis, Stahl, Parcours, Mecatherm and NOP).

These agreements contain various clauses related to:

- Corporate governance (composition of governing bodies, veto rights on certain strategic decisions and rights to information);
- terms of share transfers (lock-up periods, pre-emptive rights and rights of first refusal);
- anti-dilution rules in the event of transactions involving the share capital;
- exit terms in the event of a sale (tag-along and drag-along rights) or IPO.

The Constantia Flexibles, Stahl and Saham shareholder agreements also contain the following terms:

- for Constantia Flexibles, the H. Turnauer Foundation, of the founding family of Constantia Flexibles, has the option to request, between 2020 and 2023, that an IPO or a share buyback process by refinancing of the group be launched, aiming at ensuring the

priority liquidity of its stake. Otherwise, the Wendel Group has granted the H. Turnauer Foundation a put option for half of its initial stake at market value, payable in two tranches, in cash or in Wendel stock, at the choice of the Wendel Group. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts;

- for Stahl:
  - Stahl's minority financial investors (former second-lien and former mezzanine lenders) have a put option to sell shares at a discount, in tranches of one-third of their stake, between 2016 and 2018. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority puts,
  - Clariant, a minority shareholder in Stahl since the acquisition of Clariant Leather Services, benefits in particular from a medium-term liquidity commitment granted by the Wendel Group in an amount determined on the basis of a predefined margin multiple. This commitment was recognized in financial liabilities in accordance with accounting principles applicable to minority put options; and
- for Saham, the majority shareholder of Saham has the option, until 2018, to buy back the whole of the Wendel Group's stake in Saham (at a price guaranteeing a minimum IRR of 15% for the Wendel Group).

Agreements with the management teams (managers or former managers) of the subsidiaries (AlliedBarton, CSP Technologies, Materis, Mecatherm, NOP, Parcours and Stahl) also include stipulations pertaining to:

- the right to liquidate their co-investment in successive tranches, beyond a certain period (between the 2nd anniversary and the 14th anniversary of the completion of the Wendel Group's investment, depending on the agreements concerned), in the absence of a divestment or an IPO; and
- the handling of executive departures (commitment to sell shares to the Wendel Group in the event of an executive departure from a subsidiary and/or commitment to buy shares in certain specific cases).

Co-investment terms for senior managers in the subsidiary companies are described in greater detail in note 4-2 relating to the participation of subsidiary managers in the performance of Group entities.

As part of the liquidity commitments under these agreements, if no liquidity event (divestment or IPO) takes place before certain predetermined dates, the Wendel Group can be required to buy back the shares held by managers (or former managers) in the AlliedBarton, CSP Technologies, Materis, Mecatherm, NOP, Parcours and Stahl subsidiaries. The value applied to these liquidity commitments is either market value, as determined by the parties or by an independent expert, or a value calculated on the basis of a profitability multiple.

This would also be the case for Wendel managers holding stakes under co-investment mechanisms in AlliedBarton, Constantia Flexibles, CSP Technologies, IHS, Materis, Mecatherm, Parcours, NOP, Saham and Stahl (see note 4-1 on the participation of the Wendel teams in the Group's investments).

As of December 31, 2015, based on the investment values used to calculate NAV or, where appropriate, based on pricing formulas in the agreements:

- the value of *pari passu* investments made under the same risk and return conditions as Wendel by all co-investing co-shareholders and managers of subsidiaries and Wendel benefiting from liquidity rights was €379 million (including therein the amounts pertaining to minority put options on Constantia Flexibles and Stahl); and
- the value of the portion of non *pari passu* investments of co-investing managers of Wendel and its subsidiaries, i.e., investments having dilutive effects on the Wendel Group's ownership interest, was €127 million.

In accordance with accounting principles relating to minority puts and to co-investment mechanisms, a portion of these amounts is recognized within financial liabilities (€432 million).

