



# W E N D E L

## LETTER TO SHAREHOLDERS

DECEMBER 2015

# Investor Day 2015

Bernard Gautier, Member of the Executive Board

Frédéric Lemoine, Chairman of the Executive Board

### KEY FIGURES

**NAV/share €140.3**

as of 11/18/2015 (+13.9% over 12 months)  
NAV at €6.7 bn

**€5,905.7 M**

Consolidated sales in the first nine months  
(+37.1%)

**AlliedBarton  
Security Services**

Acquisition finalized  
for approx. \$1.68 bn

Dear Shareholders,

Once again this year at Wendel's annual Investor Day, we focused on the unlisted companies in our portfolio and their myriad qualities. Investor Day also gave the financial community an opportunity to meet the executives of our companies and fully appreciate their value-creating potential.

In 2013, we announced a plan to invest €2 billion by 2017 in assets in Europe, North America and Africa. We are pleased to say that we have fully achieved these investment objectives nearly two years ahead of schedule, and we were particularly proud to welcome our new partners, who are witnessing of this decisive step in realizing our ambitions. I would like to thank Bill Whitmore, Chairman & CEO of AlliedBarton Security Services, our newest acquisition in the United States, Alex Baumgartner, CEO of Constantia Flexibles, a world leader in flexible packaging, and John Belfance, CEO of CSP Technologies, a leader in the niche market of polymer packaging solutions, for having travelled so far to come and share with us their ambitions and passion for the companies they run. I would also like to thank Issam Darwish, founder and CEO of IHS, a company pursuing its impressive growth in Africa, buoyed by the continent's cell phone boom and telecom tower market consolidation.

Over the coming months, Wendel will pursue its international development strategy. We will focus on developing our companies, and in particular supporting and integrating our recent acquisitions. And with the international dimension of our organization made even stronger by our new office in London, we will be exploring new investment avenues.

I wish you and your family all the very best for 2016 and hope that you achieve your goals and aspirations.

**Frédéric Lemoine, Chairman of the Executive Board**

## Investor Day 2015: Creating value through diversification

Before handing the floor to the CEOs of our unlisted companies who attended our 2015 Investor Day, Frédéric Lemoine and Bernard Gautier reviewed the highlights of 2015, a particularly active year for Wendel. In 2015, Wendel achieved its 2013-17 investment goal nearly two years ahead of schedule, with a focus on unlisted companies: Constantia Flexibles, CSP Technologies, AlliedBarton and IHS, in which Wendel reinvested an additional \$109 million as planned. As a consequence of these transactions, Wendel is now far more international and has a far greater exposure to unlisted investments. Unlisted gross assets now represent 36% of our gross asset; back in 2012, they represented just 10%. This rebalancing is a result both of our recent acquisitions and of our sale of Saint-Gobain and Bureau Veritas shares. Wendel now holds 11.6% of Saint-Gobain shares and 40.5% of Bureau Veritas shares, and has maintained the same level of influence in the governance of both companies. Wendel is now also more broadly diversified. The Group exposure to the construction sector now represents less than one-quarter of the portfolio compared to 39% three years ago, and the exposure to the healthcare sector and consumer products has increased from 10% to 20% over the same period.

### Constantia Flexibles

Constantia Flexibles is Wendel's largest acquisition since its investment in Saint-Gobain. Alexander Baumgartner, who recently took over as CEO, came to present the business, strengths and value-creation potential of Constantia Flexibles, whose flexible packaging is part of our everyday lives.

Having achieved revenue growth of almost 10% per year over the last 10 years, Constantia Flexibles is now the world's fourth largest and Europe's second largest flexible packaging provider. Constantia Flexibles is one of the world's foremost providers in the agri-foods sector, and the world's leader in beer bottle labels and aluminum confectionery packaging. Constantia Flexibles makes a total of more than 250 billion labels every year for its customers.

Developing in a market dominated by long-term trends such as urbanization and the emergence of the middle classes in emerging market countries, Constantia Flexibles is now looking to step up its internationalization, with a focus on high-growth regions. The company has already taken advantage of Wendel's network in these regions, acquiring Afripack in South Africa and Pemara in South-East Asia. In the medium term, Constantia Flexibles will concentrate on developing its product range, with a particular focus on innovation.



Alexander Baumgartner, CEO

For further information, please visit: [www.cflex.com](http://www.cflex.com) >

### CSP Technologies

At the *Investor Day* 2014, Wendel announced the acquisition of CSP Technologies and this year its CEO, John Belfrance, came from Alabama to present the company he runs.