The liquidity commitments of 2016 for Stahl's managers and Wendel's managers for their co-investment in Stahl were recognized in financial liabilities in 2015, generating an accounting expense of €70.2 million; this liquidity would be payable in 2017 if no liquidity event (divestiture or IPO) takes place before the expiry date.

Moreover, for the liquidity of Materis, the managers (or former managers) of Materis exercised a portion of their liquidity (€11 million) in 2015, which amount had been provisioned in Wendel's consolidated financial statements starting from the 2014 fiscal year; the portion not exercised could be exercised anew in 2016, therefore, the provision with respect to such portion is maintained in the balance sheet.

Co-investment and liquidity commitment values vary with the value of each investment. As a result, they may be lower (or nil) or higher in future fiscal years.

Note 35-7 Other agreements entered into by the Wendel Group in connection with acquisitions, divestitures, or restructuring of financings of equity interests

Subordinated (mezzanine and second-lien) lenders to Stahl who forfeited their claims as creditors during the 2010 restructuring received an earn-out right exercisable only upon the total or partial divestment of the Wendel Group's stake in Stahl. This right is exercisable if Wendel's overall return is more than 2.5 times its 2010 re-investment, and is equivalent to the allocation of 1 to 2 bonus shares per share held by these ex-subordinated lenders. In accordance with accounting standards, this commitment is not recognized on the balance sheet, insomuch as the exercise of this right depends on the Wendel Group's decision to divest.

The sellers of CSP Technologies have a right to a limited earn-out, provided that the CSP Technologies Group meets predetermined

performance criteria during the three consecutive fiscal years following the acquisition of the group by Wendel. No provision has been constituted for such purpose.

In connection with the acquisition of AlliedBarton, the Wendel Group has granted the sellers a right to an earn-out of $50 million in the event that certain significant transactions are concluded involving the AlliedBarton Group within the 12 months following the signature of the purchase agreement.

In relation to the syndication with Maxburg Capital Partners of a minority share of the investment in Constantia Flexibles, the Wendel Group has a right to an earn-out on the fraction thus sold, provided that Maxburg Capital Partners achieves certain minimum profitability thresholds over the term of its investment in Constantia Flexibles, in case of divestiture.

Note 35-8 Leasing

Apart from the transactions described below, no finance lease is likely to have a significant impact on Wendel's financial position.

Note 35-8.1 Finance leases (contracts under which the Group retains the risks and rewards connected with ownership of the leased item)

Amount of future rents under finance leases:

In millions of euros	12/31/2015	12/31/2014
More than 5 years	31.0	4.2
Due in 1 to 5 years	18.3	3.6
Due in less than 1 year and accrued interest	5.9	1.1
TOTAL	**55.2**	**8.9**

These contracts give rise to a non-current asset and a financial debt on the balance sheet, in accordance with IAS 17 "Leases".

Note 35-8.2 Operating leases (contracts under which the Group does not retain the risks and rewards connected with ownership of the leased item)

Amount of future rents under operating leases:

In millions of euros	12/31/2015	12/31/2014
More than 5 years	125.7	115.6
Due in 1 to 5 years	315.9	281.5
Due in less than 1 year and accrued interest	144.1	131.5
TOTAL	**585.6**	**528.6**

The amount of future lease payments comes mainly from Bureau Veritas, for €395.2 million (€380.5 million in 2014).

NOTE 36 Stock options, bonus shares and performance shares

The total expense related to allocation of stock options or other share-based compensation for fiscal year 2015 was €29.1 million vs. €29.2 million in 2014.

In millions of euros	2015	2014
Stock options at Wendel	4.0	3.4
Grant of bonus shares at Wendel	3.2	2.3
Stock options at Bureau Veritas	3.0	3.2
Grant of bonus shares at Bureau Veritas	18.9	20.4
TOTAL	**29.1**	**29.2**

The principal stock option plans granted in 2015 were as follows:

1. Wendel

Pursuant to the authorization given by shareholders at their June 5, 2015 General Meeting, options giving the right to subscribe to 268,314 shares were allocated on July 15, 2015 with a strike price of €112.39 and a 10-year life. These options have the following features:

- a service condition: the definitive allocation of the options is subject to a two-year vesting period during which the beneficiary must remain employed or appointed by Wendel; the first half vest after one year and the other half after two years;
- a performance-based condition: the number of options granted vests the increase in NAV over the 2015-2017 period (adjusted for dividends) is greater than or equal to 10.25%. One-half vests if the increase in NAV over the 2015-2016 period (adjusted for dividends) is greater than or equal to 5%. The NAV used as the point of reference for 2015 is the average of the three NAVs published prior to the date of allocation, namely, €141 per share (average of the published NAVs as of December 31, 2014, March 16, 2015 and May 28, 2015).

These options have been valued using a Monte-Carlo model, based on the following principal assumptions: an average rate of return of 2.2%; volatility of 28.5%; and staff turnover considered to be zero. The period of illiquidity of the stock options has also been taken into account. These options have been valued at €17.90 each. The expense has been spread over the options' vesting period.

Under the authorization granted by shareholders at their June 5, 2015 General Meeting, 70,268 performance shares were also granted on July 15, 2015. They are subject to the same service and performance-based conditions as the options granted in 2015 (see previous paragraph). These performance shares are granted subject to a two-year presence condition and do not vest until the end of the two-year period.

They have been valued at €52.80 per share. This value takes into account the period of illiquidity of these performance shares.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of 12/31/2014	Options granted in 2015	Options canceled in 2015	Options exercised in 2015	Number of options outstanding as of 12/31/2015	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Stock purchase options	32,572	-	-	-13,000	19,572	22.58 and 41.73	25.52	3.6	19,572
Stock purchase options indexed to NAV/share	1,226,520	268,314	-150	-364,881	1,129,803	44.32 to 112.39	88.82	7.5	629,805
Stock subscription options	61,800	-	-	-35,000	26,800	90.14	90.14	0.5	26,800
Stock subscription options indexed to NAV/share	321,996	-	-	-142,745	179,251	18.96 to 132.96	107.71	1.8	179,251

Performance shares	Shares granted as of 12/31/2014	Awards during the fiscal year	Options vested	Shares granted as of 12/31/2014	Grant date	Vesting date
Plan 5-1	64,595	-	-64,595	-	01/07/2013	01/07/2015
Plan 6-1	68,928	-	-	68,928	08/07/2014	08/07/2016
Plan 7-1	-	70,268	-	70,268	15/07/2015	15/07/2017
	133,523	**70,268**	**-64,595**	**139,196**		

2. Bureau Veritas

By resolution of Bureau Veritas' Board of Directors on July 15, 2015, Bureau Veritas granted to certain of its employees and to the corporate officer, 1,344,000 stock purchase options. The exercise price of the options is €20.51. The allocations are subject to a condition of service as well as to the achievement of performance objectives based on 2015 adjusted operating income and on the ratios of management results/net sales for 2016 and 2017. Stock options have a 10-year life after the grant date. The average unit fair value of options granted during the fiscal year was €2.75 per share.

The fair value of the options granted in 2015 was determined according to the following main assumptions and characteristics: an exercise price of €20.51, expected share volatility of 22.1%, dividend yield of 2.3%, anticipated four-year duration of the option, risk-free rate of interest of 0.08%, determined using State borrowing rates over the anticipated term of the option.

By resolution of the Bureau Veritas Board of Directors on July 15, 2015, Bureau Veritas also granted performance-based shares to certain of its employees and to the corporate officer. The grant is subject to the completion of three years of service in France, or four years internationally, as well as the achievement of a performance objective based on the 2015 adjusted operating income and on the ratios of management results/net sales for 2016 and 2017. Shares granted in France are subject to a lock-up period of two years.

The weighted average fair value of the performance shares granted in 2015 was €17.66 per share, the share price on the grant date.