CSP Technologies is an engineering company offering innovative solutions based on high-performance plastics. It has a unique know-how and its products meet the highest production standards. Owing to its emphasis on excellence, it has "never lost a client" and has risen to become the world leader in manufacturing test strip packaging for diabetics. Around 90% of test strip vials are manufactured by CSP.

The company also holds around 70% of market share in dairy sampling vials in the United States and around 55% in Europe.

In the future, CSP intends to maintain its strong growth in all fields in which it operates, and to develop new patents so as to diversify and make acquisitions.



John Belfrance, CEO

For further information, please visit: [www.csptechnologies.com](http://www.csptechnologies.com) >

## AlliedBarton Security Services

AlliedBarton Security Services is Wendel's most recent investment in the United States. It's CEO, Bill Whitmore, came from Philadelphia to present the company to Wendel investors.

As a leader in security services in the United States, AlliedBarton generates revenues of \$2.2 billion<sup>(1)</sup> with free cash flow of over 95%, employs close to 64,000 security agents and professionals and serves over 3,300 clients. Present in 47 states in the United States, it is strongly established at the national level and is developing in a security services market valued at over \$20 billion and still highly fragmented. This could offer AlliedBarton outstanding opportunities for organic growth and acquisitions in the future. Since AlliedBarton operates in a wide range of sectors including commercial real estate, colleges and universities, healthcare facilities, financial institutions and government services, defense and aerospace, petrochemicals and shopping centers, it has diverse revenue sources which will ensure it maintains a certain level of financial stability year after year. AlliedBarton aims to continue developing its market share in the segments in which it is already present and has a growing client base owing to the increasing trend of outsourcing security services.

(1) Revenues over 12 months until June 30, 2015

For more information:  
[www.alliedbarton.com](http://www.alliedbarton.com) >



Bill Whitmore, CEO

## IHS



Issam Darwish, Executive Vice-Chairman and CEO

Issam Darwish, Executive Vice-Chairman/CEO and founder of IHS first came to Investor Day in 2012. Three years on, he has come back to talk to us about his company, specialized in telecom tower infrastructure. In the space of three years, IHS has taken on a new dimension. At the end of 2012, Issam Darwish spoke of his ambition to operate 20,000 towers by 2018. This objective was achieved three years in advance. In fact, not just achieved, but exceeded, since in the last three years the company has grown from 1,000 towers in Nigeria to almost 24,000 towers in five countries today – Nigeria, Côte d'Ivoire, Cameroon, Rwanda and Zambia. IHS's outstanding growth has made it the leader in telecom tower infrastructure in Africa and EMEA, as well as the world's ninth biggest company in this sector. In the

five countries in which it is present, IHS employs around 1,700 people and generates more than 40,000 indirect jobs. It now plans to develop new countries and have 40,000 towers in its portfolio by 2019.

For more information:  
[www.ihstowers.com](http://www.ihstowers.com) >

For more information,  
please visit the [Finance/Presentations and meetings](#) section >

### Saint-Gobain is signatory of business climate pledge and official sponsor of COP21

In the lead-up to the Paris climate summit (COP 21), 39 major French companies including Saint-Gobain, have signed a business climate pledge, making a firm commitment to combat climate change.

From 2016 to 2020, the 39 companies plan to invest at least 45 billion euros in industrial projects and R&D devoted to renewable energy, energy efficiency and other low carbon technologies.

Saint-Gobain was also an official sponsor of the 21<sup>st</sup> annual Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC), during which participants reached a new international agreement, applicable to all countries, with a view to containing global warming below 1.5°C.

With this sponsorship, Saint-Gobain is reiterating its commitment to environmental protection and reasserting its aim of becoming the benchmark for sustainable habitat.

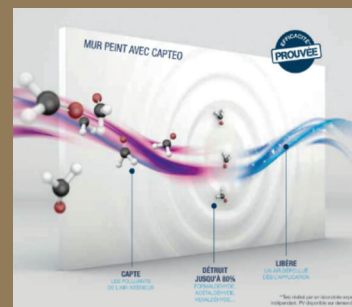


For further information, please visit: [www.saint-gobain.com](http://www.saint-gobain.com)

### Cromology innovates with depolluting paints

Based on the knowledge that indoor air pollution is five to ten times worse than outdoor pollution, Cromology has developed a paint that improves indoor air quality. It uses an innovative technology that captures and neutralizes the major indoor air pollutants, which are formaldehyde, acetaldehyde and hexaldehyde. When applied to the four walls of a room, this paint absorbs up to 80% of these pollutants.

Since its release, the product has been marketed under seven brands in three countries. In France, Cromology's depolluting paint is called Capteo and is sold under the Tollens brand.