The instruments granted and not exercised or vested were as follows:

Stock options	Number of options outstanding as of 12/31/2014	Options granted in 2015	Options canceled in 2015	Options exercised in 2015	Number of options outstanding as of 12/31/2015	Exercise price (€)	Average exercise price (€)	Average residual life	Number of exercisable options
Bureau Veritas	5,632,280	1,344,000	-560,172	-739,752	5,676,356	8.75 to 21.01	18.15	5.8 years	2,405,874

Performance shares	Shares granted as of 12/31/2015	Grant date	Expiration date
	783,800	07/18/2012	07/18/2016 or 07/18/2015 for employees of a French company
	1,201,962	07/22/2013	07/22/2017 or 07/22/2016 for employees of a French company
	770,000	07/22/2013	07/22/2021 or 07/22/2022
	890,719	07/16/2014	07/16/2018 or 07/16/2017 for employees of a French company
	1,093,350	07/15/2015	07/15/2019 or 07/15/2018 for employees of a French company
	4,739,831		

NOTE 37 Subsequent events

In February 2016, Wendel signed a contract for the sale of Parcours, which would take place during the first half of 2016 (see note 2 "Changes in scope of consolidation").

NOTE 38 List of principal consolidated companies as of December 31, 2015

Method of consolidation	% of interest net of treasury shares	Company name	Country	Business segment
FC	**100.0**	**Wendel**	**France**	**Management of shareholdings**
FC	100.0	Coba	France	"
FC	100.0	Eufor	France	"
FC	100.0	Hirvest 1	France	"
FC	100.0	Hirvest 3	France	"
FC	100.0	Sofiservice	France	"
FC	98.6	Waldggen	France	"
FC	100.0	Wendel Japan	Japan	Services
FC	99.5	Africa Telecom Towers	Luxembourg	Management of shareholdings
FC	99.5	Expansion 17	Luxembourg	"
FC	100.0	Froeggen	Luxembourg	"
FC	99.5	Global Performance 17	Luxembourg	"
FC	99.5	Globex Africa 1	Luxembourg	"
FC	100.0	Grauggen	Luxembourg	"
FC	100.0	Hourggen	Luxembourg	"
FC	100.0	Ireggen	Luxembourg	"
FC	100.0	Jeurggen	Luxembourg	"
FC	100.0	Karggen	Luxembourg	"
FC	97.3	Materis Investors	Luxembourg	"
FC	100.0	Mecatherm GuarantCo	Luxembourg	"
FC	99.5	Oranje-Nassau Développement SA SICAR	Luxembourg	"
FC	99.5	Oranje-Nassau Développement NOP	Luxembourg	"
FC	100.0	Oranje-Nassau GP	Luxembourg	"
FC	99.2	Oranje-Nassau Mecatherm	Luxembourg	"
FC	99.1	Oranje-Nassau Parcours	Luxembourg	"
FC	100.0	Trief Corporation	Luxembourg	"
FC	100.0	Truth 2	Luxembourg	"
FC	100.0	Winvest Conseil	Luxembourg	Services
FC	99.5	Winvest International SA SICAR	Luxembourg	Management of shareholdings
FC	100.0	Win Securitization 2	Luxembourg	"
FC	99.5	NOP Europe	Belgium	"
FC	100.0	Wendel North America	United States	Services
FC	100.0	Wendel London	United Kingdom	Services
FC	100.0	Wendel Africa	Morocco	Services

Method of consolidation	% of interest net of treasury shares	Company name	Country	Business segment
FC	100.0	Oranje-Nassau Groep	Netherlands	Management of shareholdings
FC	100.0	Oranje-Nassau Développement	Netherlands	"
FC	100.0	Wendel Singapore	Singapore	Services
FC	100.0	Sofisamc	Switzerland	Management of shareholdings
FC	**61.1**	**Constantia Flexibles and its subsidiaries**	**Austria**	**Flexible packaging**
FC	**95.1**	**AlliedBarton and its subsidiaries**	**United States**	**Security services**
FC	**40.5**	**Bureau Veritas and its subsidiaries**	**France**	**Certification and verification**
FC	**84.5**[(1)]	**Materis Parent and its subsidiaries**	**Luxembourg**	**Specialty chemicals for construction**
FC	**75.3**	**Stahl Group and its subsidiaries**	**Netherlands**	**High-performance coatings and leather-finishing products**
E	**11.8**	**Saint-Gobain and its subsidiaries**	**France**	**Production, transformation and distribution of building materials**
E	**25.6**[(2)]	**IHS Holding and its subsidiaries**	**Mauritius**	**Mobile telephone infrastructure in Africa**
Oranje-Nassau Développement includes:				
FC	**98.2**	**CSP Technologies and its subsidiaries**	**United States**	**High-performance plastic packaging**
FC	**99.2**	**Mecatherm and its subsidiaries**	**France**	**Industrial bakery equipment**
FC	**99.1**	**Parcours and its subsidiaries**	**France**	**Long-term vehicle leasing to corporate customers**
FC	**97.7**	**NOP and its subsidiaries**	**Japan**	**Manufacture of trochoid pumps and hydraulic motors**
E	**28.4**	**exceet and its subsidiaries**	**Switzerland**	**Design of embedded systems**

FC: Full consolidation. Wendel exercises exclusive control over these companies.
E: Companies accounted for by the equity method. Wendel exercises significant influence over these companies.
(1) This is the percentage held from a legal point of view. For consolidation purposes, Materis was consolidated with a 90% interest, integrating the shares of Materis's managers which may be bought back in the framework of the liquidity offered to them in 2016.
(2) This rate does not include the co-investors' share, which must be recorded in the Group share in accordance with IFRS.

12 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Year ended 31 December 2015)

This is a free translation into English of the Statutory Auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.

The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

Wendel

89, rue Taitbout

75009 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting of Shareholders, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying consolidated financial statements of Wendel;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in Note 10-4 "Impairment tests on equity-method investments" to the consolidated financial statements. In a context of uncertainties with regard to the outlook for the global economy which makes forecasting difficult, this note describes the methods applied to test the interest held by Wendel in Saint-Gobain for impairment as at 31

December 2015, and in particular, the sensitivity of the result of this test, with regard to changes in the discount rate, the long-term growth rate and normative profitability taken into account for the computation of cash flows beyond the five-year business plan.

II - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Accounting estimates

In preparing its financial statements, your Company makes estimates and assumptions concerning, in particular, the value of certain assets, liabilities, income and expenses. The accounting estimates used in the preparation of the consolidated financial statements for the year ended 31 December 2015 were made in a context in which uncertainties with regard to the outlook for the global economy make forecasting difficult, as described in Note 1-9 "Use of estimates" to the consolidated financial statements.

It is in this specific context that at 31 December 2015 the Company carried out impairment tests on goodwill, intangible assets with indefinite useful lives and equity-method investments, in accordance with the methods described in the following notes to the consolidated financial statements: Note 1-10 "Rules of evaluation", Note 7-1 "Goodwill impairment tests" and Note 10-4 "Impairment tests on equity-method investments".

We reviewed the methods applied to implement these impairment tests and verified that the above-mentioned notes provide appropriate disclosure. In particular, with regard to the impairment test on the Saint-Gobain shares, we reviewed the assumptions and estimates applied by the Company to determine the value in use of the investment.

Accounting principles

We reviewed the accounting treatment applied by your Company in preparing its consolidated financial statements with respect to managers' participation in Group investments. We verified that Note 1-10.18 "Accounting treatment of mechanisms for the participation of management teams in Group's investments" and Note 35-6 "Shareholder agreements and co-investment mechanisms" to the consolidated financial statements provide appropriate disclosure in this regard.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris-La Défense, 30 March 2016

The Statutory Auditors

French original signed by:

PricewaterhouseCoopers Audit	ERNST & YOUNG Audit
Etienne Boris	Jean Bouquot

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All possible care has been taken to ensure that the translation is an accurate representation of the original.
However in all matters of interpretation of information, views or opinion, the original French language version
of the document takes precedence over the translation.
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