For further information, please visit: [www.tollens-professionnels.com](http://www.tollens-professionnels.com)



### Centre Pompidou-Metz

In February 2016, in keeping with COP21, the Centre Pompidou Metz will host a major, multidisciplinary exhibition on our relationship with nature, entitled *"Sublime. The Tremors of the World"*, which expresses the combination between attraction and repulsion, fascination and terror we feel when we face the furies of nature. In an era of ecological catastrophes, climatic upheavals and scaremongering, the exhibition offers visitors a unique journey exploring this fascination from its origins in the 18<sup>th</sup> century up until today.

For further information, please visit: [www.centrepompidou-metz.fr](http://www.centrepompidou-metz.fr)

## NAV at November 18, 2015: €140.3 per share

Net asset value (NAV), published today, totaled €140.3 per share as of November 18, 2015, vs. €123.2 on December 31, 2014.

(in millions of euros)			11/18/2015
<b>Listed equity investments</b>	Number of shares (millions)	Share price <sup>(1)</sup>	<b>6,103</b>
Bureau Veritas	177.2	€19.9	3,526
Saint-Gobain	65.8	€39.2	2,578
<b>Unlisted equity investments (Cromology, Stahl, IHS, Constantia Flexibles) and Oranje-Nassau Développement<sup>(2)</sup></b>			<b>3,127</b>
<b>Other assets and liabilities of Wendel and holding companies<sup>(3)</sup></b>			<b>187</b>
Cash and marketable securities <sup>(4)</sup>			1,524
<b>Gross assets, revalued</b>			<b>10,943</b>
Wendel bond debt and accrued interest			(4,208)
<b>Net Asset Value</b>			<b>6 734</b>
Number of shares			47,991,680
<b>Net Asset Value per share</b>			<b>€140.3</b>
Average of 20 most recent Wendel share prices			€108.8
<b>Premium (discount) on NAV</b>			<b>(22.4%)</b>

(1) Average of 20 most recent closing prices calculated as of November 18, 2015.

(2) NOP, Saham, Mecatherm, Parcour, exceet, CSP Technologies, indirect investments and debt

(3) Including 1,806,359 treasury shares as of November 18, 2015.

(4) Cash and marketable securities owned by Wendel and holding companies, including €1,190 million in cash on hand and €334 million in liquid financial investments.

Assets and liabilities denominated in currencies other than the euro have been converted at exchange rates prevailing on November 18, 2015.

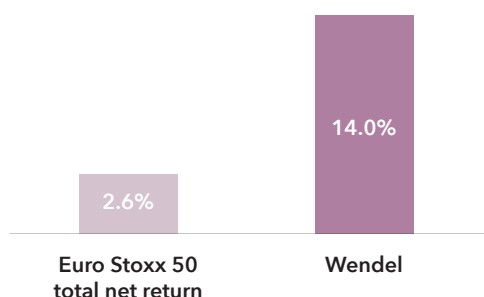
If the co-investment conditions are realized, there could be a dilutive effect on Wendel's percentage ownership. These items have been taken into account when calculating NAV. See page 199 of the 2014 Registration Document.

The valuation of Saham Finances, the insurance subsidiary of the Saham group, in the November 18, 2015 NAV does not take into account the price of the Sanlam group transaction, announced on November 24.

**Total shareholder return on Wendel shares (TSR) vs. the Euro Stoxx 50 as of November 18, 2015** (source: Factset)

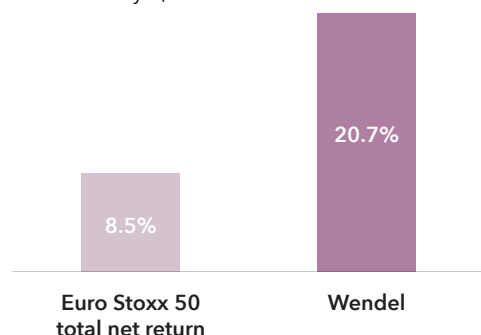
### Annualized TSR

since June 13, 2002



### Annualized TSR

since January 1, 2009



## Next on the agenda

3/31/2016

2015 full-year results / Publication of NAV (pre-market release)

6/1/2016

Shareholders' Meeting / Publication of NAV and trading update (before Shareholders' Meeting)

9/8/2016

H1 2016 earnings / Publication of NAV (pre-market release)

## Wendel at the Salon Actionaria

For the sixth year in a row, Frédéric Lemoine, (Chairman of the Executive Board), Jérôme Michiels (CFO) and the financial communications and shareholder relations teams welcomed visitors at the Actionaria trade show in the Palais des Congrès in Paris on November 20 and 21, 2015.

Many of you took advantage of the opportunity to visit us and learn about Wendel or get to know us better. For us, these two days constituted a special opportunity to speak with you and answer your questions in a personalized manner.




# Contacts

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## Individual shareholders

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